(Please scan the QR to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated: September 27, 2024
Please read section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

VMS TMT LIMITED

CORPORATE IDENTITY NUMBER: U27204GJ2013PLC074403

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Survey No 214 Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India.	Boliya Vijay Amrabhai, Company Secretary and Compliance Officer	**Email:** compliance@vmstmt.com **Tel:** +91 63575 85711	www.vmstmt.com

PROMOTERS OF OUR COMPANY: VARUN MANOJKUMAR JAIN, RISHABH SUNIL SINGHI, MANOJKUMAR JAIN AND SANGEETA JAIN

DETAILS OF THE ISSUE TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBS, NIIS AND RIIS
Fresh Issue	Up to 1,50,00,000 equity shares of face value of ₹ 10 each ("**Equity Shares**") aggregating up to ₹ [●] lakhs	Not Applicable	Up to 1,50,00,000 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] lakhs ("**Issue**")	The Issue is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors, see "*Issue Structure*" on page 316.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of each Equity Share is ₹ 10. The Floor Price, the Cap Price and the Issue Price, (as determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in *"Basis for Issue Price"* on page 106), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

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 this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Issue, the Designated Stock Exchange is [●].

BOOK RUNNING LEAD MANAGER

Name and logo Book Running Lead Manager	Contact Person	Email and Telephone
Arihant Capital Generating Wealth **Arihant Capital Markets Limited**	Amol Kshirsagar/Satish Kumar Padmanabhan	**Telephone:** +91 22 4225 4800 **Email:** mbd@arihantcapital.com

REGISTRAR TO THE ISSUE

Name and logo of Registrar	Contact Person	Email and Telephone
KFINTECH EXPERIENCE TRANSFORMATION **Kfin Technologies Limited**	M. Murali Krishna	**Tel:** + 91 40 67162222 **E-mail:** vtl.ipo@kfintech.com

BID/ISSUE PERIOD

ANCHOR INVESTOR BID/ISSUE PERIOD*	[●]*	BID/ISSUE OPENS ON**	[●]	BID/ISSUE CLOSES ON**	[●]**^

**Our 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 Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
***Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*
^UPI mandate end time and date shall be at 5:00 p.m. on the Bid/Issue Closing Date.

DRAFT RED HERRING PROSPECTUS
Dated: September 27, 2024
Please read section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
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(Please scan the QR to view the Draft Red Herring Prospectus)

VMS TMT LIMITED

Our Company was incorporated as 'VMS TMT Private Limited' a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, Gujarat at Dadra Nagar and Haveli on April 9, 2013. The name of our Company was subsequently changed to 'VMS TMT Limited', upon conversion into a public company, pursuant to a board resolution dated October 16, 2023, and a shareholder resolution dated November 10, 2023, and a fresh certificate of change of name was issued on December 1, 2023, by the Registrar of Companies, Gujarat at Ahmedabad. For further details relating to the change in the registered office of our Company, see "History and Certain Corporate Matters – Changes in the registered office of our Company" on page 192.

Corporate Identity Number: U27204GJ2013PLC074403
Registered and Corporate Office: Survey No. 214, Bhayla Village, Near Water Tank, Bavla, Ahmedabad-382220, Gujarat, India.
Contact Person: Boliya Vijay Amrabhai, Company Secretary and Compliance Officer; **Tel:** +91 63575 85711
E-mail: info@vmsil.in, **Website:** www.vmstmt.com

OUR PROMOTERS: VARUN MANOJKUMAR JAIN, RISHABH SUNIL SINGHI, MANOJKUMAR JAIN AND SANGEETA JAIN

INITIAL PUBLIC OFFERING OF UP TO 1,50,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND ALTOGETHER WITH THE BSE, THE "STOCK EXCHANGE") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding ten Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

This is an Issue in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs** and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**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 price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. 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 to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders ("**Non-Institutional Portion**") (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size between ₹ 2 lakhs up to ₹ 10 lakhs and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size exceeding ₹ 10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA Process. For further details, see "*Issue Procedure*" on page 319.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Issue Price or the Price Band as (determined by our Company in consultation with the BRLM, in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price"* on page 106), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 389.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Arihant Capital Generating Wealth	KFINTECH EXPERIENCE TRANSFORMATION
Arihant Capital Markets Limited 1011 Solitaire Corporate Park, Building No. 10, Guru Hargovindji Road, Chakala, Andheri (East), Mumbai – 400 093 **Telephone:** +91- 22-4225 4800 **Email:** mbd@arihantcapital.com **Website:** www.arihantcapital.com **Investor Grievance ID:** vmsipo@arihantcapital.com **Contact Person:** Amol Kshirsagar /Satish Kumar Padmanabhan **SEBI Registration Number:** INM000011070	**KFin Technologies Limited** Selenium Tower B, Plot No. 31 and 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad-500 032, Telangana, India **Telephone:** +91-40-67162222 **E-mail:** vtl.ipo@kfintech.com **Website:** www.kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com **Contact person:** M. Murali Krishna **SEBI registration number:** INR000000221

BID/ISSUE PROGRAMME	
ANCHOR INVESTOR BID/ISSUE PERIOD	**[●]***
BID/ISSUE OPENS ON	**[●]****
BID/ISSUE CLOSES ON	**[●]**^

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

***Our Company may, in consultation with the BRLM, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulation.*

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, legislation, act, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

The terms not defined herein but used in "Objects of the Issue", "Basis of Issue Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Financial Information", "Financial Indebtedness", "Outstanding Litigation and Other Material Developments", "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association", on pages 92, 106, 115, 120, 186, 192, 224, 284, 287, 319 and 344 respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
our Company / the Company / the Issuer	VMS TMT Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Survey No. 214, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India
we / us / our	Unless the context otherwise indicates or implies, refers to our Company as on the date of this Draft Red Herring Prospectus.

Company Related Terms

Term	Description
Articles of Association / Articles / AoA	Articles of association of our Company, as amended from time to time
Audit Committee	Audit Committee of our Board. For more details see "*Our Management – Corporate Governance-Audit Committee*" on page 198
Auditors / Statutory Auditors	Statutory auditors of our Company, currently being Suresh Chandra & Associates, Chartered Accountants
Board / Board of Directors	Board of directors of our Company, as constituted from time to time or any duly constituted committee thereof. For details see *"Our Management – Board of Directors"* on page 198
Chairman and Managing Director	The Chairman and Managing Director of our Company, namely Varun Manojkumar Jain. For details, see *"Our Management"* on page 198
Chief Financial Officer / CFO	The Chief Financial Officer of our Company, namely Vikram Babubhai Patel. For details, see *"Our Management – Key Managerial Personnel"* on page 198
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely Boliya Vijay Amrabhai. For details, see *"Our Management – Key Managerial Personnel"* on page 198
Corporate Social Responsibility Committee / CSR Committee	The Corporate Social Responsibility Committee of our Company. For details see "*Our Management – Corporate Governance - Corporate Social Responsibility Committee*" on page 198
Director(s)	The director(s) on the Board of Directors, as appointed from time to time
D&B	Dun & Bradstreet Information Services India Private Limited
Dun & Bradstreet Report	The report titled *"TMT Bars Industry in India"* dated September 19, 2024, prepared by D&B
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	Executive director(s) on our Board. For further details of the Executive Directors, see *"Our Management"* on page 198

Term	Description
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations and the Materiality Policy of our Company. For details, see *"Group Companies"* on page 215
Independent Chartered Engineer	B. P. Oza & Associates, Independent Chartered Engineer having firm registration no. M-131433-5
Independent Chartered Accountant	Sunil Poddar & Co., Independent Chartered Accountant having firm registration number-110603W
Independent Director(s)	The Non-Executive Independent Director(s) on our Board appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of our Independent Directors, see "*Our Management - Board of Directors*" on page 198
IPO Committee	The IPO Committee of our Board. For details see "*Our Management – Corporate Governance - IPO Committee*" on page 198.
Key Managerial Personnel / KMP	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, which includes Key Managerial Personnel in terms of the Companies Act. For details, see *"Our Management – Key Managerial Personnel"* on page 198
Materiality Policy	The materiality policy of our Company adopted pursuant to a resolution of our Board dated August 12, 2024, for identification of: (a) outstanding material litigation proceedings; (b) material group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
Memorandum of Association / Memorandum/ MoA	The Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee / NRC Committee	The Nomination and Remuneration Committee of our Company. For details see "*Our Management – Corporate Governance - Nomination and Remuneration Committee*" on page 198
Non – Executive Director(s)	A director, not being an Executive Director. For further details of the Non- Executive Director, see *"Our Management"* on page 198
Promoter(s)	The Promoters of our Company namely, Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain, and Sangeeta Jain. For details, see in *"Our Promoters and Promoter Group"* on page 215
Promoter Group	Such persons and entities constituting the Promoter Group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in *"Our Promoters and Promoter Group"* on page 215
Registered /Corporate Office	The registered and corporate office of our Company is located at Survey No. 214, Bhayla Village, Near Water Tank Bavla, Ahmedabad - 382220, Gujarat, India
Registrar of Companies / RoC	Registrar of Companies, Gujarat at Ahmedabad. For further information, see *"General Information"* on page 69.
Restated Financial Information	The restated financial information of our Company, comprising the restated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the restated statement of significant accounting policies and other explanatory notes of our Company, derived from audited financial statements as at and for each of the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, each prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI
Senior Management Personnel	Senior management personnel of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations, as disclosed in *"Our Management"* on page 198
Shareholders	The holders of the Equity Shares of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders' Relationship Committee of our Company. For details, see "*Our Management – Corporate Governance- Stakeholders Relationship Committee*" on page 198
Whole-time Director	The Whole-time Director of our Company. For details see "*Our Management*" on page 198

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Issue to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(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 who has Bid or an amount of at least ₹100 lakhs
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM during the Anchor Investor Bidding Date
Anchor Investor Application Form	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 the Prospectus
Anchor Investor Bid/ Issue Period or Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, 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 accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Issue Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in "*Issue Procedure*" on page 319.
Bid(s)	An indication to make an offer during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date 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

Term	Description
	modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant 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 RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid which was net of the Employee Discount, as applicable
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located), and in case of any revision, the extended Bid/ Issue Closing Date shall also 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 the Designated Intermediaries and Sponsor Bank(s), as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date, in accordance with the SEBI ICDR Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located), and in case of any revision, the extended Bid/ Issue Period also 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 the Designated Intermediaries and Sponsor Bank(s), as required under the SEBI ICDR Regulations
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Issue Period will comprise Working Days only
Bidder / Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made

Term	Description
Book Running Lead Manager / BRLM	The book running lead manager to the Issue, namely Arihant Capital Markets Limited
Broker Centre	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
CAN or Confirmation of Allocation Note	The notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into between our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, the Banker(s) to the Issue, *inter alia*, for the appointment of the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Issue Price, as finalised by our Company, in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cutoff time of 5:00 pm on after the Bid/Issue Closing Date
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Issue
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs with an application size of up to ₹2 lakhs and Non-Institutional Bidders Bidding with an application size of up to ₹ 5 lakhs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 27, 2024, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Issue, including the price at which the Equity Shares will be Allotted and the size of the Issue, and includes any addenda or corrigenda thereto.
Eligible FPIs	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRIs	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account(s)	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Floor Price	The lower end of the Price Band, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids, will be accepted
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM
Issue	The initial public offer of up to 1,50,00,000 equity shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to ₹ [●] lakhs consisting of a issue of up to [● equity shares of face value of ₹10 each aggregating up to ₹ [●] lakhs by our Company
Issue Agreement	The agreement dated September 27, 2024 amongst our Company and the BRLM, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Issue
Issue Price	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For details, see *"Objects of the Issue"* on page 92
Monitoring Agency Agreement	The Agreement to be entered into between our Company and the Monitoring Agency
Monitoring Agency	Monitoring agency appointed pursuant to the Monitoring Agency Agreement, namely [●]

Term	Description
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	Up to 5% of the Net QIB Portion, or [●] equity shares of face value of ₹ 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 Issue Price
Net Proceeds	The gross proceeds less Issue-related expenses applicable to the Issue. For details, see "*Objects of the Issue*" on page 92
Net QIB Portion	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors or NII(s) or Non-Institutional Bidders or NIB(s)	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 2 lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue comprising of [●] equity shares of face value of ₹ 10 each which shall be available for allocation to NIIs in accordance with the SEBI ICDR Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. The allocation to the NIIs shall be as follows: a) One-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹2 lakhs and up to ₹10 lakhs; and b) Two-thirds of the Non-Institutional Portion shall be reserved for applicants with an 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
Non-Resident or NR	A person resident outside India, as defined under FEMA, and includes non-resident Indians, FVCIs and FPIs.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the Book Running Lead Manager, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with a wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account Bank(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Issue Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Public Issue Account(s)	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue, consisting of [●] equity shares of face value of ₹10 each which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price
Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. However, non-residents which are FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

Term	Description
Red Herring Prospectus or RHP	The red herring prospectus, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be 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(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registered Broker	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated September 27, 2024 entered amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
Registrar, or Registrar to the Issue	The Registrar to the Issue namely KFin Technologies Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidders or RIB(s) or Retail Individual Investors or RII(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹2 lakhs in any of the Bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 35% of the Issue size consisting of [●] equity shares of face value of ₹10 each which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at 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, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank(s)	The Banker(s) to the Issue registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in

Term	Description
	order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Agreement to be entered into among our Company, the BRLM, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than BRLM) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Issue and carry out activities as an underwriter namely, [●]
Syndicate or members of the Syndicate	Together, the BRLM and the Syndicate Members
Systemically Important Non-Banking Financial Company or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into amongst the Underwriters, and our Company on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidders	Collectively, individual investors applying as RIBs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 5 lakhs in the Non-Institutional Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5 lakhs shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	Collectively, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021 SEBI circular number 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/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI RTA Master Circular and SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 SEBI circular 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 and Stock Exchanges in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder to make a Bid in the Issue in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction

Term	Description
Wilful Defaulter	A wilful defaulter, as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars

Technical/ Industry Related Terms

Term	Description
AAI	Airports Authority of India
ADR	Average Daily Rate
BIS	Bureau of Indian Standards
BOF	Basic Oxygen Furnace
CCM	Continuous Casting Machine
CRGO	Cold Rolled Grain Oriented
DMISP	Domestically Manufactured Iron & Steel Products Policy
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
ECLGS	Emergency Credit Linked Guarantee Scheme
FTAs	Foreign Tourist Arrivals
GFCF	Gross fixed capital formation
GVA	Gross Value Added
IF	Induction Furnace
IGBC	Indian Green Building Council
ISA	Indian Steel Association
KPI	Key Performance Indicators
kVAh	kilovolt-ampere hour
LRF	Ladle Refining Furnace
MS Pipe	Mild Steel Pipe
MNRE	Ministry of New & Renewable Energy
MoHUA	Ministry of Housing and Urban Affairs
NIHUD	National Institute of Housing and Urban Development
NIP	National Infrastructure Pipeline
NSO	National Statistics Office
PBDIT	Profit Before Depreciation, Interest, and Taxes
PFCE	Private Final Expenditure
PLI	Production Linked Incentive
PMAY	Pradhan Mantri Awas Yojana
PPP	Public-Private Partnerships
RevPAR	Revenue Per Available Room
RINL	Rashtriya Ispat Nigam Limited
SAIL	Steel Authority of India
SCAI	Shopping Centre Association of India
TMT	Thermo-Mechanically Treated
TPA	tons per annum
WEO	World Economic Forum
WPI	Wholesale Price Index

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the SEBI AIF Regulations
BSE	BSE Limited

Term	Description
CAGR	Compounded Annual Growth Rate
Calendar Year / year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013 / Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder
Depository / Depositories	NSDL and CDSL
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP / Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FDI Circular or Consolidated FDI Policy	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / FY / F.Y.	Period of twelve months ending on March 31 on that particular year, unless stated otherwise
F.O.R	Freight on Road
FI	Financial institutions
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Central Government / GoI	Government of India
GST	Goods and service tax
HUF	Hindu undivided family
IT Act	The Information Technology Act, 2000
I.T. Act	The Income Tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of fund-based lending rate

Term	Description
Mn / mn	Million
N.A / NA	Not applicable
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net asset value
NBFC	Non-Banking Financial Companies
NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
NCLT	National Company Law Tribunal
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Deposit Limited
NSE	National Stock Exchange of India Limited
OCB/ 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 had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit After Tax
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
Rs. / Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Term	Description
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
Specified Securities	Equity shares and/or convertible securities
State Government	Government of a state of India
Stock Exchanges	Collectively, the BSE and NSE
STT	Securities transaction tax
TAN	Tax deduction account number
TDS	Tax deducted at source
U.S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America
USA/ U.S/ US	The United States of America
USD/ US$/ $	United States Dollars
VAT	Value added tax
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

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

All references in this Draft Red Herring Prospectus to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the year ended on March 31, of that calendar year.

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

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time ("**IST**").

Financial Data

The Restated Financial Information of our Company, comprising the restated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the restated statement of significant accounting policies and other explanatory notes of our Company, derived from audited financial statements as at and for each of the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, each prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI . See "*Summary of the Issue Document - Summary of Restated Financial Information*" and "*Financial Information*" on pages 19 and 224, respectively.

Unless otherwise stated or the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 160 and 262, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Our Restated Financial Information have been prepared in accordance with Ind AS. There are significant differences between International Financial Reporting Standards ("**IFRS**") and Generally Accepted Accounting Principles in the United States of America ("**U.S. GAAP**"). The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. Accordingly, any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial information. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "*Risk Factors - Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material* *to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus*" on page 25.

Certain additional financial information pertaining to our Group Companies are derived from their respective audited financial statements.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals, including percentages, have been rounded off to two decimal points. 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. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded off to such number of decimal points as provided in their respective sources.

All figures in diagrams and charts, including those relating to financial information, operational metrics and key performance indicators, have been rounded to the nearest decimal place, whole number, thousand or lakhs, as applicable.

Non-GAAP Financial Measures

Certain Non-GAAP Measures relating to our operations and financial performance including EBITDA, EBITDA Margin, RoE, and RoCE ("**Non-GAAP Measures**") have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These Non-GAAP Measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by generally accepted accounting principles, including Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to "Rupee(s)", "Rs.", "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India.All references to "$", "US$", "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, unless the context otherwise requires, 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". Figures sourced from third-party industry sources may be expressed in denominations other than lakhs or maybe rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the other currencies used in the Draft Red Herring Prospectus:

(in ₹)

Currency	Exchange rate		
	March 31, 2024	March 31, 2023	March 31, 2022
USD	83.37	82.22	75.81

Source: www.fbil.org.in
Note: Exchange rate is rounded off to two decimal point.
Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

Industry and market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Draft Red Herring Prospectus is derived from the industry report titled "*TMT Bars Industry in India*" dated September 19, 2024 (the "**Dun & Bradstreet Report**") which has been exclusively commissioned and paid for by our Company, pursuant to an engagement letter dated May 4, 2024, for the purpose of understanding the industry in connection with this Issue, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the Dun & Bradstreet Report. This Draft Red Herring Prospectus contains certain data and statistics from the Dun & Bradstreet Report, which is available on the website of our Company at www.vmstmt.com

Dun & Bradstreet Information Services India Private Limited ("**D&B**") is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management Personnel or the Book Running Lead Manager.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable. Further, D&B has confirmed that to the best of its knowledge no consent is required from any Government or other source from which any information is used in the Dun & Bradstreet Report.

The Dun & Bradstreet Report is subject to the following disclaimer:

"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 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."

For details of risks in relation to Dun & Bradstreet Report, see "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks*" on page 25. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI ICDR Regulations, *"Basis for Issue Price"* beginning on page 106 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", 'are likely', "believe", "continue", "expect", "estimate", "intend", "will likely", "likely to", "may", "seek to", "shall", "objective", "plan", "project", "propose", "will", "will continue", "will pursue", "will achieve", "can", "could", "goal", "should" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities, investments, or the industry in which we operate, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations, taxes, changes in competition in the industry in which we operate and incidents of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Dependency on the availability and cost of our raw materials and on third party suppliers for meeting our raw material requirements.

- Dependency on the retail licence agreements entered into with Kamdhenu Limited.

- Deriving a significant portion (more than 80% in Fiscal 2024) of our revenue from operations from our top three customers, with our single largest customer contributing more than 29%, of our revenue from operations in the Fiscal 2024.

- Reliance on our distributors for the distribution of our TMT Bars.

- Our investments in manufacturing new MS Pipe products may not be successful.

- Any risk of unanticipated delays in implementation and cost overruns of our backward integration plans relating to our TMT Bar manufacturing.

- The demand and pricing in the TMT Bar are volatile and sensitive to the cyclical nature of the industries it serves and raw material prices.

- We face competition from national and local players.

- Concentration of our manufacturing facilities and our sales in Gujarat, India.

- Dependency upon the knowledge and experience of our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 25, 160 and 262, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, our Promoters, the Book Running Lead Manager, the Syndicate Members nor any of their respective affiliates or advisors 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 will ensure that Bidders in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Issue from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE ISSUE DOCUMENT

The following is a general summary of certain disclosures and the terms of the Issue included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "The Issue", "Capital Structure", "Objects of the Issue", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Financial Information", "Outstanding Litigation and Other Material Developments" and "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 25, 61, 69, 92, 120, 160, 215, 224, 287 and 319 respectively of this Draft Red Herring Prospectus.

Summary of Primary business of our Company

We are engaged in manufacturing of Thermo Mechanically Treated Bars ("**TMT Bars**") at our manufacturing facility situated at Bhayla Village, Ahmedabad, Gujarat, India. We conduct our business predominantly in the State of Gujarat from where we derived over 98% of our revenues from operations in Fiscal 2024. We have a retail licence agreement dated November 7, 2022, with Kamdhenu Limited which allows us to market our TMT Bars under the brand 'Kamdhenu NXT' on mutually agreed terms within the State of Gujarat on a non-exclusive basis. We sell our TMT Bars to customers through distribution network, on a non-exclusive basis.

Summary of the Industry in which our Company operates

The TMT Bars industry in India is experiencing significant growth, fuel by increasing demand from the construction, infrastructure, and real estate sectors. Crude steel production has expanded steadily, bolstered by government initiatives like the 'Make in India' policy and strategic infrastructure projects. Key demand drivers include urbanization, large-scale infrastructure projects such as highways, airports, and railways, and the ongoing development of residential real estate. Technological advancements and adherence to environmental regulations are further shaping the industry's trajectory, positioning it for continued expansion in the coming years. *(Source: Dun & Bradstreet Report)*

Our Promoters

Our Promoters are Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain, and Sangeeta Jain. For further details, see "*Our Promoters and Promoter Group*" on page 215.

Issue Size

Issue of Equity Shares	Up to 1,50,00,000 equity shares of face value of ₹10 each for cash at price of ₹ [●] per Equity Shares (including premium of [●] per Equity Shares), aggregating up to ₹ [●] lakhs

Note: The Issue has been authorized by a resolution of our Board dated July 22, 2024, and by a special resolution of our Shareholders dated July 24, 2024.

The Issue would constitute [●] % of the post-Issue paid-up Equity Share capital of our Company. The above table summarises the details of the Issue. For further details of the Issue, see "*The Issue*" and "*Issue Structure*" on pages 61 and 316, respectively.

Objects of the Issue

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

Particulars	**Estimated amount[1] (₹ in lakhs)**
Funding capital expenditure for setting up of solar power plant at Survey Nos. 82, 81, 63, 64, 61,49,40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha District, Gujarat – 385565. ("**Solar Power Plant**");	4,640.00
Funding long-term working capital requirements of our Company;	3,000.00
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company;	1,100.00
General Corporate Purposes[(1)]	[●]
Total	[●]

[(1)] *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Issue*" on page 92.

Aggregate Pre-Issue shareholding of our Promoters, the Promoter Group (other than our Promoters) as a percentage of the pre-Issue paid-up Equity Share Capital

1. The aggregate pre-Issue shareholding of our Promoters, as a percentage of the pre-Issue paid-up Equity Share capital of our Company is set out below:

Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of pre-Issue paid-up equity share capital (%)*
Varun Manojkumar Jain	85,00,000	24.54
Rishabh Sunil Singhi	1,20,14,760	34.69
Manojkumar Jain	1,02,81,250	29.69
Sangeeta Jain	25,46,275	7.35
Total	**3,33,42,285**	**96.28**

* *Rounded-off*

2. The aggregate pre-Issue shareholding of the members of the Promoters Group (other than our Promoter), as a percentage of the pre-Issue paid- up Equity Share capital of our Company is set out below:

Name of the Shareholder	No. of equity shares of face value of ₹ 10 each	Percentage of pre-Issue paid-up equity share capital (%)
Varuna Jain	25	Negligible
Sunil Jeevrajji Singhi	250	Negligible
Sunny Sunil Singhi	250	Negligible
Total	525	Negligible

For further details, see "*Capital Structure*" on page 69.

Summary of Restated Financial Information:

A summary of the financial information of our Company, as at and for the Fiscal Years ended March 31, 2024, 2023 and 2022 based on our Restated Financial Information, respectively, is as follows:

(in ₹ lakhs except per share data)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Share Capital	1,333.71	1,261.29	989.54
Net worth	4,651.27	3,083.77	1,868.28
Revenue from operations	87,295.77	88,201.35	49,372.50
Profit after Tax	1,346.84	419.53	687.95
Earnings Per Share – Basic & Diluted (₹)	4.01	1.39	2.28
NAV per Equity Shares (₹)	13.84	10.20	6.18
Total Borrowings	19,786.00	16,269.68	11,763.06

Notes:

1. *Basic EPS (₹) = Basic earnings per share is calculated by dividing the Restated Profit for the year by the number of Equity Shares outstanding at the year-end, after considering impact of bonus issuance retrospectively, for all periods presented.*
2. *Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the Restated Profit for the year by the number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and after considering impact of bonus issuance retrospectively, for all periods presented.*
3. *Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year, after considering impact of bonus issuance on June 22, 2024.*
4. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, preliminary expense, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, where applicable, (in compliance with the provisions of section 2(57) of the Companies Act, 2013 and regulation 2(1)(hh) of the SEBI ICDR Regulations) for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.*

For further details, see "*Other Financial Information*" on page 259.

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

There are no qualifications from the Statutory Auditors in the examination report that have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings of our Company, Directors, Promoters and Group Companies as disclosed in "*Outstanding Litigation and Material Developments*" on page 287, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to resolution dated August 12, 2024 as of the date of this Draft Red Herring Prospectus is set forth below:

(in ₹ Lakhs, unless otherwise specified)

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations*	Aggregate Amount Involved (₹ in lakhs)**
Company						
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	1	Nil	Nil	Nil	53.37
Directors (other than promoters)						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	1	4	Nil	Nil	Nil	287.66
Group Companies						
By our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against our Group Companies	1	8	Nil	Nil	1	1,096.26

** In accordance with the Materiality Policy*
***To the extent quantifiable*

An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 287.

Risk Factors

Specific attention of the investors is invited to "*Risk Factors*" on page 25. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Summary of Contingent Liabilities

As of March 31, 2024, contingent liabilities as per Ind AS 37 as indicated in our Financial Information are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2024
Guarantees issued by the Company's Bankers on behalf of the Company	1,660.13
GST Claims against the Company	53.37
Total	**1713.50**

For further details of contingent liabilities as at March 31, 2024, see "*Restated Financial Information— Note 32"* on page 224.

Summary of Related Party Transactions

Summary of the related party transactions of our Company Financial Year ended March 31, 2024, 2023 and 2022, as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations, derived from Restated Financial Information read with SEBI ICDR Regulations are set forth in the table below:

(In ₹ lakhs)

Name of related parties & Relation	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Manojkumar Jain	Remuneration	76.80	38.40	-
Rishabh Sunil Singhi	Shares Allotted	210.03	0.00	-
	Remuneration	43.20	21.60	-
Varun Manojkumar Jain	Remuneration	-	-	-
Vikram Babubhai Patel	Remuneration	8.53	-	-
Nishchay Consultancy	Service Charges	-	2.50	7.50
VMS Industries Limited	Loan Taken	11,306.00	3,831.97	3,272.72
	Loan Repaid	11,855.20	2,498.09	4,271.00
	Interest Paid	2,38.24	92.29	232.83
	Rent Paid	6.15	6.00	6.00
Yohaan Enterprise*	Share of profit	-	-	0.58
	Loan taken	-	-	1,613.00
	Loan Repaid	-	-	1,613.00
Aditya Ultra Steel Limited	Sales	-	-	32.80
Eternal Automobiles	Vehicle Purchase	-	-	0.52
	Vehicle Running Expense	-	0.15	-
Nidheeshwaramm Ship Recyclers LLP	Sales	1.68	-	-
Tanishq Ship Recycling Private Limited	Loans Taken	166.00	481.00	330.00
	Loans Paid	166.67	765.50	100.00
	Interest Paid	42.42	43.10	12.53

For details of the related party transactions in accordance with Ind AS 24, see "Financial Information - Note 33(B) – Related Party Disclosures" beginning on page 224.
**Our Company was a partner in Yohaan Enterprise up to April 01, 2022, transactions shown are in the capacity of partner of Yohaan Enterprise*

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase of any securities of our Company by any other person other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

The weighted average price at which our Promoters acquired the Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares acquired	Weighted Average Price of Equity Shares acquired (₹)$
Promoters		
Manojkumar Jain	61,68,740	Nil#
Sangeeta Jain	15,27,765	Nil#
Rishabh Sunil Singhi	72,08,856	Nil#
Varun Manojkumar Jain	51,00,000	Nil#

$As certified by the Statutory Auditor, Suresh Chandra & Associates by way of their certificate dated September 27, 2024
#Our Promoters, in the one year preceding the date of this Draft Red Herring Prospectus have acquired Equity Shares through issuance of Bonus Equity Shares. In such a case, there is no cost of acquisition.

Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of the Draft Red Herring Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)^	Cap Price is 'x' times the weighted average cost of acquisition*^	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)^
Last one year preceding the date of this Draft Red Herring Prospectus	5.57	[●]	NIL - 230
Last 18 months preceding the date of this Draft Red Herring Prospectus#	8.83	[●]	NIL - 230
Last three years preceding the date of this Draft Red Herring Prospectus	8.83	[●]	NIL - 230

^ As certified by the Statutory Auditor, Suresh Chandra & Associates by way of their certificate dated September 27, 2024
 # The Board of Directors pursuant to a resolution dated June19, 2024 and the special resolution dated June 21, 2024, passed by our Shareholders, have approved the issuance of 2,03,22,186 bonus Equity Shares in the ratio of 3:2 which were issued and allotted on June 22, 2024.
** To be updated in the Prospectus, following finalisation of the Cap Price.*

Average cost of acquisition of Equity Shares of our Promoters

The average cost of acquisition per Equity Share of the Equity Shares held by our Promoters, as at the date of this Draft Red Herring Prospectus, is set forth below:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share$(₹)
Promoters:		
Varun Manojkumar Jain	85,00,000	11.60
Rishabh Sunil Singhi	1,20,14,760	5.96
Manojkumar Jain	1,02,81,250	4.28
Sangeeta Jain	25,46,275	4.39

$As certified the Statutory Auditor, Suresh Chandra & Associates by way of their certificate dated September 27, 2024

For further details of the acquisition of Equity Shares of our Promoters, see "*Capital Structure – Details of Shareholding of our Promoter, members of Promoter Group in our Company*" at page 69.

Details of Pre-IPO Placement

Our Company is not contemplating any fresh issuance of equity shares pursuant to a pre-IPO placement from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Other than as disclosed in "*Capital Structure*" on page 69, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or Consolidation of Equity Shares in the last one year

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

Exemption from complying with any provisions of securities laws

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the TMT Bars industry in which we currently operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see "Our Business", "Industry Overview", "Key Regulations and Policies", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 160, 120, 186, 224 and 262, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of us and the terms of the Issue, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" on page 17.

Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or the context otherwise requires, the financial information included in this section is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 224.

We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "TMT Bars Industry in India" dated September 19, 2024, prepared by D&B, which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company in connection with the Issue (the "**Dun & Bradstreet Report**"). The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. copy of the Dun & Bradstreet Report is available on the website of our Company at* www.vmstmt.com.

Internal Risks

Risks Relating to our Business

1. ***Our business and profitability is substantially dependent on the availability and cost of our raw materials and we are dependent on third party suppliers for meeting our raw material requirements which are on purchase order basis. Any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition.***

Our major raw materials for our manufacturing processes are billets and coal. After our backward integration project is completed in October 2024, our primary raw material will be mild steel scrap.

The table below sets forth our cost of materials consumed for periods indicated:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022

	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Costs of materials consumed	75,023.48	85.94	84,699.73	96.03	37,027.17	75.00

The table below sets forth cost of materials purchased from our top supplier and top ten suppliers for the periods indicated:

Suppliers	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% costs of materials purchased	Amount (₹ in lakhs)	% costs of materials purchased	Amount (₹ in lakhs)	% costs of materials purchased
Top supplier	6,672.07	8.63	9,493.50	11.08	9,909.42	20.48
Top 10 suppliers	38,566.55	49.88	49,209.30	57.43	32,121.35	66.40

In the past three fiscal years, we have not entered into long term contracts for the supply of our raw materials including coal, and typically source raw materials from third-party suppliers under purchase orders. Accordingly, we may encounter situations where we are unable to manufacture and deliver our products due to, amongst other reasons, our inability to procure raw materials for manufacturing our products. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. The absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies, and regulatory and trade sanctions. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials.

Further, our suppliers may not perform their obligations in a timely manner or at all, resulting in possible delays in our operations. While no such instances have taken place in the past, there is no assurance whether we would be able to locate such alternate supplies of raw material in the future in a timely manner or at all or at commercially acceptable terms.

Carbon from coal is a major reducing agent and heat source to convert scrap to billets and in the production of TMT Bars. In respect of coal, we sourced our requirements from two (2) suppliers in Fiscal 2024, six (6) suppliers in Fiscal 2023 and thirteen (13) suppliers in Fiscal 2022. Natural gas is used to cut billets during production. We source our natural gas locally from third parties in the State of Gujarat. The prices of our coal and gas are linked to the international prices and the variations increase our costs of manufacturing.

The table below sets forth our expenses for coal and gas consumption for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Coal and gas consumption	1,183.20	1.39	1,740.73	1.99	859.41	1.77

Volatility in commodity prices can significantly affect our raw material costs. While we endeavour to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we did not import any raw materials. Our raw materials expenditures are denominated in Indian rupees and we do not have raw material expenses in foreign currencies. However, we expect that after our backward integration raw materials may be imported exposing us to foreign currency risk in the future. For further information, see Risk factor - "*Exchange rate fluctuations may adversely affect our results of operations in the future if we import a portion of raw materials denominated in foreign currencies*" on page no. 25.

2. ***We are dependent on our retail licence agreements with Kamdhenu Limited. If the retail licence agreements are terminated, we may consequently lose distributors and dealers that distribute our products, which could materially and adversely impact our business, results of operations and financial condition.***

We are dependent on our retail licence agreements with Kamdhenu Limited dated November 7, 2022 and dated June 20, 2024 which allows us to market and sale our TMT Bars and MS Pipes, respectively on a non-assignable and non-exclusive basis and on mutually agreed terms within the State of Gujarat for the period of five (5) years from the date of execution of the agreement unless terminated. Our revenues from sale of TMT Bars have been the pre-dominant revenue stream for our Company, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022 we have generated revenues of ₹ 82,110.69 lakhs, ₹ 85,420.37 lakhs and ₹ 47,329.99 lakhs, respectively, representing 94.06%, 96.5% and 95.86% of our total revenue from operations for the same respective periods. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we paid Kamdhenu Limited a royalty of ₹ 610.66 lakhs, ₹ 535.45 lakhs and ₹ 300.76 lakhs, respectively, representing 0.88%, 0.76% and 0.79% of our total revenue from operations for the same respective periods. The terms of our retail license agreement with Kamdhenu Limited also impose certain restrictions and obligations, such as minimum sales quotas, branding guidelines, packaging, and royalty payments. Any breach of these terms or disputes with Kamdhenu Limited could result in legal liabilities, termination of the agreement, or loss of brand rights. Our sales and distribution channels are heavily reliant on Kamdhenu's market presence and network, and any changes in Kamdhenu Limited's marketing strategies, distribution channels, or market coverage could impact our access to customers and sales opportunities.

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

We are also exposed to legal and regulatory risks associated with the use of the brands of Kamdhenu Limited, such as trademark infringement claims or changes in intellectual property laws. Non-compliance with these regulations could result in legal disputes and financial penalties. Additionally, our dependency on the brands of Kamdhenu Limited extends to the supply chain, where any disruptions or quality issues could affect our ability to meet production targets and maintain product quality. Our retail licence agreements are terminable by Kamdhenu Limited by giving one-month advance notice to us without any cost and reason and also immediately upon misuse or breach of the terms and conditions of the agreements. If the retail licence agreements are terminated, we could lose sales to our customers and also could consequently lose distributors and dealers that distribute our products, any of which materially and adversely impact our business, results of operations and financial condition.

3. ***We derive a significant portion (more than 80% in Fiscal 2024) of our revenue from operations from our top three customers, with our single largest customer contributing more than 29%, of our revenue from operations in the Fiscal 2024. Loss of any of these customers or a reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***

Our business is predominantly conducted in the State of Gujarat and we derive our revenue from retail as well as institutional sales. We sell our TMT Bars to customers through distribution network on a non-exclusive basis which comprise of 3 distributors and 227 dealers as of August 31, 2024. In Fiscal 2024, we sold products to customers, which were predominately based in the State of Gujarat, and we derived 94.44% of our revenue from operations from the sale of our TMT Bars to our top 10 customers.

The table below sets forth our revenue from our largest customer, top 3 customers, top 10 customers and top 20 customers and their contribution to our revenue from operations for the periods indicated;

Customer	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations
Largest Customer	25,397.55	29.09	25,177.30	28.55	15,888.09	32.18
Top 3 Customers	70,048.06	80.24	70,113.44	79.49	31,540.72	63.88
Top 10 Customers	82,444.86	94.44	81,340.16	92.22	41,586.05	84.23
Top 20 Customers	84,448.74	96.74	84,158.64	95.42	45,591.24	92.34

We rely and expect that we will continue to be reliant on our top 10 customers for a substantial portion of our revenue. The loss of any of our top 10 customers (in particular our largest customer) for any reason including due to loss of, or failure to renew existing arrangements; limitation to meet any change in quality specification, change in technology; regulatory changes, disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship or a reduction in the demand for our products by any of our top customers could have a material adverse effect on our business, results of operations and financial condition.

The table below sets forth the revenue derived from our top six customers as of Fiscal 2024 for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Vinworth Steel Private Limited	25,397.55	29.09	25,177.30	28.55	1640.91	3.32
Gujarat Steel Corporation	23,289.39	26.68	24,698.38	28.00	1,588.09	32.18
Chintan Steels	21,361.12	24.47	20,237.76	22.94	12,505.03	25.33
Polymer Corporation	8,114.82	9.30	2,064.56	2.34	1,683.10	3.41
Mahalaxmi Steel & Tube Traders	1,735.02	1.99	-	-	-	-
Aarohi International	1,139.08	1.30	645.01	0.73	681.99	1.38

We usually do not enter into long-term supply contracts with any of our customers and typically rely on periodic purchase orders. Prices are negotiated with customers for each purchase order. We generally sell our TMT Bars on a F.O.R. basis, which means to our customer's door. The purchase orders are typically subject to delivery, quality conditions including, right of buyer to conduct inspection of the delivered products to ensure conformity with the specifications and compliance with Indian or international standards. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may not be able to shift the volume produced to other customers.

We determine the prices for our products, based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms.

There is no assurance that our customers (in particular our top 10 customers) will continue to source products from us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. Any decrease in the demand for our products from our top 10 customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

4. ***We rely on our distributors for the distribution of our TMT Bars with whom we do not have any formal arrangement. If our distributors do not effectively sell or market our products, our business, results of operations and financial condition may be adversely affected.***

We sell our TMT Bars to customers through distribution network, on a non-exclusive basis, which comprise of 3 distributors and 227 dealers as of August 31, 2024. Accordingly, we rely on our distributors and dealers with whom we do not have any formal arrangements. Our ability to expand and grow our brands reach significantly depends on the reach and effective management of our distributor and dealer network. We continuously seek to increase the penetration by appointing new distributors and dealers to ensure wide distribution network targeted at different consumers and areas. We cannot assure you that we will be able to successfully identify or appoint new distributors or dealers or effectively manage our existing distribution network. As we sell and distribute our products through such distributors or dealers, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to maintain and establish relationships with our existing/ new distributors or dealers;
- inability to timely identify and appoint additional or replacement distributors or dealers upon the loss of one or more of our distributors or dealers;
- failure to receive timely payments from distributors or dealers;
- reduction, delay or cancellation of orders from one or more of our distributors or dealers; and
- disruption in delivering of our products by distributors or dealers.

Further, we do not have exclusive formal arrangements with our distributors or dealers, which allows them to engage with our competitors. We also compete for distributors and dealers with other companies engaged into manufacturing TMT Bar and steel companies that may have greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our distributors and dealers, they may choose to promote the products of our competitors instead of our products. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors/ dealers of our products, transportation bottlenecks, natural disasters, infectious disease outbreaks such as the COVID-19 pandemic, and labour issues, which could lead to delayed or lost deliveries. In addition, failure to provide our distributors or dealers with sufficient inventories of our products may result in a reduction in the sales of our products.

5. ***Our investments in manufacturing new MS Pipe products may not be successful and may be less profitable or may be loss-making.***

In June 2024, we have entered into a factory lease agreement with Hans Industries Private Limited, under which we have taken on lease a facility at Bhavnagar, Gujarat for production of MS Pipes. We intend to market and sell MS Pipes under the brand "*Kamdhenu*" in terms of the retail license agreement dated June 20, 2024 entered into with Kamdhenu Limited on mutually agreed terms within the State of Gujarat on a non-exclusive basis. Although we follow a careful plan and strategy to develop our MS Pipe business, the production and marketing of our new MS Pipe product is subject to number of risks including, but not limited to, the receipt of the BIS license, our failure to develop customers or effectively market our new MS Pipe product that meet market demands and market requirements, our failure to meet competition and our failure to comply with applicable regulation or the terms of the factory lease agreement or the retail license agreement entered with Kamdhenu Limited. In addition, our new MS Pipe product may require additional capital expenditure for development and roll out and may take substantial management time. Accordingly, our new MS Pipe product business may not be successful for these and other reasons. Further, our investments in manufacturing and marketing our new MS Pipe product, may be less profitable than what we have experienced historically in our TMT Bars business, may be loss-making, may consume substantial financial resources and/or may divert management's attention from existing operations, all of which could materially and adversely affect our business, results of operations and financial condition.

6. ***Our backward integration plans relating to our TMT Bar manufacturing are subject to the risk of unanticipated delays in implementation and cost overruns. If we are unable to implement the expansion plans at the planned cost, it could materially and adversely impact our business, results of operations and financial condition.***

We have made and are making investments to backward integrate our manufacturing of TMT Bars from scrap to replace the purchase of billets as raw material. Our backward integration project included installation of a thirty-ton furnace to manufacturing billets from scrap with installed capacity of 216,000 MTPA. Our backward integration project is expected to be completed in October 2024.

Our backward integration project is subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect backward integration project include increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facility, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, labour shortages, delays in receiving governmental, statutory and other regulatory approvals as we apply for them at various stages of the project, incremental pre-operating expenses, unforeseen taxes and duties, interest and finance charges, 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 backward integration project will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient 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. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our business, results of operations and financial condition.

7. ***The demand and pricing of TMT Bars is volatile and sensitive to the cyclical nature of the industries it serves including raw material prices. A decrease in TMT Bar prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

TMT Bar prices as well as steel prices generally fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of TMT Bars, domestic production and capacity, transportation costs, protective trade measures and various social and political factors, in the economies in which the TMT Bar producers 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 TMT Bars, which may lead to decrease in prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

Further, the prices of essential raw materials like iron ore and coking coal have been rising significantly in the past few months, and as TMT Bars are a derivative of steel, any fluctuation in raw material prices directly impacts the cost of TMT Bars. *(Dun & Bradstreet Report).*

In addition, substantial decreases in TMT Bar prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for TMT Bar products by end users.

8. ***We face competition from national and local players and our inability to compete effectively may have a material adverse impact on our business, results of operations and financial condition.***

Although the TMT Bars industry provides for significant entry barriers, competition in our business is based on pricing, extent and efficiency of the distribution network, relationships with customers particularly in the construction industry, product quality, and compliance with government regulation including environmental regulation. *(Dun & Bradstreet Report).* 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 imposed by such competitors which would adversely affect our business, results of operations and financial condition.

Additionally, some of our competitors may have greater financial, research and technological resources, larger sales and marketing teams and more established reputations. They may also be in a better position to identify market trends, adapt to changes in the steel or TMT Bars industries, innovate with new products, offer competitive prices due to economies of scale and ensure product quality and compliance. Further, our competitors may enter into contract manufacturing arrangements with our customers for products that they are currently purchasing from us that could result in the loss of such customer or loss of revenue from such customer. For further details regarding our industry peers, see "*Industry Overview – Competitive Landscape*" on page 120.

9. ***Our manufacturing facilities and our sales are concentrated in Gujarat in India. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat could have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities and our sales are concentrated in the State of Gujarat in India. We manufacture our TMT Bars situated at Bhayla Village, Ahmedabad, Gujarat, India. In June 2024, we have entered into a factory lease agreement with Hans Industries Private Limited, under which we have taken on lease a facility at Bhavnagar, Gujarat for production of MS Pipes. We intend to market and sell MS Pipes under the brand "*Kamdhenu*" in terms of the retail license agreement dated June 20, 2024 entered into with Kamdhenu Limited on mutually agreed terms within the State of Gujarat on a non-exclusive basis. For further information, see "*Our Business – Our Strategies – Diversifying into production and sale of MS Pipes*" on page 160. 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 adversely affect our business, financial condition and results of operations. The occurrence of any of these events could require us to incur significant capital expenditure or change our business structure or strategy, which could have an adverse effect on our business, results of operations, future cash flows and financial condition. While we have not faced any such disruptions in the past in our operations due to the concentration of our manufacturing operations in the State of Gujarat, we cannot assure you that there will not be any significant developments in these regions in the future that may adversely affect our business, results of operations and financial condition.

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

We depend on the management skills and guidance of our Promoters and Board of Directors for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel and Senior Management Personnel. Any loss of our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel or our inability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Managerial Personnel or Senior Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, results of operations and financial condition could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

The table below set forth the attrition rate for our employees for the periods indicated:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Attrition Rate (%)	20.65	NIL	NIL

While these positions have been appropriately filled and we have not faced any impact due to the resignations, we cannot assure that future resignations will not have any impact on the Company's business or operations.

There is significant competition for management and other skilled personnel in the steel and TMT Bars industries in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Draft Red Herring Prospectus, we do not have key man insurance policies. If we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see "*Our Management*" on page 198.

Operational Risks

11. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance. Our inability to accurately forecast demand for our products may have an adverse effect on our business, results of operations and financial condition.***

We manufacture our TMT Bars at our manufacturing facilities at Bhayla Village, Ahmedabad, Gujarat, India. Our installed capacity, actual production and utilization of TMT Bars for our manufacturing facilities are provided in *"Our Business – Manufacturing - Capacity, Production and Capacity Utilization"* on page 160. The success of our proposed backward integration and expected return on investment on capital expenditure is subject to, among other factors, our ability to utilize our existing and expanded manufacturing capacities. Under-utilization of our existing manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities in the future could have an adverse effect on our business, prospects and future financial performance.

We make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders for our products. We adjust our production periodically to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Changes in demand for our products could make it difficult to schedule production and lead to a mismatch of production and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations and financial condition.

14. ***Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations that could interfere with our operations could have an adverse effect on our business, results of operations and financial condition.***

We manufacture our TMT Bars at our manufacturing facilities situated at Bhayla Village, Ahmedabad, Gujarat, India. . In June 2024, we have entered into a factory lease agreement with Hans Industries Private Limited, under which we have taken on lease a facility at Bhavnagar, Gujarat for production of MS Pipes. We intend to market and sell MS Pipes under the brand "*Kamdhenu*" in terms of the retail license agreement dated June 20, 2024 entered into with Kamdhenu Limited on mutually agreed terms within the State of Gujarat on a non-exclusive basis. For further information, see

"*Our Business – Our Strategies – Diversifying into production and sale of MS Pipes*" on page 160. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the malfunction or failure of equipment as well as industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or failure of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. We cannot assure you that we shall not experience any malfunction or failure of our Manufacturing Assets in the future. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, quality inspections by Kamdhenu Limited, our brand licensor, or may shut down certain facilities for capacity expansion and equipment upgrades.

In addition, we may be required to carry out planned shutdowns of our manufacturing facilities for maintenance, or due to some reasons beyond our control such as an outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions could adversely affect operations of our integrated production facility. In the future, we may also experience shutdowns or periods of reduced production because of regulatory issues, power outage, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries. We are also subject to certain risks associated with safety hazards. Owing to the risks associated with the steel manufacturing process carried out at the steel plants, the steel plants are prone to accidents which may involve moving machinery, on-site transport, fires in control rooms, electrical switch rooms, fires caused by contact of hot billets from the hot billets in reheating, extreme temperatures, vibration and noise and exposure to, through inhalation or contact with, hazardous chemicals. Occurrence of any accidents may result in destruction of property and equipment, injuries and even fatalities to employees (including contract labour) interrupting our operations, damaging our reputation and brand name. While we follow a job safety plan for ensuring safety of our employees and labourers, we cannot assure you that they will not be subject to any risks associated with safety hazards in the future. For instance, an accident occurred in Fiscal 2021 at our manufacturing facility at Bhayla, resulting in the death of our erstwhile production manager due to negligence of the truck driver. Our Company has paid a compensation amount to the family of the said deceased. While our Company have been following all safety precautions at our facilities, however, we cannot assure that in future similar accidents will not occur. In the event, if any such accidents again take place at our manufacturing facilities, we may get involved in litigation or other proceedings, or will also be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations and we may incur reputational damage, any of which could adversely affect our business and results of operations

15. ***We have entered into a factory lease agreement with Hans Industries Private Limited dated June 04, 2024 wherein we have taken on lease a factory situated at Bhavnagar, Gujarat for the production of MS Pipes. Our inability to seek renewal or extension of such factory lease agreement may materially affect our business and results of operations.***

We have entered into a factory lease agreement dated June 04, 2024 with Hans Industries Private Limited ("**Hans**") wherein Hans has given on lease its pipe manufacturing facility located at Survey No. 107/8/9, Sihor Ghanghali Road, Bhavnagar, Gujarat to our Company with an installed capacity of 5500 MT approx. per month (i.e. 66,000 MT per annum). The lease *inter-alia* includes land and building, plant, machineries and equipments lying in the Factory premises and power connection in relation to the pipe plant. The lease term commences on July 01 2024, for an initial period of five years, with renewal every 11 months and 29 days ("**Lease Period**"). This lease may be terminated prior to the Lease Period by Hans on giving three-month prior notice. We cannot assure you that we will continue to be able to renew or extend the lease at favourable terms or at all. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. For further information, see "*History and Certain Corporate Matters - Material Agreements in relation to business operations of our Company - Factory Lease Rental Agreement entered into between the Company and Hans Industries Private Limited dated June 04, 2024" on page 192*

16. ***Certain of our immovable properties are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

We have certain immovable properties that are on lease hold/rental basis from certain third parties. For further information, see "*Our Business – Properties*" on page 160. While we have, in the past, renewed such short-term and medium-term lease arrangements for our facilities and offices from time to time, if we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future (and may, to that extent, need to revise our raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers)

Upon expiry of term, if we are unable to renew the lease on commercially reasonable terms, we may suffer a temporary disruption from where we operate and also, we may face delays or other negative consequences that would affect our business operations. In the event the lessor terminate or do not renew the lease or license on commercially acceptable terms, or at all, we will be required to vacate such premise. Any failure to renew our lease or to find alternative area may have an impact on our operations and profitability.

17. ***We may not be able to optimally utilise our backward integration to enhance and support our business which may affect our business, results of operations and financial condition.***

We have made and are making investments to backward integrate our manufacturing of TMT Bars from scrap to replace the purchase of billets as raw material. Our backward integration project included installation a thirty-ton furnace to manufacturing billets from scrap with installed capacity of 216,000 MTPA. Our backward integration project is expected to be completed in October, 2024. Once completed, we will rely on backward integration for timely and improved quality manufacturing of our TMT Bars to fulfil our customers' demands. Should there be any disruptions or malfunctions at any of our TMT manufacturing facilities situated at Bhayla Village, Ahmedabad, Gujarat, India as a result of which the billets required for manufacturing our TMT Bars are not available on time, we may have to procure such billets from third party suppliers which may not be available at shorter notice in the volume required by us, within the timelines required by us or at the rates favourable to us which may have an adverse effect on our business, results of operations and financial condition. Such failure to procure billets on time may also harm our reputation and cause our customers to terminate purchase orders or purchase agreements with us.

18. ***We are subject to strict quality requirement and regular quality inspections by Kamdhenu Limited, our brand licensor, and any failure to comply with quality standards may lead to cancellation of our retail license agreements with Kamdhenu Limited. In addition, our business may expose us to potential product recalls and returns, which could adversely affect our results operation, goodwill and the marketability of our products. Further, we may be exposed to potential product liability claims which could adversely affect our results of operation, goodwill and the marketability of our products.***

We may be exposed to risks of products recalls and returns or where products are returned to be reworked. The table below sets forth our total returns and rejections and such returns and rejections as a percentage of revenue from operations for the periods indicated:

Particulars*	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**
Returns and rejections	109.28	0.22	141.71	0.16	90.66	0.10

**Rounded off*

We manufacture and market TMT Bars. Our TMT Bars go through various forms of testing, quality checks at various stages including random sampling checks and quality checks internally. We are subject to strict quality requirement and regular quality inspections by Kamdhenu Limited, our brand licensor, and any failure to comply with quality standards may lead to cancellation of our license agreement with Kamdhenu. Our products must also meet the standards set by the BIS. Any failure of our products to meet prescribed quality standards may result in rejection and reworking of our products by customers.

Our Company maintains number of quality management system certificates in line with industry standards, including ISO 9001:2015 for quality management standard, ISO 45001:2018 for occupational health and safety management system standard and ISO 14001:2015 for environmental management system standard. While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. While we have not faced such challenges in past, any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, results of operations and financial condition.

In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. Although, we have not been subject to product liability lawsuits in the past, we may face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, irrespective whether such claims are valid. We may also be subject to claims resulting from manufacturing defects, contamination, adulteration, product tampering or negligence in production, storage or handling of our products. We have not been subject to such claims during Fiscal 2024, Fiscal 2023 or Fiscal 2022, Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

19. We may be subject to industrial unrest and increased employee costs, which may adversely affect our business and results of operations.

As on the date of this Draft Red Herring Prospectus, our workforce comprised of 170 employees.

Our employee benefits expense comprise payments made to all the personnel on our payroll and engaged in our operations. The table below sets forth our employee benefits expenses, including as a percentage of revenue from operations, for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Employee benefits expense	1,005.31	1.18	918.64	1.05	493.91	1.02

Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, particularly our employees and personnel. Strikes or work stoppages by our workforce at our manufacturing facilities could halt our production activities which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. We do not have any registered labour unions at our manufacturing facilities and there have been no disruptions to our manufacturing operations in Fiscal 2024, Fiscal 2023 or Fiscal 2022 on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements. However, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce. Any such event, at our current facilities or at any new facilities that we may commission in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers, which may adversely impact our business, results of operations and financial condition.

20. We use fleet of trucks provided by third party transportation and logistics service providers for delivery of our products to our customers as well as raw materials to our manufacturing facilities. Any delay in delivery of our products or raw materials or increase in the charges of these entities could adversely affect our business, results of operations and financial condition. We also may be exposed to the risk of theft, accidents and/or loss of our products in transit.

Our manufacturing operations are dependent on timely and cost-efficient transportation of raw materials to our facilities and of the products we manufacture to our customers. Our manufacturing facilities (including our new leased manufacturing facility at Survey No. 107/8/9, Sihor Ghanghali Road, Ghanghali, Sihor, Bhavnagar-364240, Gujarat, India) and over 98% of our customers in Fiscal 2024 are located in the State of Gujarat. We do not own any vehicles for the transportation of our products but use a fleet of over 50 trucks provided by a third party transportation and logistics provider for delivery of our products and for the delivery of raw materials. We do not have any contractual arrangements with any such third-party transportation and logistics providers, and they could stop providing transportation at any time. Any disruption in services by such third-party transportation provider could impact our manufacturing operations and delivery of our products to our customers. Further, transportation strikes could also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Although during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we did not face any significant disruptions due to use of third-party transportation and logistics service providers, any disruptions of logistics in the future could impair our ability to deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition.

The following table sets forth our freight and cartage on sales charges and such charges as a percentage of total expenses in the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses

Freight & Cartage on sales	1,502.20	1.76	1,350.54	1.54	719.51	1.48

In addition, we pay for transportation costs in relation to the delivery of our certain of raw materials and other inputs to our manufacturing facilities. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs through increases in the prices for our products, we would experience lower margins.

Furthermore, we are exposed to the risk of theft, accidents and/or loss of our products in transit. While we believe we have adequately insured ourselves against such risk, we cannot assure you that our insurance will be sufficient to cover the losses arising due to such theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss not covered by insurance or transportation strikes during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could adversely affect our business, results of operations and financial condition.

21. ***Our Company has delayed in payment of statutory dues in the past under the statutory provisions of the Central Goods and Services Tax Act, 2017 and the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Such non-compliance and delayed compliance may attract penalties against our Company which could impact the financial position of us to that extent.***

There have been few instances of delays by our Company in the past in filing statutory forms with government authorities such as Central Goods and Services Tax Act, 2017 and the Employees Provident Funds and Miscellaneous Provisions Act, 1952. There have been delay in deposit of GST amounts and such delays were mainly on account of delays on the company's part in preparation of information required for filing such returns and delay on account of COVID-19 and. The aforesaid delay has been regularized and the interest / late fees has been paid to the relevant authority in the following manner:

Sr. No.	Financial Year	Return Type	Number of Delayed Filings
1.	2021-22	GSTR3B	2
2.	2018-19	GSTR3B	2
3.	2017-18	GSTR3B	5

Further, there was delayed compliance with respect to payment of provident fund under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 on account of COVID-19, as mentioned below:

Sr. No.	Financial Year	Total number of Filings	Number of Delayed Filings
1.	2021-22	12	4

While our Company has already regularized the aforesaid delays, however, there can be no assurance that such delays will not occur in future and the regulator will not impose any penalties against us for any past or future delays, which could lead to have an adverse effect on our business and results of operations.

22. ***We are dependent on third parties for the supply of utilities, such as water, gas and electricity and any disruption in the supply of such utilities could adversely affect our manufacturing operations***

For our production of TMT Bars and our production of billets from scrap, we use oxygen, LPG, water, power and fuel to run our furnaces and equipment and in the production processes itself. Our power requirements are sourced through the local state power grid. We also consume a large amount of water for our operations, which is sourced locally. We also procure natural gas, LPG and oxygen from local suppliers in Gujarat.

The table below sets forth our expenses for (i) oxygen and LPG, (ii) water and (iii) power, for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Oxygen and LPG expenses	9.37	0.01	7.72	0.01	9.41	0.02
Water charges	0.23	0.00	2.26	0.00	1.03	0.00

Power expenses*	1,483.28	1.74	1,396.53	1.59	606.31	1.25

** As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024*

Any interruption in the continuous supply of oxygen, LPG, water, power and fuel in the future may negatively impact our manufacturing processes, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. In case of unavailability of any supply from, any of our utility providers for any reason, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner and at a commercially reasonable cost, which could adversely affect our business, results of operations and financial condition.

Our utilities expenses have increased significantly in recent years due to increase in power prices, and further increases in power expenses may impact our margins if we are not able to pass these price increases to our customers.

Our Company is planning to setup a 15 MW solar power plant situated at Village Zenta, Tharad Taluka, Banaskantha District, Gujarat – 385565, for our captive consumption to reduce our electricity expenses. For details, see "*Objects of the Issue*" on page 92.

23. Our Company is in the process of changing in the sourcing of the raw materials and in the manufacturing process. Any impact on change in raw material sourcing and the manufacturing processes may adversely impact our business, results of operations and financial condition.

Presently, our major raw materials for our manufacturing processes are billets and coal, however, once our backward integration project is completed in October 2024, our primary raw material will be mild steel scrap. We have made and are making investments to backward integrate our manufacturing of TMT Bars from scrap to replace the purchase of billets as raw material. Our backward integration project included installation of a thirty-ton furnace to manufacturing billets from scrap with installed capacity of 216,000 MTPA. Our backward integration project is subject to the potential problems and uncertainties including cost overruns or delays. There can be no assurance that our backward integration project will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. Once completed, we will rely on backward integration for timely and improved quality manufacturing of our TMT Bars to fulfil our customers' demands. Should there be any disruptions or malfunctions at any of our TMT manufacturing facilities situated at Bhayla Village, Ahmedabad, Gujarat, India as a result of which the billets required for manufacturing our TMT Bars are not available on time, we may have to procure such billets from third party suppliers which may not be available at shorter notice in the volume required by us, within the timelines required by us or at the rates favourable to us.

In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we did not import any raw materials. As of the date of this Draft Red Herring Prospectus, none of our sales, expenses nor borrowings have been denominated in foreign currencies. Our raw materials expenditures are denominated in Indian rupees and we do not have raw material expenses in foreign currencies. However, we expect that after our backward integration raw materials may be imported exposing us to foreign currency risk in the future. For further information, see Risk factor - "*Exchange rate fluctuations may adversely affect our results of operations in the future if we import a portion of raw materials denominated in foreign currencies*" on page no. 25. Any change in our manufacturing process of TMT Bars or we are unable to complete the backward integration project, will lead to disruption in supply chain and procurement of raw materials which may adversely affect our results of operations, financial condition and cash flows.

Financial Risks

24. Pricing pressure from our customers may adversely affect our gross margin, profitability and ability to increase our prices, which may in turn have a material adverse effect on our results of operations and financial condition.

We manufacture TMT Bars in the State of Gujarat and supply predominately in Gujarat. Our distributors and customers generally pursue aggressive but systematic price reduction initiatives and objectives each year with their suppliers. We have in the past experienced and may continue to experience pressure from our distributors and customers to reduce our prices, which may affect our profit margins going forward.

In addition, as any price reduction is the result of negotiations and factors that may be beyond our control, we, like other manufacturers, may be required to reduce operating costs and increase operating efficiencies to maintain profitability. As our business is very capital intensive, requiring us to maintain a large, fixed cost base, our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers generally negotiate for larger discounts in price as the volume of their orders increases. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our results of operations and financial condition may be materially adversely affected.

25. ***Our financial performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory levels.***

We need to maintain sufficient inventory levels to meet customer expectations at all times. Although We occasionally sell billets in the market when we have an excess inventory of the billets, however, any accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. While our inventory of raw materials has increased in Fiscal 2024, Fiscal 2023 and Fiscal 2022, this increase is in line with the growth in sale of our products and our revenue from operations.

The table below sets forth our inventory, average inventory and inventory turnover ratio as at, or for the periods, indicated:

(*₹ in lakhs, except ratio*)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventories	10,936.62	10,586.34	4,343.12
Average Inventory	10,154.06	6997.97	3767.60
Inventory turnover ratio	8.60	12.60	13.10

If we are unable to accurately predict sourcing levels or customer trends or if our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our business, results of operations and financial condition. Furthermore, we may be required to maintain high inventory levels if we anticipate increases in customer demand for our products, which in turn would require a significant amount of working capital. Our inability to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, could adversely affect our business, results of operations and financial condition.

26. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we require adequate capital to operate and expand our manufacturing. Our historical capital expenditure has been and is expected to be primarily used towards development and enhancement of production capacities. Historically, we have funded our capital expenditure requirements through a combination of internal accruals and external borrowings.

The table below sets forth our capital expenditure for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenditure	Amount (₹ in lakhs)	% of total expenditure	Amount (₹ in lakhs)	% of total expenditure
Land	48.70	25.12	30.16	3.89	0.00	0.00
Building	0.00	0.00	15.10	1.95	1646.22	24.34
Plant and Machinery	121.88	62.87	614.77	79.29	4513.80	66.75
Furniture & Fixtures	0.17	0.09	0.00	0.00	23.31	0.34
Vehicle	18.81	9.71	57.43	7.41	33.64	0.50
Office Equipment	3.44	1.77	8.28	1.07	0.23	0.00
Computers	0.86	0.44	2.37	0.31	6.79	0.10
Electrification	0.00	0.00	47.24	6.09	538.68	7.97
Borewell	0.00	0.00	0.00	0.00	0.00	0.00

As part of our strategy, we intend to expand our TMT Bars business in India and to backward integrate our production. There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. Although we have not experienced time or cost overruns in the past, if in the future we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, results of operations and financial condition would be adversely affected.

Furthermore, we require a significant amount of working capital to maintain optimum inventory levels of raw materials, work-in-progress and finished goods as well as to offer credit to our customers and fulfil our payment obligations towards our suppliers.

The table below sets forth our working capital as at the dates indicated:

(*₹ in lakhs, except days*)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Working capital [(1)]	9990.18	9972.10	6635.48
Working capital days [(2)]	48.00	34.00	35.00

[(1)] *Working capital has been calculated as current assets less current liabilities.*

[(2)] *Working capital days is computed as working capital multiplied by the number of days divided by revenue from operations.*

Our working capital requirements may increase if payment terms in our agreements lead to reduced advance payments from our customers or longer payment schedules, and we may need to raise additional capital from time to time to meet these requirements. While we do not anticipate seeking additional working capital financing in the immediate future, an inability to do so on terms acceptable to us could adversely affect our business operations.

Our sources of additional financing, where required to meet our capital expenditure plans or working capital requirements, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity upon conversion of debt, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see *"Financial Indebtedness"* on page 284.

27. ***Our inability to collect receivables in time or at all and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

We usually do not enter into long-term supply contracts with any of our customers and typically rely on periodic purchase orders. Prices are negotiated with customers for each purchase order. We generally sell our TMT Bars on a F.O.R. basis, which means to our customer's door. There have been delays in payments by some of our distributors and customers in the past. However, as the said receivables are expected to be realised in the normal course of business, these have not been considered as impaired. A small percentage of our sales are to customers on an open credit basis, with standard payment period of generally between 6 to 15 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each distributor's or customer's financial condition and payment history, we may still experience losses because of a customer's inability to pay. As a result, we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate, and we cannot assure you that we will not experience such delays in payment or default by our customers in the future.

The table set forth below sets forth our trade receivables and receivable turnover days in the periods indicated as well as bad debts written off and disputed trade receivables – which have significant increase in credit risk:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	Receivable turnover days	Amount (₹ in lakhs)	Receivable turnover days	Amount (₹ in lakhs)	Receivable turnover days
Trade receivables	1,572.78	6	903.06	4	3,180.43	12
Bad debts written off	Nil	-	Nil	-	Nil	-
Disputed trade receivables – which have significant	Nil	-	Nil	-	Nil	-

increase in credit risk						

Any increase in our receivable turnover days in the future will negatively affect our business, results of operations and financial condition. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our major distributors or customers, and as a result could cause distributors or customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our distributors or customers, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations, financial condition and cash flows.

28. We could incur losses under our purchase orders with our customers or be subjected to disputes or contractual penalties as a result of delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, results of operations and financial condition.

We could incur losses under our purchase orders or be subjected to disputes or contractual penalties as a result of delays in delivery or failures to meet specifications or delivery schedules. In the past three Fiscals, there have been no instances of time overruns, due to which we have been required to re-negotiate some of the terms, such as date of delivery of our purchase orders due to a delay in delivery (owing to a combination of internal as well as external factors beyond our control). There can be no assurance that our customers in the future will not rescind their purchase orders with us if there is a delay in delivery beyond the time stipulated in the purchase order. This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of damages and renegotiation of terms of purchase orders could also have an adverse impact on our business, results of operations and financial condition. In addition, certain of our customer purchase orders, enable our customers to set off payments for goods delivered against previous outstanding balances. Any such instances may also impact our cash flows and have an adverse impact on our business operations.

29. We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.

As at August 31, 2024, we had aggregate outstanding borrowings (including current maturities of long-term borrowings) of ₹ 25,251.83 lakhs. The table below sets forth certain information on our total borrowings, debt to equity ratio, finance cost and debt service coverage ratio as at the dates indicated:

Set forth below is brief summary of our outstanding borrowings as on August 31, 2024:

(₹ in lakhs)

Particulars	**Sanctioned amount as on August 31, 2024**	**Outstanding Balance as on 31st August, 2024**
Secured		
Fund Based Working Capital Facilities	1,000.00	950.00
Cash Credit	6,600.00	6,378.92
Long-Term Working Capital Loans	1,036.00	725.54
Term Loans	10,050.00	8,373.91
Equipment Loans	12.20	0.60
Vehicle loan	36.71	25.05
Total (fund based) (A)	**18,734.91**	**16,454.01**
Non fund based	5,910.00	-
Unsecured		
Equipment Loan	50.00	48.67

Vehicle loan	53.73	33.83
Unsecured Loans	8,003.96	7,818.64
Unsecured Working Capital	900.00	896.67
Total(B)	**14,917.69**	**8,797.82**
C = (A+ B)	**37,652.60**	**25,251.83**

**As certified by our Statutory Auditors, Suresh Chandra & Associates, by way of their certificate dated September 27, 2024*

These borrowings are secured, *inter alia*, through a charge by way of hypothecation on our entire current assets, and, in case of our term loans, on fixed assets that includes land and building on which our manufacturing facilities are situated and the properties by the members of Promoter Group and Promoters in favour of lenders. For further details, see "*Financial Indebtedness*" on page 284, "*Restated Financial Information – Note 39 – Financial Risk Management Framework*" on page 224. As some of these secured assets pertain to our manufacturing facilities, our rights in respect of transferring or disposing of these assets are restricted. 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 would adversely affect our business, results operations and financial condition. Further, some of our Promoters and members of the Promoter Group have given a personal guarantee for our borrowings availed by our Company. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or the cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all and which may limit our operational flexibility.

Furthermore, our loan agreements with our lenders also contain certain negative covenants, including but not limited to, effecting any change in ownership, control, constitution and operating structure capital structure or shareholding pattern and/or management of our Company, any amendment in the constitutional documents, and restrictions on fund raising.

Any failure on our part to comply with these terms in our financing agreements including the security agreements would generally result in events of default under these financing agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted.

30. ***Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.***

Our Restated Financial Information disclosed the following contingent liabilities as per Ind-AS 37 – Provisions, Contingent Liabilities and Contingent Assets for the periods indicated.

(*₹ in lakhs*)

Nature of Contingent Liabilities	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Guarantees issued by the Company's Bankers on behalf of the Company	1,660.13	248.61	248.61
GST Claim against Company	53.37	-	-
Total	**1,713.50**	**248.61**	**248.61**

Notes: Contingent Liabilities: The company has executed a Deed of corporate guarantee in favour of UGVCL

For further information, see "*Restated Financial Information – Note 32 – Contingent Liabilities and Commitments*" on page 224.

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition.

31. ***We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, not covered in our insurance policies, which could adversely affect business, results of operations and financial condition.***

Our operations are subject to various risks inherent to steel industry and TMT Bars industry and to the sale and maintaining inventory of products, as well as other risks, such as theft, robbery or acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations.

The table below sets forth particulars of our insurance coverage as at the dates indicated.

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Insured Assets (₹ lakhs)	6, 289.77	6,355.04	5,999.71
Insured Assets as % of fixed assets (gross block less land cost)	78.23%	80.49%	83.91%

Our insurance policies cover our TMT Bar manufacturing facilities at Bhayla Village Ahmedabad, Gujarat, India and corporate office from losses in the case of natural calamities and fire. Our incoming and outgoing material (for purchase and sales) are not insured. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business*" on page 160.

We have not taken insurance to protect against all risk and liabilities. For example, we do not have key man insurance, and we do not take insurance for potential product liability claims.

Further, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of the date of this Draft Red Herring Prospectus, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

32. Exchange rate fluctuations may adversely affect our results of operations in the future if we import a portion of raw materials denominated in foreign currencies.

Our Company's financial statements are prepared in Indian Rupees. As of the date of this Draft Red Herring Prospectus, none of our sales, expenses nor borrowings have been denominated in foreign currencies. We expect that we may begin importing scrap as part of our backward integration, and such imports are likely to be denominated in U.S. Dollars. Accordingly, we have currency exposures in the future relating to buying currencies other than in Indian Rupees, particularly the U.S. Dollar. In particular, our business, results of operations and financial condition may be adversely affected by fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

33. We have experienced negative cash flows in the last three fiscal years.

We have experienced negative cash flows in the recent past. Our cash flows for Fiscal 2024, Fiscal 2023 and Fiscal 2022 are set forth in the table below.

The following table sets forth our cash flows for the periods indicated:

(₹ in lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Net cash generated from operating activities	3,755.45	(1,130.49)	(3,094.61)
Net cash (used in)/generated from investing activities	(5,023.53)	(2,700.95)	(1,844.95)
Net cash (used in)/generated from financing activities	1,856.35	4,050.57	4,940.00
Cash and cash equivalents at the end of the year	808.77	220.49	1.35

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see *"Management's Discussion and Analysis of our Financial Condition and Results of Operations – Cash Flows"* on page 262 .

Legal and Regulatory Risks

34. ***There are outstanding legal proceedings against our Company, Promoters and our Group Companies. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

Certain legal proceedings involving our Company, Promoters and our Group Companies are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company, Promoters and our Group Companies, as disclosed in "*Outstanding Litigation and Material Developments*" on page 287 in terms of the SEBI ICDR Regulations as at the date of this Draft Red Herring Prospectus is provided below.

(in ₹ lakhs, unless otherwise specified)

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations*	Aggregate Amount Involved (₹ in lakhs)**
Company						
By our Company	-	-	-	-	-	-
Against our Company	-	1	-	-	-	53.37
Directors (other than promoter)						
By our Directors	-	-	-	-	-	-
Against our Directors	-	-	-	-	-	-
Promoter						
By our Promoter	-	-	-	-	-	-
Against our Promoter	1	4				287.66
Group Companies						
By our Group Companies	-	-	-	-	-	-
Against our Group Companies	1	8	-	-	1	1,096.26

*E**To the extent quantifiable*
** In accordance with the Materiality Policy*

For further information, see "*Outstanding Litigation and Material Developments*" on page 287.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. We are in the process of litigating these matters. Further, such proceedings could divert management time and attention and consume financial resources in their defence. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products, our technology, our branding or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with us. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

35. ***We are unable to trace some of the historical records of our Company pertaining to RoC compliance for past periods. We cannot assure you that legal proceedings or regulatory actions will not be initiated against our Company in future in relation to such untraceable records.***

Our Company has not been able to trace Form ADT-1 filed for appointment of statutory auditor for period of Financial Year 2016-2017 for filing up casual vacancy. We have been unable to trace these documents despite commissioning a detailed search at RoC through an independent practicing company secretary, Umesh Ved & Associates ("**Practicing Company Secretary**"), to trace records and filings available with RoC and reliance has been placed on the certificate dated September 27, 2024 issued by the Practicing Company Secretary. Further, we may not be able to furnish any further document concerning above matter. We have, however, submitted an intimation to RoC on September 26, 2024 in respect of the missing and untraceable RoC filings.

Further, our Company is unable to trace the share transfer forms with respect to:

S No.	Particulars
1.	Transfer of 25,000 Equity Shares from Amin Jaka to VMS Industries Limited dated May 25, 2014
2.	Transfer of 25,000 Equity Shares from Sajidbhai Ibrahimbhai Jaka to VMS Industries Limited dated May 25, 2014

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial records as of the date of this Draft Red Herring Prospectus, we cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in future.

36. There have been instances of discrepancies/errors/non-filings and statutory non compliances in the past under Companies Act. We may be subject to legal proceedings or regulatory actions by statutory authorities and our business, financial condition and reputation may be adversely affected.

In the past, we have had instances of non-compliance under the Companies Act, where our Company had filed compounding applications for non-compliances in relation to (i) non constitution of the Board as per Section 149(1)(a) of the Companies Act for the period from March 2, 2014 till May 24, 2014 and for the period from June 29, 2016 till August 29, 2019; (ii) non constitution of audit committee under Section 177 of the Companies Act for the period from May 28, 2019 till August 29, 2019; (iii) non constitution of nomination and remuneration committee under Section 177 of the Companies Act for the period from May 28, 2019 till August 29, 2019; (iv) non-appointment of at least two independent directors on Board under Section 149 of the Companies Act for the period from May 28, 2019 till August 29, 2019; and (v) non-appointment of Company Secretary under Section 203 of the Companies Act for the period from October 1, 2023 till May 3, 2024 as per the certificate dated September 27, 2024 issued by independent practicing company secretary, Umesh Ved & Associates ("**Practicing Company Secretary**"), Our Company has filed an application on September 22, 2024 for compounding of such non-compliances. As of the date of this Draft Red Herring Prospectus, no action has been undertaken by the RoC for such delayed filing, however, we cannot assure you that the RoC will not take any action or impose any penalty in the future in relation to the aforesaid.

Our Company has inadvertently has not complied with certain statutory provisions under the Companies Act which includes the loans advanced to (i) *"Eternal Automobiles"* in the Financial Year 2016-2017 and the Financial Year 2018-2019 and the Financial Year 2017-2018 which were not in compliance of Section 185 of Companies Act. However, no such loans are outstanding as on date of this Draft Red Herring Prospectus. Further, our Company has not complied with Accounting Standards -18 in the past i.e. non-inclusion of certain related party transactions in the notes to financial statements and the disclosure in the directors report under Section 134 of the Companies Act, however the same have been duly complied by our company in the Restated Financial Statements. For further details, see ***"Restated Financial Information"*** beginning on page 224. Our Company is in the process of filing an application for compounding of such non-compliances.

There have been inconsistencies between the information provided in certain RoC forms such as MGT-7 filed with the RoC, the directors reports filed with the RoC under Section 134 of Companies Act from time to time and the statutory and corporate records maintained by us and there exist certain inadvertent clerical errors. While ROC has not initiated any action till date or imposed penalty or fine in respect to the same, however we cannot assure you of the accuracy and completeness of such internal records maintained by us in respect to the above-mentioned matters and that these discrepancies will not adversely affect our business.

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, which have been subsequently filed by payment of an additional fee as specified by RoC. Our Company had inadvertently not filed certain resolutions required to be filed under Section 117 read with Section 179 of the Companies Act with respect to the filing of various resolutions with the RoC in form MGT-14. Our Company had completed a delayed filings of the Forms MGT-14 with the RoC. Whilst due care is taken in statutory record keeping and compliances, we cannot assure you that that there will be no such instances in the future, or there would not be any further delays or defaults in relation to its reporting requirements.

While on the date of this Draft Red Herring Prospectus, there is no legal proceedings or regulatory action that has been initiated against our Company in relation to such non-compliance or instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any future inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation. There can be no assurance that such lapses will not occur in the future, or that we will be able to rectify or mitigate such lapses in a timely manner, or at all.

37. Our Promoters and Promoter Group have extended personal guarantees as well as corporate guarantee with respect to loan facilities availed by our Company and have provided their property as collateral security for loan facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such property may adversely affect our business operations and financial condition.

Our Promoters and Promoter Group have extended personal guarantees as well as corporate guarantee with respect to loan facilities availed by our Company and have provided their property as collateral security for loan facilities availed by our Company. The details of the personal guarantees and corporate guarantees extended have been provided below:

(In ₹ lakhs)

S. No.	Name of the Lender	Name of Promoter/ Promoter Group member	Name of the Facility	Amount of Guarantee (₹)
1.	SVC Bank Limited	Manoj Kumar Jain Sangeeta Jain Rishabh Sunil Singh Varun Manojkumar Jain Sunny Sunil Singh Purnima Singhi Aditya Ultra Steel Limited Eternal Automobile	Cash Credit, Rupee Term Loan	4,399.00
2.	ICICI Bank Limited	Eternal Automobiles Aditya Ultra Steel Limited Sangeeta Jain Manojkumar Jain Rishabh Sunil Singhi Purnima Sunil Singhi Varun Manojkumar Jain Sunny Sunil Singhi	Cash Credit, Rupee Term Loan	3,100.00
3.	AXIS Bank Limited	Manoj Kumar Jain Sangeeta Jain Rishabh Sunil Singh Varun Manojkumar Jain Aditya Ultra Steel Limited	Letter Of Credit, Working Capital Demand Loan	5,000.00
4.	HDFC Bank Limited	Eternal Automobile Rishabh Sunil Singhi Sangeeta Manojkumar Jain Purnima Sunil Singhi Sunny Sunil Singhi Manojkumar Jain	Bank Guarantee, Cash credit, Letter Of credit, terms Loans	17,197.00
5	Ratnaafin Capital Pvt Ltd - Loan A/c	Rishabh Sunil Singhi Varun Manojkumar Jain Manojkumar Jain	Unsecured Loans (Working Capital Loans)	500.00

In the event any of these guarantees are revoked or the properties provided as collateral security are withdrawn, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, see *"Financial Indebtedness"* on page 284.

38. ***One of our Group Company 'VMS Industries Limited' was subject to the penalties imposed by Stock Exchanges. During the period year ending period ending September 30, 2021 and the financial year ending March 31, 2022, our Group Company, VMS Industries Limited ("VMS Industries") was found to be in non-compliance under Regulation 33 and Regulation 23(9) of the SEBI LODR Regulations respectively.***

One of our Group Company VMS Industries Limited was subject to the penalties imposed by Stock Exchanges. During the period year ending period ending September 30, 2021 and the financial year ending March 31, 2022, our Group Company, VMS Industries Limited ("**VMS Industries**") was found to be in non-compliance under Regulation 33 and Regulation 23(9) of the SEBI LODR Regulations respectively. SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 has prescribed certain penal actions that can be taken by stock exchanges in the event of non-compliance with SEBI LODR Regulations. Accordingly, BSE vide emails dated December 30, 2021 and January 31, 2022 respectively imposed a fine of ₹ 17,700 and ₹ 2,47,800 for non-compliance under Regulation 33 and Regulation 23(9) of the SEBI LODR Regulations for the period September 2021 and informed that all the promoters' demat accounts of VMS Industries would be frozen in the event the compliance was not completed and fines are not paid. VMS Industries paid the penalty amount to BSE on December 31, 2021 and February 22, 2022 for the aforesaid non-compliance and are currently in compliance with SEBI LODR Regulations and the demat accounts of the Promoters of VMS Industries were unfreezed by the depositories upon the instruction of the BSE. In addition, we cannot assure you that similar penalties will not be imposed in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, see "*Outstanding Litigations and Material Developments*" on page 287."

39. ***Non-compliance with and changes in, safety, health, environmental laws and other applicable regulations in India, may adversely affect our business, results of operations and financial condition.***

We are subject to laws and government regulations in India, including in relation to safety, health and environmental protection. For details, see section titled "*Key Regulations and Policies in India*" on page 186. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, processing, transport or disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our manufacturing operations. In addition, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing (including our leased MS Pipe manufacturing facility at Survey No. 107/8/9, Sihor Ghanghali Road, Ghanghali, Sihor, Bhavnagar-364240, Gujarat, India) may release into the air and water.

Our operations, particularly at our manufacturing facilities (including our leased MS Pipe manufacturing facility at Survey No. 107/8/9, Sihor Ghanghali Road, Ghanghali, Sihor, Bhavnagar-364240, Gujarat, India), are subject to stringent scrutiny, inspection and audit from third party environmental agencies, including governmental authorities to ensure our compliance with applicable laws and regulations or the relevant regulatory bodies may require us to shut down our manufacturing plants for purported violations of safety, health, environmental laws, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond the limits required by applicable law or regulation may cause us to be liable to regulatory bodies or third parties. Any such legal proceedings in the future could adversely affect our business, results of operations and financial condition.

Furthermore, if the authorities deem that our responses do not sufficiently address the concerns raised in these notices, there is also a possibility that the environmental authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied. If such environmental notices result in litigation, fines or the cancellation of our licenses, it could adversely affect our business, results of operations and financial condition.

We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees.

During Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have not delayed in making any regulatory filings under applicable law beyond prescribed timelines that resulted in a non-compliance.

40. We have filed a trademark application for our corporate logo. We also rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected.

We are dependent on our retail licence agreements entered with Kamdhenu Limited dated November 7, 2022, which allows us to market our TMT Bars and retail license agreement dated June 20, 2024 with Kamdhenu Limited which allows us to market our MS Pipes on mutually agreed terms with the State of Gujarat. For further details, see – "*We are dependent on our retail licence agreements with Kamdhenu Limited. If the retail licence agreements are terminated, we may consequently lose distributors and dealers that distribute our products, which could materially and adversely impact our business, results of operations and financial condition"* on page 25.

Further, we have filed a trademark application for our corporate logo filed with the Trademark Registry on May 28, 2024, which is currently pending for approval. We may not be able to protect our intellectual property rights, including our trademark after receipt of approval from Registrar of Trademarks, against third-party infringement and unauthorised use of our intellectual property, including by our competitors. Any failure to protect our intellectual property rights may adversely affect our business, results of operations and financial condition. Further, a failure to obtain or maintain these registrations may adversely affect our competitive business position. This may in turn affect our brand value, and consequently, our business. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, systems and processes and use information that we consider proprietary. Further, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our confidential information relating to our products.

Although no such proceedings have been initiated during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

41. We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies in India. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. For further information, see "*Government and Other Approvals*". Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval. If we are unable to comply with any or all of their applicable terms and conditions or seek waivers or extensions of time for complying with such terms and conditions, our operations may be interrupted and penalties may be imposed on us by the relevant authorities. Further, a majority of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewals. Although no proceedings have been initiated against us where a license or approval was not renewed during Fiscal 2024, Fiscal 2023 or Fiscal 2022, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business, results of operations and financial condition may be adversely affected.

Risks related to our Promoters and Promoter Group

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

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These related party transactions with our Promoters, Promoter Group, a Directors and Key

Managerial Personnels, *inter-alia* includes the payment of rent, reimbursement of expenses, loans taken, sale and purchase.

Set out below is a summary of related party transactions with related parties for Financial Years 2022, 2023 and 2024, as per Ind AS 24 – Related Party Disclosure read with the SEBI ICDR Regulations, as derived from the Restated Financial Information.

(In ₹ lakhs)

Name of related parties & Relation	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Manojkumar Jain	Remuneration	76.80	38.40	-
Rishabh Sunil Singhi	Shares Allotted	210.03	0.00	-
	Remuneration	43.20	21.60	-
Varun Manojkumar Jain	Remuneration	-	-	-
Vikram Babubhai Patel	Remuneration	8.53	-	-
Nishchay Consultancy	Service Charges	-	2.50	7.50
VMS Industries Limited	Loan Taken	11,306.00	3,831.97	3,272.72
	Loan Repaid	11,855.20	2,498.09	4,271.00
	Interest Paid	2,38.24	92.29	232.83
	Rent Paid	6.15	6.00	6.00
Yohaan Enterprise*	Share of profit	-	-	0.58
	Loan taken	-	-	1,613.00
	Loan Repaid	-	-	1,613.00
Aditya Ultra Steel Limited	Sales	-	-	32.80
Eternal Automobiles	Vehicle Purchase	-	-	0.52
	Vehicle Running Expense	-	0.15	-
Nidheeshwaramm Ship Recyclers LLP	Sales	1.68	-	-
Tanishq Ship Recylcing Private Limited	Loans Taken	166.00	481.00	330.00
	Loans Paid	166.67	765.50	100.00
	Interest Paid	42.42	43.10	12.53

For details of the related party transactions in accordance with Ind AS 24, see "Financial Information - Note 33(B) – Related Party Disclosures" beginning on page 224.
**Our Company was a partner in Yohaan Enterprise upto April 01, 2022, transactions shown above are in capacity of Yohaan Enterprise*

Although all the related party transactions in Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been carried out on arm's length basis, we cannot assure you that each of the related party transactions will be carried out on an arm's length basis in the future and on more favourable terms as compared to unrelated parties. While we shall endeavour to conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, provisions of the SEBI Listing Regulations and other applicable law, such future related party transactions may potentially involve conflicts of interest. It is likely that we will continue to enter into related party transactions in the future. Some of these transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. While our Company will endeavour to duly address such conflicts of interest as and when they may arise, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, would provide us with the anticipated benefits, not involve a conflict of interest and/or will not have an adverse effect on our business, financial condition and results of operations.

43. ***After the completion of the Issue, our Promoters will continue to collectively hold substantial shareholding in our Company.***

Currently, our Promoters own an aggregate of 96.28 % of our issued, subscribed and paid-up Equity Share capital. Following the completion of the Issue, our Promoters will continue to hold approximately [●] % of our post-Issue Equity Share capital. For details of their shareholding pre and post-Issue, see "*Capital Structure*" on page 77. By virtue of their shareholding, our Promoters will have the ability to exercise significant control over the outcome of the matters submitted to our shareholders for approval, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum of Association and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters in their capacity as our Shareholders could be different from the interests of our other shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

44. ***Certain unsecured loans have been availed by us which may be recalled by lenders.***

As of August 31, 2024, we had availed unsecured loans aggregating to ₹ 8,797.82 lakhs, from banks and certain of our Promoters, members of the Promoter Group and other persons. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to acceleration of payments under such credit facilities, which may adversely affect our Company. For further details, see "*Financial Indebtedness*" on page 284 and "*Restated Financial Information – Note 39- Financial Risk Management Framework* " on page 224.

45. ***Conflicts of interest may arise out of common pursuits between our Company and our Promoter Group/ Group Companies.***

There are common pursuits amongst our Promoter Group entity or Group Companies namely Aditya Ultra Steel Limited and our Company by virtue of engagement in similar business activities. Aditya Ultra Steel Limited is currently engaged in the business of manufacturing of all types of TMT Bars. However, the objects of the memorandum of association of our Group Company permits it to undertake business that is similar to our Company. In order to address such conflict, our Company has entered into a memorandum of understanding dated May 16, 2024 containing non-compete provisions with Aditya Ultra Steel Limited, however we cannot assure you that a conflict of interest will not arise in future between our Company and our Group company, Aditya Ultra Steel Limited. For further details, see *"History and Certain Corporate Matters- Material Agreements in relation to business operations of our Company- Memorandum of Understanding dated May 16, 2024, entered between our Company and Aditya Ultra Steel Limited"* on page 192.

46. ***The average price our Promoters have acquired Equity Shares during the preceding one year is below the Issue Price.***

We have issued Equity Shares in the last 12 months at a price that may be lower than the Issue Price, as set out in the table below:

Date of Acquisition	Name(s) of allottee(s)	No. of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Shares (₹)	Nature of Transaction
June 19, 2024	Kamdhenu Limited	211,000	10.00	230.00	Preferential Allotment
July 22, 2024	Chanayka Opportunity Fund-I	543,500	10.00	92.00	Preferential Allotment
July 22, 2024	Jayesh Dinesh Kumar Shah	54,350	10.00	92.00	Preferential Allotment
July 22, 2024	Vedant Loyalka	54,350	10.00	92.00	Preferential Allotment
July 22, 2024	VPK Global Ventures Fund- Scheme-I	54,350	10.00	92.00	Preferential Allotment
July 22, 2024	Benani Capital Scheme- I	54,350	10.00	92.00	Preferential Allotment

The Issue Price is not indicative of the price at which our Promoters have acquired our Equity Shares in the preceding 12 months or that will prevail in the open market following listing of the Equity Shares. For details, see "*Capital Structure*" beginning on page 77.

Risks related to the Objects of the Issue

47. ***Any delays in the schedule of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations.***

We propose to utilize our Net Proceeds for setting up of solar power plant at Survey Nos. 82, 81, 63, 64, 61,49,40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha District, Gujarat – 385565 ("**Solar Power Plant**"), funding long-term working capital requirements of our Company; repayment/ prepayment, in full or part, of certain borrowings availed by our Company. For further information, see "*Objects of the Issue*" on page 92. Further, the details of our proposed schedule of implementation and deployment of proceeds is as per "*Objects of the Issue - Proposed schedule of implementation and deployment of Net Proceeds*" on page 92. We are subject to risks associated with delays in the schedule of implementation of our proposed objects. These include risks on account of market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations, entering into a lease agreement with Prozeal Green Energy Limited for setting up the Solar Power Plant and other external factors. Further, our Company is subject to risks associated with fluctuating power costs, which may increase significantly before the solar power plant becomes operational. If electricity prices rise sharply, this could impact our operational costs and overall profitability, as we may face higher expenses for sourcing power from the grid to meet customer demand. Such increases could arise from various factors, including regulatory changes, supply chain disruptions, and market dynamics, which are beyond our control. Until our solar power plant is fully operational and capable of providing a stable supply of renewable energy, we may continue to rely on traditional energy sources, exposing us to price volatility in the power market.

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

Our proposed objects of the Issue are set forth under *"Objects of the Issue"* on page 92. 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 Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation 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 Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to the variation of the proposed utilisation 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 Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the 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 unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

Further, we will appoint a monitoring agency for monitoring the utilisation of proceeds of the Issue in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

49. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.

We intend to utilize the Net Proceeds of the Issue as set forth in *"Objects of the Issue"* beginning on page 92. The funding requirements mentioned as a part of the objects of the Issue are based on internal management estimates and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Other Risks

50. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business.

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Complete our backward integration project to produce billets;

- Diversifying into MS Pipe production;
- Setting up a 15MW solar power plant to reduce power expenses;
- Continued focus on cost optimization and improving operational efficiency; and

Our strategies may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our distributors and customers, our failure to effectively market our products or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. For further details of our strategies, see "*Our Business – Our Strategies*" on page 160.

51. ***If we do not continue to invest in new technologies and equipment, our machines and equipment may become obsolete and our production costs may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in machines, equipment and technologies, or otherwise adapt our machines, equipment and technologies to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

52. ***Any downgrade of our credit ratings could adversely affect our business.***

In Fiscal 2024, we have received the following credit ratings on our debt and credit facilities.

Instrument or Rating Type	Amount (₹ in lakhs)	Date	Ratings
Long Term Bank Facilities	10,093.00	15.11.2023	IVR BB+/ Negative (ISSUER NOT COOPERATING) (IVR Double B plus with Negative Outlook Issuer Not Cooperating)
Short Term Bank Facilities	3,00.00	15.11.2023	IVR A4+/ (ISSUER NOT COOPERATING) (IVR A four plus Issuer Not Cooperating)

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Further, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

53. ***We might infringe upon the intellectual property rights of others and any misappropriation of our intellectual property could harm our competitive position.***

Although we have faced no instances of intellectual property claims during Fiscal 2024, Fiscal 2023 or Fiscal 2022 and while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may require us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers: (b) result in costly litigation; (c) cause supplier delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements and (g) require us to cease certain activities. While during Fiscal 2024, Fiscal 2023 or Fiscal 2022 we have not been involved in litigation or incurred litigation expenses in connection with our intellectual property rights, in the case of an infringement claim made by a third party, we may be required to defend such claims at our own cost and liability and may need to indemnify and hold harmless our customers. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement that we are not aware of. Any of the foregoing could adversely affect our business, results of operations and financial condition.

54. We do not have an information security and disaster recovery system in place. Further any failure or disruption of our IT systems may adversely affect our business, results of operations and financial condition.

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations and accounting. However, we do not have an information security and disaster recovery system in place. In addition, IT is important to our manufacturing processes. Our IT solutions are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems, or manufacturing IT systems, could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While we have not faced significant disruptions in past, any such malfunction or disruptions in future could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Although we have had no incidents during Fiscal 2024, Fiscal 2023 or Fiscal 2022, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

55. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include inventory loss and intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. There can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. Although we have had no material incidents of employee misconduct during Fiscal 2024, Fiscal 2023 or Fiscal 2022, if our employees engage in any such future misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business, results of operations or financial condition.

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

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

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations and financial condition.

Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

57. Information relating to the installed manufacturing capacity, actual production and capacity utilisation of our manufacturing facilities in India included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the historical installed capacity, actual production and estimated capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and independent chartered engineers, including assumptions relating to standard capacity calculation practice of the steel and TMT Bars, period during which the manufacturing facilities situated at Bhayla Village, Ahmedabad, Gujarat, India operates in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For detailed information on our capacity and capacity utilization, see "*Our Business- Manufacturing - Capacity, Production and Capacity Utilization"* on page 160. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

58. Certain sections of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the Dun & Bradstreet Report prepared by D&B, which is not related to our Company, Directors, Key Managerial Personnel or Senior Management Personnel. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Draft Red Herring Prospectus indicates the Dun & Bradstreet Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the Dun & Bradstreet Report should be read taking into consideration the foregoing.

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. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Further, the Dun & Bradstreet Report is not a recommendation to invest / disinvest in any company covered in the Dun & Bradstreet Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the Dun & Bradstreet Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Dun & Bradstreet Report before making any investment decision regarding the Issue. See "*Industry Overview*" on page 120. For the disclaimers associated with the Dun & Bradstreet Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 14.

59. We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures that may vary from any standard methodology that is applicable across the TMT Bar industry and may not be comparable with financial information of similar nomenclature computed and presented by other companies.

Certain Non-GAAP Measures relating to our operations have been included in this Draft Red Herring Prospectus. For further details on the key performance indicators and non-GAAP financial measures used in this Draft Red Herring Prospectus, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation—Non-GAAP financial measures*", on page 14. We compute and disclose such Non-GAAP Measures as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian TMT Bar companies, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited and restated financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus. These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other TMT Bar companies.

External Risks

Risks Relating to India

60. ***A slowdown in economic growth in India could have a negative impact on our business, results of operations and financial condition.***

Our performance and the growth of our business are dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, or a decline in India's foreign exchange reserves could negatively affect liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards the TMT Bars industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

61. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

62. ***Our business is affected by global economic conditions, which may have an adverse effect on our business, results of operations and financial condition.***

The Indian economy and its securities markets are influenced by global economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

China is one of India's major trading partners and there are rising concerns of a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

Developments in the ongoing conflict between Russia and Ukraine, Israel and Hamas, Iran and the 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.

63. ***Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI or State of Gujarat may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI, State or Gujarat and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and financial condition.

64. Natural calamities, climate change and health epidemics and pandemics in India could adversely affect our business, results of operations and financial condition. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing plant which are concentrated in one location Gujarat. Any of these natural calamities could adversely affect our business, results of operations and financial condition.

Our operations including our manufacturing of TMT bars may be damaged or disrupted as a result of natural calamities. Such events also may lead to the disruption of information systems, electrical systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our operations could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our manufacturing facilities situated at Bhayla Village Ahmedabad, Gujarat, India. Any of the above factors may adversely affect our business, results of operations and financial condition.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions also could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

65. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business, results of operations and cash flows.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which is outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

66. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our TMT Bar products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, results of operations and financial condition.

67. ***Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus.***

Our Restated Financial Information has been compiled from our audited financial statements prepared and presented in accordance with Ind-AS and restated in accordance with the SEBI ICDR Regulations. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

68. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding, or action in concert, which causes or is likely to cause an AAEC, is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment, or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On April 11, 2023, the Competition (Amendment) Bill 2023 received the assent of the President of India to become the Competition (Amendment) Act, 2023 ("**Competition Amendment Act**"), amending the Competition Act and giving the CCI additional powers to prevent practices that harm competition and the interests of consumers. It has been enacted to increase the ease of doing business in India and enhance transparency. The Competition Amendment Act, inter alia, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered by us could be within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct, or combination occurring outside India if such agreement, conduct, or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered by us cannot be predicted with certainty at this stage. We may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows, and prospects.

69. Investors may not be able to enforce a judgment of a foreign court against us.

Our Company is a company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All of our Key Managerial Personnel and Senior Management Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

Risks Relating to the Issue and the Equity Shares

70. The Issue Price, market capitalization to revenue from operations multiple and price to earnings ratio based on the Issue Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.

Set forth below are details regarding our revenue from operations and restated profit / (loss) after tax for the periods indicated.

(₹ in lakhs)

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from operations	87,295.77	88,201.35	49,372.50
Restated profit/(loss) for the year	1,346.84	419.53	687.95

Our market capitalization to revenue from operations (Fiscal 2024) multiple is [●] times and our price to earnings ratio (based on Fiscal 2024 restated profit / (loss) after tax for the year) is [●] at the upper end of the Price Band and [●] at the lower end of the Price Band. The Issue Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares issued through a book-building process, and certain quantitative and qualitative factors as set out in "*Basis for Issue Price*" on page 106, and the Issue Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter. Investors are advised to make an informed decision while investing in our Company taking into consideration the price per share that will be published in price advertisement, the revenue generated per share in the past and the market capitalization of our company vis-à-vis the revenue generated per share.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

Accordingly, any valuation exercise undertaken for the purposes of the Issue by our Company would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the TMT Bars industry in which we operate, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching significant new projects, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, 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.

71. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under the chapter *"Basis for Issue Price*" beginning on page 106 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Issue Price.

72. Subsequent to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measures and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as price-to-earnings ratio, percentage of delivery, client concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net worth, other measures such as price-to-earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, and low trading volumes as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, limiting trading frequency or freezing of price on the upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on the market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

74. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief.

Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument ("**MLI**"), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains arising from the sales of equity shares of an Indian Company. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. General Anti-Avoidance Rules ("**GAAR**") seeks to deny the tax benefit to any arrangement, whose main purpose is to obtain a tax benefit, subject to the satisfaction of certain tests. If GAAR provisions are invoked, the tax authorities have wide powers, including cancellation of a proposed transaction or ignoring the impact of a transaction undertaken by our Company, denial of tax benefit under the IT Act, denial of a benefit available under a tax treaty, etc. Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Furthermore, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Government of India has recently announced the Union Budget for Financial Year 2025 ("**Budget**"). Pursuant to the Budget, the Finance (No.2) Act, 2024 was enacted which inter alia increased the rate of taxation of short term capital gains and long-term capital gains arising from transfer of an equity share. Investors should consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares.

Our Company cannot predict whether any tax laws or other regulations will impact it, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

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

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

76. ***Our Company's Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and may not be indicative of the market price of Equity Shares after the Issue, and you may be unable to resell your Equity Shares at or above the Issue Price or at all.***

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Issue Price of our Equity Shares will be determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. These broad market fluctuations and industry factors may materially reduce the market price of our Equity Shares, regardless of our Company's performance. In addition, following the expiry of the six-month locked-in period on certain portions of the pre-Issue Equity Share capital, our Promoters may sell its shareholding in our Company, depending on market conditions and its investment horizon. Any perception by investors that such sales might occur could additionally affect the trading price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to sell your Equity Shares at or above the Issue Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

77. ***We cannot assure payment of dividends on the Equity Shares in the future.***

Our Company has a formal dividend policy as on the date of this Draft Red Herring Prospectus. Our Company, however, has not declared dividends on our Equity Shares during the current Fiscal Year and the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our dividend policy, future results of operations, financial condition, cash flows, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to dividend policy, see "*Dividend Policy*" on page 223.

78. ***QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, or such other time period as required under the applicable laws, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in macro-economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted or cause the trading price of the Equity Shares to decline on listing.

79. There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that holders are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the holders will be unable to exercise such pre-emptive rights unless we make such a filing. The Company may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to the holders. To the extent that the holders are unable to exercise pre-emptive rights granted in respect of the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

81. Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute holders' shareholding and sales of the Equity Shares by our Promoters or other shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our shareholders, or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. Additionally, the disposal, pledge or encumbrance of the Equity Shares by our Promoters or other shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Such securities may also be issued at prices below the Issue Price.

82. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Although the SEBI Takeover Regulations have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated.

Shareholders' rights under Indian law and our Articles of Association may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face more challenges in asserting their rights as a shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

83. Non-resident investors are subject to investment restrictions under Indian laws, which limit the ability to attract foreign investors, which may adversely impact the market price of Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or does not fall under any of the exceptions specified by the RBI, then prior approval of the RBI will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no objection or a tax clearance certificate from the Indian income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

Further, pursuant to 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 a 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, can only be made through Government approval route, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. The Company cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms, or at all. For further details, please see "*Restriction on Foreign Ownership of Indian Securities*" on page 342.

SECTION III – INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

Issue of Equity Shares [1]		**Up to 1,50,00,000 equity shares of ₹ 10 each, aggregating up to ₹ [●] lakhs**
The Issue comprises of:		
A.	QIB Portion[2][3]	Not more than [●] equity shares of ₹ 10 each aggregating to ₹ [●] lakhs
of which:		
(i)	Anchor Investor Portion	Up to [●] equity shares of ₹ 10 each
(ii)	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] equity shares of ₹ 10 each
of which:		
a.	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] equity shares of ₹ 10 each
b.	Balance for all QIBs including Mutual Funds	Up to [●] equity shares of ₹ 10 each
B.	Non-Institutional Portion	Not less than [●] equity shares of ₹ 10 each aggregating to ₹ [●] lakhs
of which:		
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 2 lakhs to ₹ 10 lakhs		Up to [●] equity shares of ₹ 10 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 10 lakhs		Up to [●] equity shares of ₹ 10 each
C.	Retail Portion	Not less than [●] equity shares of ₹ 10 each aggregating to ₹ [●] lakhs
Pre and post-Issue Equity Shares		
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)		3,46,31,210 equity shares of ₹10 each
Equity Shares outstanding post the Issue		[●] equity shares of ₹10 each
Use of Net Proceeds		See "*Objects of the Issue*" on page 92 for information on the use of proceeds arising from the Issue.

Notes:

1. *The Issue has been authorized by a resolution of our Board dated July 22, 2024, and by a special resolution of our Shareholders dated July 24, 2024.*
2. *For details, see "Other Regulatory and Statutory Disclosures – Authority for the Issue" on page 296. Subject to valid bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange, subject to applicable laws. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.*
3. *Our Company, 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. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 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 Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. For details, see "Issue Procedure" on page 319.*

Allocation to Bidders in all categories except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price, as applicable.

The allocation to each of the RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each of the NIIs shall not be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. For further details, see "*Terms of the Issue*", "*Issue Structure*" and "*Issue Procedure*" on pages 308, 316 and 319 respectively.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information. The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 224 and 262, respectively.

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SUMMARY OF RESTATED ASSETS AND LIABILITIES

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars				As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS						
	Non-Current Assets					
	(a)	Property, Plant and Equipment		7,341.01	7,535.83	7,116.77
	(b)	Right of Use Assets		33.78	38.14	-
	(c)	Capital Work-In-Progress		5,168.42	361.35	-
	(d)	Other Intangible Assets		0.81	1.05	1.21
	(e)	Financial Assets				
		(i) Other Financial Assets		506.12	106.97	51.63
	(f)	Other Non-Current Assets		1,175.52	1,503.95	34.73
	Total Non-Current Assets			**14,225.67**	**9,547.28**	**7,204.33**
	Current Assets					
	(a)	Inventories		10,936.62	10,586.34	4,343.12
	(b)	Financial Assets				
		(i)	Trade Receivables	1,572.78	903.06	3,180.43
		(ii)	Cash and Cash Equivalents	808.77	220.49	1.35
		(iii)	Other Financial Assets	50.00	-	-
	(c)	Current Tax Assets (Net)		-	80.91	13.99
	(d)	Other Current Assets		829.16	1,390.19	1,009.96
	Total Current Assets			**14,197.33**	**13,180.98**	**8,548.86**
Total Assets				**28,423.00**	**22,728.27**	**15,753.19**
EQUITY AND LIABILITIES						
	Equity					
	(a)	Equity Share Capital		1,333.71	1,261.29	989.54
	(b)	Other Equity		3,317.55	1,823.23	879.86
	Total Equity			**4,651.27**	**3,084.52**	**1,869.40**
	Liabilities					
	Non-Current Liabilities					
	(a)	Financial Liabilities				
		(i)	Borrowings	10,452.95	9,343.90	7,091.85
		(ia)	Lease liabilities	32.80	35.82	-
	(b)	Provisions		23.97	18.51	11.45
	(c)	Deferred Tax Liabilities (Net)		527.56	328.58	197.26
	Total Non-Current Liabilities			**11,037.28**	**9,726.82**	**7,300.56**
	Current Liabilities					
	(a)	Financial Liabilities				
		(i)	Borrowings	9,333.05	6,925.77	4,671.21
		(ia)	Lease liabilities	3.02	2.76	-
		(ii)	Trade Payables			

			- Total outstanding dues of micro enterprises and small enterprises	237.55	345.85	77.45
			- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,122.11	2,444.55	641.02
		(iii)	Other Financial Liabilities	913.27	30.45	145.13
	(b)	Other Current Liabilities		832.23	167.21	1,048.21
	(c)	Provisions		0.64	0.35	0.22
	(d)	Current Tax Liabilities (Net)		292.58	-	-
	Total Current Liabilities			**12,734.46**	**9,916.93**	**6,583.23**
	Total Liabilities			**23,771.73**	**19,643.75**	**13,883.78**
Total Equity and Liabilities				**28,423.00**	**22,728.27**	**15,753.19**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Income			
Revenue from Operations	87,295.77	88,201.35	49,372.50
Other Income	21.09	4.26	2.14
Total Income	**87,316.86**	**88,205.61**	**49,374.63**
Expenses			
Cost of Materials Consumed	75,023.48	84,699.73	37,027.17
Purchase of traded goods	2,200.87	1,311.89	10,597.23
Changes In Inventories	(411.99)	(6,480.42)	(3,103.45)
Employee Benefit Expenses	1,005.31	918.64	493.91
Finance Costs	1,818.36	1,282.70	561.67
Depreciation and Amortisation Expenses	393.28	357.61	143.98
Other Expenses	5,357.80	5,560.73	2,754.03
Total Expenses	**85,387.12**	**87,650.88**	**48,474.55**
Profit/Loss before exceptional items and tax	1,929.74	554.73	900.09
Exceptional items	-	-	-
Profit/(Loss) before tax for the year	**1,929.74**	**554.73**	**900.09**
Tax Expense			
Current Tax	383.92	3.88	30.63
Deferred Tax	198.98	131.33	181.50
Total Tax Expense	**582.90**	**135.20**	**212.14**
Profit/(Loss) after tax for the year	**1,346.84**	**419.53**	**687.95**
Other Comprehensive Income*			
- Remeasurement of the Defined Benefit Plans	9.88	7.51	1.22
Tax relating to items that will not be reclassified to Profit or Loss	-	-	-
Total Other Comprehensive Income for the year (Net of Tax)	**9.88**	**7.51**	**1.22**
Total Comprehensive Income for the year	**1,356.72**	**427.04**	**689.17**
Earnings Per Share (EPS) (in ₹)			
(Face Value ₹ 10 Per Share)			
Basic Earnings per Share	4.01	1.39	2.28
Diluted Earnings per Share	4.01	1.39	2.28

**Items that will not be reclassified to Profit or Loss*

SUMMARY OF RESTATED CASH FLOW STATEMENT

(₹ in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A.	Cash flow from operating activities			
	Profit/(Loss) before tax	1,929.74	554.73	900.09
	Adjustments for:			
	Depreciation/Amortisation	393.28	357.61	143.98
	Change in Reserves	9.88	7.51	1.22
	Finance Cost	1,818.36	1,282.70	561.67
	Preliminary Expenses Written Off	0.75	0.38	0.38
	Operating profit before working capital changes	**4,152.01**	**2,202.93**	**1,607.33**
	Changes in Working Capital:			
	(Increase) / Decrease in Assets:			
	Trade Receivables	(669.71)	2,277.37	(1,445.09)
	Other financial assets	(50.00)	-	-
	Other Assets	561.02	(461.13)	(435.39)
	Inventories	(350.28)	(6,243.22)	(4,239.17)
	Increase / (Decrease) in Liabilities:			
	Other Financial Liabilities	882.81	(114.67)	(234.79)
	Other liabilities	665.03	(881.00)	1,001.85
	Trade Payables	(1,430.73)	2,071.92	701.86
	Provisions	5.75	7.20	(20.39)
	Cash generated/(used) from operations	**3,765.89**	**(1,140.61)**	**(3,063.78)**
	Income taxes paid (Net of Refund)	(10.44)	10.11	(30.83)
	Net cash generated/(used) from operating activities (A)	**3,755.45**	**(1,130.49)**	**(3,094.61)**
B.	**Cash flow from investing activities**			
	Purchase of Property, Plant and Equipment (including CWIP)	(5,000.93)	(1,176.01)	(1,815.93)
	Bank Deposit / Margin Money Placed with bank (Net)	(399.15)	(55.34)	(40.00)
	Changes In Non- Current Loans and Advances (including Capex Advance)	376.56	(1,469.60)	10.99
	Net cash generated/(used) in investing activities (B)	**(5,023.53)**	**(2,700.95)**	**(1,844.95)**
C.	**Cash flow from financing activities**			
	Proceeds from Issue of Equity Shares	210.03	788.08	-
	Proceeds from Current Borrowings (Net)	1,038.43	1,118.70	1,956.91
	Proceeds from Non-Current Borrowings	15,341.80	6,780.37	12,659.64
	Repayment of Non-Current Borrowings	(12,863.90)	(3,353.22)	(9,114.88)
	Payment of Lease Liability	(6.12)	(1.53)	-
	Prepaid IPO Expenses	(48.88)	-	

	Finance Cost	(1,815.00)	(1,281.82)	(561.67)
	Net cash generated/(used) in financing activities (C)	**1,856.35**	**4,050.57**	**4,940.00**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**588.28**	**219.14**	**0.44**
	Cash and cash equivalents at the beginning of the year	220.49	1.35	0.91
	Cash & Cash Equivalents at end of the Year	808.77	220.49	1.35
	Cash balance acquired on account of Merger	-	-	-
	Cash and Cash Equivalent Includes			
	Cash in hand	9.83	29.03	1.35
	Balances with Banks			
	-In Current Accounts	798.94	7.02	-
	Fixed Deposit (with original maturity less than three months)	-	184.44	-
	Total Cash and Cash Equivalents	**808.77**	**220.49**	**1.35**

GENERAL INFORMATION

Our Company was incorporated as 'VMS TMT Private Limited' a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, Gujarat at Dadra and Nagar Haveli on April 9, 2013. The name of our Company was subsequently changed to 'VMS TMT Limited', upon conversion into a public company, pursuant to a board resolution dated October 16, 2023, and a shareholder resolution dated November 10, 2023, and a fresh certificate of change of name was issued on December 1, 2023, by the RoC.

Corporate Identity Number: U27204GJ2013PLC074403

Company Registration Number: 074403

Registered and Corporate Office:
Survey No 214 Bhayla Village,
Near Water Tank Bavla,
Ahmedabad-382220,
Gujarat, India

For details in relation to the changes in the registered office of our Company, see "*History and Certain corporate Matters - Changes in the registered office of our Company*" on page 192.

Address of the Registrar of Companies

Our Company is registered with the RoC situated at the following address:

The Registrar of Companies, Gujarat at Ahmedabad
ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad,
Gujarart-380013.

Board of Directors

Our Board comprises of the following Directors as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Varun Manojkumar Jain	Chairman and Managing Director	03502561	404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad 380015, Gujarat, India
Rishabh Sunil Singhi	Whole-Time Director	09342922	201, Safal Flora, Near Jay Kishan Building, Near Govt. Godown, Shahibaug, Ahmedabad City, Gujarat, India - 380004
Manojkumar Jain	Non-Executive Director	02190018	404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad 380015, Gujarat, India
Jasmin Jaykumar Doshi	Independent Director	08686876	A-206, Sukomal Appartment, Ramdevnagar, Satellite, Satellite, Ahmadabad City, Ahmedabad, Gujarat - 380015
Vinodkumar Bhanwer Singh	Independent Director	10454743	8, Luvkush 2 Bunglows, Near Sangath Bliss Flats, Opp Goga Mandir, Nava Koba Gandhinagar, Koba, Gandhinagar, Gujarat - 382007
Vivek Dinesh Nathwani	Independent Director	09791683	Flat No – 202, Mangal Kiran Apartment, Ramdham Plots, Kalavad Road, Rajkot, Rajkot, Gujarat - 360005

For brief profiles and further details of our Board of Directors, see "*Our Management*" on page 198.

Company Secretary and Compliance Officer

Boliya Vijay Amrabhai is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Boliya Vijay Amrabhai
Survey No 214 Bhayla Village,
Near Water Tank Bavla,
Ahmedabad-382220,
Gujarat, India.
Telephone: +91 6357585711
E-mail: compliance@vmstmt.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related matters, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Manager giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Manager

Arihant Capital Markets Limited
1011 Solitaire Corporate Park,
Building No. 10,
Guru Hargovindji Road, Chakala,
Andheri (East), Mumbai – 400 093
Telephone: +91- 22-4225 4800
E-mail: mbd@arihantcapital.com
Investor Grievance ID: vmsipo@arihantcapital.com
Website: www.arihantcapital.com
Contact Person: Amol Kshirsagar/ Satish Kumar Padmanabhan
SEBI Registration Number: INM000011070

Arihant Capital Markets Limited is the sole Book Running Lead Manager to the Issue, and accordingly, there is no inter se allocation of responsibilities in the Issue.

Syndicate Members

[●]

Legal Counsel to our Company as to Indian law

M/s. Crawford Bayley & Co.
State Bank Building, 4th Floor
NGN Vaidya Marg
Fort, Mumbai – 400 023
Maharashtra, India.
Telephone: +91 22 2266 3353

Statutory Auditor to our Company

M/s. Suresh Chandra & Associates, Chartered Accountants
1304, Addor Aspire, Nr. Jhanvi Restaurant,
Panjarapole, University Road, Ambawadi,
Ahmedabad-380015
Telephone: +91 9974534855
Email: cassnanwal@gmail.com
Firm Registration Number: 001359N
Peer review number:014609

Changes in Statutory Auditors

Except as disclosed below, there has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of Appointment/Resignation	Reason for change
Suresh Chandra & Associates, Chartered Accountants 1304, Addor Aspire, Nr. Jhanvi Restaurant, Panjarapole, University Road, Ambawadi, Ahmedabad-380015 **Tel:** +91-9974534855 **E-mail:** cassnanwal@gmail.com **Firm registration number:** 001359N **Peer review number:** 014609	March 29, 2024	Appointment as the statutory auditors in case of casual vacancy
Sunil Poddar & Co. Chartered Accountants 1301, Addor Aspire, Nr. Jahanvee Restaurant, Panjarapole University Road, Ambawadi, Ahmedabad, Gujarat - 380015 **Tel:** 079-48977222-23 **E-mail:** info@sunilpoddarca.com **Firm registration number:** 110603W **Peer review number:** 013477	March 12, 2024	Resignation as the statutory auditors due to preoccupation
Sunil Poddar & Co. Chartered Accountants 1301, Addor Aspire, Nr. Jahanvee Restaurant, Panjarapole University Road, Ambawadi, Ahmedabad, Gujarat - 380015 **Tel:** 079-48977222-23 **E-mail:** info@sunilpoddarca.com **Firm registration number:** 110603W **Peer review number:** 013477	November 30, 2021	Appointment as statutory auditors of our Company
S.N. Shah and Associates 10-B, Sapan House, Govt. Servants Society, Opp. Municipal Market, C.G. Road, Navrangpura, Ahmedabad – 380009 **Tel:** 079 - 40098280 **E-mail:** snshah_asso@hotmail.com **Firm registration number:** 109782W	November 03, 2021	Resignation as the statutory auditors on account of preoccupation

Particulars	Date of Appointment/Resignation	Reason for change
Peer review number: 013759		

Registrar to the Issue

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad-500 032, Telangana, India
Telephone: +91-40-67162222
E-mail: vtl.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact person: M. Murali Krishna
SEBI registration number: INR000000221

Banker(s) to the Issue

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Issue Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

ICICI Bank Limited
8th Floor, Aman-1, Opp. Parimal Garden,
Ambawadi, Ahmedabad,
Gujarat 380 006, India
Telephone: +91 8200722964
Contact Person: Dishant Patel
Email: dishant.patel@icici.com
Website: www.icicibank.com

HDFC Bank Limited
Shivalik 3, Third Floor,
Near Drive-In Cinema,
Thaltej, Ahmedabad, Gujarat – 380054
Telephone: +91 9433499500
Contact Person: Mohit Rai
Email: mohit.rai@hdfcbank.com
Website: www.hdfcbank.com

Axis Bank Limited
Mega Wholesale Banking Center
2nd Floor, 3rd EYE One Building,

Near Panchavati Cross Road,
C.G.Road, Ahmedabad-380009
Telephone: +91 8238610959
Contact Person: Kranthi Kumar Pathika
Email: kranthi.pathika@axisbank.com
Website: www.axisbank.com

Svc Co-Operative Bank Limited
Shop No. 1 & 2, Platinum Plaza,
Opp. IOC Petrol Pump, Judges Bungalow Road,
Bodakdev, Satellite,
Ahmedabad – 380054
Telephone: +91 9725765525
Contact Person: Abhishek Pradhan
Email: satelliteroadou@svcbank.com
Website: www.svcbank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, UPI Bidders Bidding 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website prescribed by SEBI from time to time. For further details on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any other website prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 and Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm or any such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, or any such other websites as updated from time to time.

Experts

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

Our Company has received written consent dated September 27, 2024 from the Statutory Auditor, namely, Suresh Chandra & Associates, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 19, 2024 on the Restated Financial Information; and (ii) their report dated September 27, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 27, 2024, from an independent chartered accountant, namely Sunil Poddar and Co., Chartered Accountants in relation to the certificate dated September 27, 2024 issued in relation to the statement of estimates of working capital requirements and to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountant and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 27, 2024 from the practicing Company Secretary, Umesh Ved & Associates, to include its name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in its capacity as practicing Company Secretary in respect of the certificate dated September 27, 2024 issued by it in connection with inter alia the share capital buildup and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term 'expert' shall not be construed to mean an 'expert' as defined under U.S. Securities Act.

In addition, our Company has received written consents dated September 19, 2024 from B.P Oza & Associates, as Chartered Engineer to include its name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the report dated September 19, 2024, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with RoC. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Issue - Proposed schedule of implementation and deployment of Net Proceeds*" on page 92.

Appraising Entity

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

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Issue.

Debenture Trustees

As this is an issue of Equity Shares, no debenture trustee has been appointed for the Issue.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with SEBI ICDR Master Circular bearing reference no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It will also be filed with SEBI at:

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 will be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office, and through the electronic portal.

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, will be advertised all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and editions of [●], a Gujarati daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date. For further details, see "*Issue Procedure*" on page 319

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Except for Allocation to RIBs, Non-Institutional Bidders and the QIBs in the Net QIB Portion, Allocation in the Issue will be on a proportionate basis. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until

the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Issue*" and "*Issue Procedure*" on pages 308 and 319 respectively.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

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

For further details on the method and procedure for Bidding, see "*Issue Structure*", "*Issue Procedure*" and "*Terms of the Issue*" on pages 316, 319 and 308, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure*" on page 319.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ lakhs)
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned is indicative underwriting amount and will be finalised after determination of Issue Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(in ₹, except share data or indicated otherwise)

Sr. No	Particulars	Aggregate nominal value	Aggregate value at Issue Price(1)
A.	**AUTHORIZED SHARE CAPITAL**		
	5,10,00,000 equity shares of face value ₹10 each	51,00,00,000	[●]
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	3,46,31,210 equity shares of face value ₹10 each	34,63,12,100	[●]
C.	**PRESENT ISSUE**		
	Issue of up to 1,50,00,000 equity shares of face value ₹ 10 each aggregating up to ₹ [●] lakhs(2)	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE(1)**		
	[●] equity shares of face value ₹10 each	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	653.94	
	After the Issue(1)	[●]	

Notes:

1. *To be included upon finalization of the Issue Price.*
2. *The Issue has been authorized by a resolution of our Board dated July 22, 2024, and by a special resolution of our Shareholders dated July 24, 2024.*

For details of changes to our Company's authorised share capital in the last 10 years, see "*History and Certain Corporate Matters – Amendments to the Memorandum of Association*" on page 192.

Notes to the Capital Structure:

1. **Share capital history of our Company:**

(a) Equity share capital

The following table sets forth the history of the equity share capital of our Company:

Date of allotment	No of Equity Shares allotted	Face value (₹) per Equity Share	Issue price per equity share (₹)	Form of consideration	Reasons / nature of allotment	Name of allottees and Equity Shares allotted	Cumulative no of equity shares	Cumulative paid-up equity share capital (in ₹)
April 09, 2013	1,00,000	10	10	Cash	Subscription to the MoA	Allotment of 25,000 Equity Shares to Amin Jaka, 25,000 Equity Shares to Varun Manojkumar Jain, 25,000 Equity Shares to Vaibhav Jain and 25,000 Equity Shares to Sajidbhai Ibrahimbhai Jaka	1,00,000	10,00,000
October 01, 2013	21,28,020	10	10	Cash	Further Issue	Allotment of 21,23,000 Equity Shares to VMS Industries Limited, 5,000 Equity Shares to Varun Manojkumar Jain, 10 Equity Shares to Manojkumar Jain and 10 Equity Shares to Sangeeta Jain	22,28,020	2,22,80,200
March 28, 2014	21,28,000	10	10	Cash	Further Issue	Allotment of 20,65,000 Equity Shares to VMS Industries Limited, 58,500 Equity Shares to Varun Manojkumar Jain and 4,500 Equity Shares to Vaibhav Jain	43,56,020	4,35,60,200
September 04, 2014	6,00,000	10	10	Cash	Preferential allotment	Allotment of 6,00,000 Equity Shares to VMS Industries Limited	49,56,020	4,95,60,200
March 16, 2015	6,80,000	10	10	Cash	Preferential allotment	Allotment of 2,30,000 Equity Shares to Sangeeta Jain, 2,00,000 Equity Shares to Manojkumar Jain, 2,00,000 Equity Shares to Varun Manojkumar Jain and 50,000 Equity Shares to Vaibhav Jain.	56,36,020	5,63,60,200
March 26, 2015	3,60,000	10	10	Cash	Preferential allotment	Allotment of 2,10,000 Equity Shares to Manojkumar Jain and 1,50,000 Equity Shares to Vaibhav Jain	59,96,020	5,99,60,200

Date of allotment	No of Equity Shares allotted	Face value (₹) per Equity Share	Issue price per equity share (₹)	Form of consideration	Reasons / nature of allotment	Name of allottees and Equity Shares allotted	Cumulative no of equity shares	Cumulative paid-up equity share capital (in ₹)
March 31, 2015	1,00,000	10	10	Cash	Rights issue	Allotment of 1,00,000 Equity Shares to Manojkumar Jain	60,96,020	6,09,60,200
April 30, 2015	1,35,000	10	10	Cash	Rights issue	Allotment of 1,35,000 Equity Shares to VMS Industries Limited	62,31,020	6,23,10,200
May 30, 2015	1,00,000	10	10	Cash	Rights issue	Allotment of 1,00,000 Equity Shares to VMS Industries Limited	63,31,020	63,310,200
March 20, 2021	35,64,366	10	10	Cash	Rights issue	Allotment of 35,64,366 Equity Shares to Rishabh Sunil Singhi	98,95,386	9,89,53,860
March 31, 2023	27,17,500	10	29	Cash	Rights issue	Allotment of 22,00,000 Equity Shares to Varun Manojkumar Jain, 5,17,500 Equity Shares to Rishabh Singhi	1,26,12,886	12,61,28,860
May 03, 2023	7,24,238	10	29	Cash	Rights issue	Allotment of 7,24,238 Equity Shares to Rishabh Sunil Singhi	1,33,37,124	13,33,71,240
June 19, 2024	2,11,000	10	230	Cash	Preferential allotment	Allotment of 2,11,000 Equity Shares to Kamdhenu Limited	1,35,48,124	13,54,81,240
June 22, 2024	2,03,22,186	10	N.A	N.A	Bonus issue in the ratio of 3:2	Allotment of 72,08,856 Equity Shares to Rishabh Sunil Singhi, 61,68,750 Equity Shares to Manojkumar Jain, 15,27,765 Equity Shares to Sangeeta Jain, 51,00,000 Equity Shares to Varun Manojkumar Jain, 15 Equity Shares to Varuna Jain, 150 Equity Shares to Sunny Sunil Singhi, 150 Equity Shares to Sunil Jeevrajji Singhi and 3,16,500 Equity Shares to Kamdhenu Limited	3,38,70,310	33,87,03,100
July 22, 2024	7,60,900	10	92	Cash	Preferential allotment	Allotment of 5,43,500 Equity Shares to Chanakya Opportunities Fund I, 54,350 Equity Shares to Jayesh Dineshkumar Shah, 54,350 Equity Shares to Vedant Loyalka, 54,350 Equity Shares to VPK Global Ventures Fund-Scheme I and 54,350	3,46,31,210	34,63,12,100

Date of allotment	No of Equity Shares allotted	Face value (₹) per Equity Share	Issue price per equity share (₹)	Form of consideration	Reasons / nature of allotment	Name of allottees and Equity Shares allotted	Cumulative no of equity shares	Cumulative paid-up equity share capital (in ₹)
						Equity Shares to Benani Capital Scheme I.		

The issuance of equity shares by our Company, since incorporation of our Company until the date of this Draft Red Herring Prospectus, had been undertaken in accordance with the provisions of the Companies Act,1956, and the Companies Act, 2013, to the extent applicable. Our Company has been unable to trace certain share transfer forms. For further details, see *"Risk Factors – We are unable to trace some of the historical records of our Company pertaining to RoC compliance for past periods. We cannot assure you that legal proceedings or regulatory actions will not be initiated against our Company in future in relation to such untraceable records"* on page 25.

(b) History of Preference share capital

As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

2. **Equity shares issued for consideration other than cash or by way of bonus issue**

Except as disclosed below, our Company has not issued any equity shares for consideration other than cash or any bonus issues since its incorporation:

Date of allotment	No of Equity Shares	Face value (₹)	Issue price per equity share (₹)	Form of considerations	Name of allottees	Reasons/nature of allotment	Benefits Accrued
June 22, 2024	2,03,22,186	10	N.A	N.A	Allotment of 72,08,856 Equity Shares to Rishabh Sunil Singhi, 61,68,750 Equity Shares to Manojkumar Jain, 15,27,765 Equity Shares to Sangeeta Jain, 51,00,000 Equity Shares to Varun Manojkumar Jain, 15 Equity Shares to Varuna Jain, 150 Equity Shares to Sunny Sunil Singhi, 150 Equity Shares to Sunil Jeevrajji Singhi and 3,16,500 Equity Shares to Kamdhenu Limited	Bonus issue in the ratio of 3:2	-

3. **Shares issued out of revaluation reserve**

Our Company has not issued any shares out of revaluation reserves since its incorporation.

4. **Allotment of equity shares pursuant to schemes of arrangement**

Our Company has not issued or allotted any equity shares pursuant to any schemes of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230 - 234 of the Companies Act, 2013.

5. **Issue of equity shares at a price lower than the Issue Price in the last one year**

Except for issue of preferential shares and bonus shares and as mentioned above under "*Capital Structure – Equity Shares issued for consideration other than cash or by way of bonus*" and "*Capital Structure – Share capital history of our Company*" on page 77 and page 83, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

6. **Issue of equity shares under employee stock option schemes**

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock options scheme or any employee stock option plan.

7. **Shareholding of our Promoter and members of Promoter Group in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters, Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain, and Sangeeta Jain collectively hold 33,342,285 Equity Shares aggregating to approximately 96.28% of the issued, subscribed and paid-up Equity Share capital of our Company.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

Further, none of the Equity Shares held by our Promoters are pledged as of the date of this Draft Red Herring Prospectus.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

Set forth below is the the pre-issue and post-issue shareholding of our Promoters:

Sr. No.	**Name**	**Pre-Issue Equity Share capital**		**Post-Issue Equity Share capital***	
		Number of equity shares of face value of ₹ 10 each	**Percentage of Equity Share capital (%)**	**Number of equity shares of face value of ₹ 10 each**	**Percentage of Equity Share capital (%)**
1.	Varun Manojkumar Jain	85,00,000	24.54	[●]	[●]
2.	Rishabh Sunil Singhi	1,20,14,760	34.69	[●]	[●]
3.	Manojkumar Jain	1,02,81,250	29.69	[●]	[●]
4.	Sangeeta Jain	25,46,275	7.35	[●]	[●]
	Total	**3,33,42,285**	**96.28**	[●]	[●]

**To be updated at Prospectus stage*

The entire shareholding of our Promoters is in dematerialised form.

Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company:

Date of allotment/ transfer/ acquisition of equity shares	**No of Equity Shares**	**Face value (₹)**	**Issue/ Transfer/ Acquisition price per equity share (₹)**	**Form of considerations**	**Nature of transaction**	**Percentage of pre-Issue Equity Share capital of the Company (%)**	**Percentage of post-Issue equity share capital of the Company (%)**
Varun Manojkumar Jain							
April 09, 2013	25,000	10	10	Cash	Pursuant to initial subscription to the Memorandum of Association	0.07	[●]
October 01, 2013	5,000	10	10	Cash	Further issue	0.01	[●]
March 28, 2014	58,500	10	10	Cash	Further issue	0.17	[●]
March 16, 2015	2,00,000	10	10	Cash	Preferential allotment	0.58	[●]
July 02, 2016	(2,88,500)	10	10	Cash	Transfer of 2,88,500 Equity Shares to Sangeeta Jain	(0.83)	[●]
March 27, 2023	12,00,000	10	29	Cash	Transfer of 12,00,000 Equity Shares from VMS Industries Limited	3.47	[●]
March 31, 2023	22,00,000	10	29	Cash	Rights issue	6.35	[●]

Date of allotment/ transfer/ acquisition of equity shares	No of Equity Shares	Face value (₹)	Issue/ Transfer/ Acquisition price per equity share (₹)	Form of considerations	Nature of transaction	Percentage of pre-Issue Equity Share capital of the Company (%)	Percentage of post-Issue equity share capital of the Company (%)
June 22, 2024	51,00,000	10	N. A	Other than cash	Bonus issue in the ratio of 3:2	14.73	[●]
Sub-total (B)	**85,00,000**	**-**	**-**	**-**	**-**	**24.54**	
Rishabh Sunil Singhi							
March 20, 2021	35,64,366	10	10	Cash	Rights issue	10.29	[●]
March 31, 2023	5,17,500	10	29	Cash	Rights issue	1.49	[●]
April 10, 2023	(100)	10	29	Cash	Transfer of 100 Equity Shares to Sunny Sunil Singhi	Negligible	[●]
April 10, 2023	(100)	10	29	Cash	Transfer of 100 Equity Shares to Sunil Jeevrajji Singhi	Negligible	[●]
May 03, 2023	7,24,238	10	29	Cash	Rights issue	2.09	[●]
June 22, 2024	72,08,856	10	N. A	Other than cash	Bonus issue	20.82	[●]
Sub-total (C)	**1,20,14,760**	**-**	**-**	**-**	**-**	**34.69**	
Manojkumar Jain							
October 01, 2013	10	10	10	Cash	Further issue	Negligible	[●]
March 16, 2015	2,00,000	10	10	Cash	Preferential allotment	0.58	[●]
March 26, 2015	2,10,000	10	10	Cash	Preferential allotment	0.61	[●]
March 31, 2015	1,00,000	10	10	Cash	Rights issue	0.29	[●]
July 02, 2016	2,29,500	10	10	Cash	Transfer of 2,29,500 Equity Shares from Vaibhav Jain	0.66	[●]
March 10, 2017	5,00,000	10	10	Cash	Transfer of 5,00,000 Equity Shares from Sangeeta Jain	1.44	[●]
August 29, 2019	25,73,000	10	11	Cash	Transfer of 25,73,000 Equity Shares from VMS Industries Limited	7.43	[●]
November 28, 2019	3,00,000	10	10	Cash	Transfer of 3,00,000 Equity Shares from VMS Industries Limited	0.87	[●]

Date of allotment/ transfer/ acquisition of equity shares	No of Equity Shares	Face value (₹)	Issue/ Transfer/ Acquisition price per equity share (₹)	Form of considerations	Nature of transaction	Percentage of pre-Issue Equity Share capital of the Company (%)	Percentage of post-Issue equity share capital of the Company (%)
April 10, 2023	(10)	10	29	Cash	Transfer of 10 Equity Shares to Varuna Jain	Negligible	[●]
June 22, 2024	61,68,750	10	N.A	Other than cash	Bonus issue	17.81	[●]
Sub-total (A)	**1,02,81,250**	-	-	-	-	**29.69**	[●]
Sangeeta Jain							
October 01, 2013	10	10	10	Cash	Further issue	Negligible	[●]
March 16, 2015	2,30,000	10	10	Cash	Preferential allotment	0.66	[●]
July 02, 2016	2,88,500	10	10	Cash	Transfer of 2,88,500 Equity Shares from Varun Manojkumar Jain	0.83	[●]
March 10, 2017	(5,00,000)	10	10	Cash	Transfer of 5,00,000 Equity Shares to Manojkumar Jain	(1.44)	[●]
August 29, 2019	10,00,000	10	11	Cash	Transfer of 10,00,000 Equity Shares from VMS Industries Limited	2.89	[●]
June 22, 2024	15,27,765	10	N.A	Other than cash	Bonus issue	4.41	[●]
Sub-total (D)	**25,46,275**	-	-	-	-	**7.35**	[●]
Total (A+B+C+D)	**3,33,42,285**	**-**	**-**	**-**	**-**	**96.28**	

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

Further, none of the Equity Shares held by our Promoters are pledged as of the date of this Draft Red Herring Prospectus.

(b)Shareholding of the members of our Promoter Group (other than our Promoters)

Except as disclosed below, the members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholders	Pre - Issue		Post - Issue	
		Number of equity shares of face value of ₹ 10 each	Percentage of Equity Share capital (%)	Number of equity shares of face value of ₹ 10 each	Percentage of Equity Share capital (%)*
1.	Varuna Jain	25	Negligible	[●]	[●]
2.	Sunil Jeevrajji Singhi	250	Negligible	[●]	[●]
3.	Sunny Sunil Singhi	250	Negligible	[●]	[●]

Note: To be updated at the Prospectus stage.
**Subject to finalisation of Basis of Allotment*

8. **Shareholding pattern of our Company**

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

[The rest of the page has been intentionally left blank]

Category (I)	Category of shareholder (II)	Number of shareholder s (III)	Number of fully paid up Equity Shares held (IV)	Num ber of partly paid-up Equit y Share s held (V)	Numbe r of shares underlyi ng Deposit ory Receipts \ (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity shares underlying outstanding convertible securities (including warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)							
								Class (Equity Shares)	Clas s (Oth ers)	Total				Numbe r (a)	As a % of total Equity Shares held (b)	Numbe r (a)	As a % of total Equity Shares held (b)	
(A)	Promoter and Promoter Group	7	33,342,810	-	-	33,342,810	96.28	33,342,810	-	33,342,810	96.28	-	-	-	-	-	-	33,342,810
(B)	Public	6	12,88,400	-	-	12,88,400	3.72	12,88,400	-	12,88,400	3.72	-	-	-	-	-	-	12,88,400
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**13**	**3,46,31,210**	**-**	**-**	**3,46,31,210**	**100.00**	**3,46,31,210**		**3,46,31,210**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**3,46,31,210**

9. **Details of shareholding of the major Shareholders of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has 13 (thirteen) Shareholders.

a) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as on the date of this Draft Red Herring Prospectus and as of 10 days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Shareholders	Number of equity shares of face value of ₹ 10 each	Percentage of pre-Issue Equity Share capital (%)
1.	Varun Manojkumar Jain	8,500,000	24.54
2.	Rishabh Sunil Singhi	12,014,760	34.69
3.	Manojkumar Jain	10,281,250	29.69
4.	Sangeeta Jain	2,546,275	7.35
5.	Chanakya Opportunities Fund I	5,43,500	1.57
6.	Kamdhenu Limited	527,500	1.52
	Total	**3,44,13,285**	**99.36**

b) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Shareholders	Number of equity shares of face value of ₹ 10 each	Percentage of pre-Issue Equity Share capital (%)
1.	Varun Manojkumar Jain	3,400,000	25.49
2.	Rishabh Sunil Singhi	4,805,904	36.03
3.	Manojkumar Jain	4,112,500	30.83
4.	Sangeeta Jain	1,018,510	7.64

c) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus

Sr. No.	Shareholders	Number of equity shares of face value of ₹ 10 each	Percentage of pre-Issue Equity Share capital (%)
1.	VMS Industries Limited	12,00,000	12.13
2.	Rishabh Sunil Singhi	35,64,366	36.02
3.	Manojkumar Jain	41,12,510	41.56
4.	Sangeeta Jain	10,18,510	10.29

10. **Details of Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel in our Company**

Expect as disclosed below no other Director and Key Managerial Personnel of our Company hold any Equity Shares of our Company. Further none of our Senior Management Personnel hold any Equity Shares of our Company.

Sr No	Name	Number of equity shares of face value ₹10 each	Percentage of the pre-Issue Equity Share capital (%)	Percentage of the post-Issue Equity Share capital (%)*
1.	Varun Manojkumar Jain**	85,00,000	24.54	[●]
2.	Rishabh Sunil Singhi**	1,20,14,760	34.69	[●]
3.	Manojkumar Jain	1,02,81,250	29.69	[●]

**To be updated at Prospectus stage*
***Also acting as a KMP of the Company*

11. **Details of Promoters' contribution and lock-in**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, as amended, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters, shall be locked in for a period of 18 months, or any other period as prescribed under the SEBI ICDR Regulations, as minimum Promoters' contribution ("**Minimum Promoters' Contribution**") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of 6 months from the date of Allotment.

12. **Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below*:**

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

** To be included in the Prospectus.*

(a) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as the Minimum Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.

(b) Our Company confirms that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see *"Capital Structure —Shareholding of our Promoter and members of Promoter Group in our Company* on page 77.

In this connection, we confirm the following:

i. The Equity Shares offered for Minimum Promoter's Contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash except for Bonus Issue of Equity Shares and involving any revaluation of assets or capitalisation of intangible assets in such transaction, (b) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.
ii. The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the Issue except for Bonus Issue of Equity Shares.
iii. Our Company has not been formed by the conversion of one or more partnership firms or of a limited liability partnership firm into a Company.

iv. The Equity Shares held by the Promoters and offered for Minimum Promoters' Contribution are not subject to any pledge; and
v. All the Equity Shares held by the Promoters are held in dematerialised form as on the date of this Draft Red Herring Prospectus.

13. **Details of equity share capital locked-in for six months**

In addition to the Equity Shares proposed to be locked-in as part of the Minimum Promoters' Contribution as stated above, the entire pre-Issue equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Issue in terms of Regulation 16 and 17 to the SEBI ICDR Regulations.

In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked - in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

14. **Lock-in of Equity Shares Allotted to Anchor Investors**

Fifty percent (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, and the remaining fifty percent (50%) of the Equity Shares Allotted to the Anchor Investors shall be locked in for 30 days from the date of Allotment.

15. **Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depositories.

16. **Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit taking housing finance company, subject to the following:

i. With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
ii. With respect to the Equity Shares locked-in as Minimum Promoter's Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue and such pledge of the Equity Shares must be one of the terms of the sanction of the loan, which is not applicable in the context of this Issue.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to and amongst the members of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the SEBI Takeover Regulations, as applicable and such transferees shall not be eligible to transfer them till the lock-in period stipulated under the SEBI ICDR Regulations has expired.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Issue and locked-in for a period of six months from the date of Allotment in the Issue, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee and compliance with the applicable provisions of the SEBI Takeover Regulations.

17. There has been no acquisition of Equity Shares with any special rights including any right to nominate Directors on our Board, in the immediately preceding three years (including the immediately preceding one year) by our Promoters, members of the Promoter Group and Shareholders.

18. None of the investor of the company is directly/indirectly related to Book Running Lead Manager, its associates, as defined under the SEBI Merchant Bankers Regulations.

19. Except for any Equity Shares to be issued pursuant to the Issue, there is no proposal or intention, negotiations and consideration of our Company to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

20. Except for the allotment of Equity Shares pursuant to the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or refund of application monies other than in connection with the Issue.

21. Except as disclosed below, none of our Promoters, members of the Promoter Group and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Date of acquisition/ allotment	Nature of Transactions	Number of shares	Face Value (₹)	Acquisition /Allotment Price^
1.	Varun Manojkumar Jain	June 22, 2024	Allotment of Bonus Shares	51,00,000	10	Nil
2.	Manojkumar Jain	June 22, 2024	Allotment of Bonus Shares	61,68,750	10	Nil
3.	Sangeeta Jain	June 22, 2024	Allotment of Bonus Shares	15,27,765	10	Nil
4.	Rishabh Sunil Singhi	June 22, 2024	Allotment of Bonus Shares	72,08,856	10	Nil
5.	Varuna Jain	June 22, 2024	Allotment of Bonus Shares	15	10	Nil
6.	Sunny Sunil Singhi	June 22, 2024	Allotment of Bonus Shares	150	10	Nil
7.	Sunil Jeevrajji Singhi	June 22, 2024	Allotment of Bonus Shares	150	10	Nil

^ *As certified by the Statutory Auditor by way of their certificate dated September 27, 2024 .*

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

23. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

24. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager, its associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The Book Running Lead Manager, its associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

25. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and the members of the Promoter Group during the period between the date of this Draft Red Herring Prospectus with SEBI and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.

26. The BRLM, and any person related to the BRLM or the Syndicate Members, cannot apply in the Issue under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLM, or insurance companies promoted by entities which are associates of the BRLM, or AIFs sponsored by entities which are associates of the BRLM, or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLM.

27. Our Company, the Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

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

29. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

30. The Promoters and members of our Promoter Group will not participate in the Issue and will not receive any proceeds from the Issue.

31. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

32. No person connected with the Issue, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

33. Except as disclosed in this section, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities in terms of SEBI ICDR Regulations, since its incorporation.

OBJECTS OF THE ISSUE

The Issue comprises of a fresh issue of up to 1,50,00,000 equity shares of face value of ₹ 10 each aggregating up to ₹ [●] lakhs. The proceeds of the Issue, after deducting the Issue related expenses, are estimated to be ₹ [●] lakhs ("**Net Proceeds**").

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

1. Funding capital expenditure for setting up of solar power plant at Survey Nos. 82, 81, 63, 64, 61, 49, 40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha District, Gujarat – 385565 ("**Solar Power Plant**");

2. Funding long-term working capital requirements of our Company;

3. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company; and

4. General corporate purposes.

(collectively, referred to herein as '**Objects**')

In addition, our Company expects to receive the benefits of listing of its Equity Shares on the Stock Exchanges including enhancing our Company's visibility and brand image among our existing and potential customers and creating a public market for our Company's Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects, as set out in our Company's Memorandum of Association, enable our Company to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the proceeds from the Issue are set forth in the table below:

Particulars	Estimated amount (in ₹ lakhs)
Gross proceeds from the Issue	Up to [●]
(Less) Issue related expenses in relation to the Issue(1)	[●]
Net Proceeds	**[●]**

(1) *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No.	Particulars	Estimated amount (in ₹ lakhs)
(1)	Funding capital expenditure for setting up of the Solar Power Plant	4,640.00
(2)	Funding long-term working capital requirements of our Company	3,000.00
(3)	Repayment/ prepayment, in full or part, of certain borrowings availed by our Company	1,100.00
(4)	General corporate purposes(1)	[●]
Net Proceeds		[●]

(1) *To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations.*

Proposed schedule of implementation and deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

Particulars	Total estimated cost	Amount deployed as on date of the DRHP (2)	Estimated utilization from Net Proceeds	Estimated deployment of Net Proceeds in	
				Financial Year 2025	Financial Year 2026
Funding capital expenditure for setting up of the Solar Power Plant[1]	4,640.00	11.00	4,640.00	0.00	4,640.00
Funding long-term working capital requirements of our Company	3,000.00	0.00	3,000.00	0.00	3,000.00
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company	1,100.00	0.00	1,100.00	0.00	1,100.00
General corporate purposes(3)	[●]	[●]	[●]	[●]	[●]
Net Proceeds	[●]	[●]	[●]	[●]	[●]

(1) *Total estimated cost based on the purchase order received on July 1, 2024 from Prozeal Green Energy Limited.*
(2) *As certified by our Statutory Auditors pursuant to their certificate dated September 27, 2024.*
(3) *To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations.*

If any of the portion Net Proceeds is not utilized (in full or in part) for the Objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) competitive landscape or our Board's analysis of any other economic, business and commercial considerations, as well as general factors affecting our results of operations and financial condition, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. Further, the deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to reduce, revise or extend our funding requirements and deployment from time to time on account of various factors, such as change in costs, including due to inflation or increase in the rate of taxation, revision in quotations at the time of actual expenditure, change in financial and market conditions, conditions, our management's analysis of economic trends and our business requirements, fund requirements in the operations of our Company, competition, general factors affecting our results of operations, financial condition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and revising the funding requirement for a particular Object or changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Our historical expenditure may not be reflective of our future expenditure plans. For further details, see "*Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*" on page 25.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set out above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards future growth opportunities, and/or towards funding any other purpose, and/or general corporate purposes, subject to applicable laws to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under "*Objects of the Issue—Details of the Objects—General Corporate Purposes*" below and will be consistent with the requirements of our business. The estimated schedule of deployment of Net Proceeds is indicative and our management may vary the amount to be utilized in a particular Financial Year at its discretion.

Means of finance

The fund requirements for the Objects detailed above are proposed to be met from Net Proceeds. Accordingly, we confirm that there is no requirement to make other 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 Issue and existing identifiable accruals, as prescribed under the SEBI ICDR Regulations.

Details of the Objects

Our Board at its meeting held on September 24, 2024 approved the proposed objects of the issue and the respective amounts proposed to be utilized from the Net Proceeds for each object.

1. Setting up the Solar Power Plant

We are engaged in manufacturing of Thermo Mechanical Treatment Bars ("**TMT Bars**") at our manufacturing facilities situated at Survey No 214 and 236 at Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India. For our production of TMT Bars, power is a key manufacturing expense. Adequate and cost-effective supply of power, fuel and water is critical to our manufacturing process. Presently, our Company depends entirely on the power grid set up by the state electricity board for the supply of electricity. The table below sets forth our power expenses for the periods indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of total expenses**	**Amount (₹ in lakhs)**	**% of total expenses**	**Amount (₹ in lakhs)**	**% of total expenses**
Power expenses	1,483.28	1.74	1,396.53	1.59	606.31	1.25

Note: As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024

We have initiated a backward integration project to manufacture billets through setting up of Continuous Casting Machine. The CCM plant is expected to commence production from October 2024. The production of billets will be for our own captive consumption to manufacture TMT Bars. Production of TMT Bars from billets manufactured in-house through scrap, is aimed at increasing timely supply of TMT bars and reduce costs.

Relevant details of the backward integration project are given below:

Manufacturing Unit Location	**Products**	**Installed Production Capacity (in MT)**
Factory: Survey No. 231/2, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Continuous Casting Machine for manufacturing of Billets from scrap	2,16,000 MT per annum

Note: As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024

Our Company's current connected load of power is 4 MW. CCM plant which is being commissioned as backward integration, includes setting up of thirty-ton electric furnace. The CCM plant is expected to commence production in October 2024 which will increase the electric consumption up to 22 MW. As a result, the power expenses of our Company will increase significantly.

The Solar Power Plant will be set up by our Company with the objective of reducing our power expenses, reducing the carbon footprint of our Company and optimising resources. Our Company proposes to utilise a portion of the Net Proceeds, amounting to ₹ 4,640 lakhs, for setting up of a 15 MW solar power plant at Survey Nos. 82, 81, 63, 64, 61, 49, 40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha District, Gujarat – 385565. The Solar Power Plant is expected to be completed within 11 months from the date of execution of the lease deed with Prozeal Green Energy Limited. The setting up of Solar Power Plant is proposed to be funded from Net Proceeds and as such the initiation of setting up of the Solar Power plant is expected to commence in April 2025.

Undertaking the above activities is in line with our business strategies of having continued focus on reducing our operating costs and carbon footprint. For further details of our strategies, see "*Our Business—Our Strategies*" on page 160.

Our Board in its meeting dated September 24, 2024 took note that an aggregate amount of ₹ 4,640 lakhs is proposed to be utilized to set up the Solar Power Plant. Prozeal Green Energy Limited, engaged into green energy services in energy, infrastructure, engineering and project management has agreed to provide its services for setting up of the Solar Power Plant pursuant to their consent dated September 16, 2024. The purchase order issued by Prozeal Green Energy Limited is based on historical cost estimates basis their experience in implementing similar projects in the past.

Estimated Cost

The total estimated cost for setting up the Solar Power Plant is ₹ 4,640 lakhs, which includes building and civil work, plant and machinery and electrical installation. The breakup of the details as mentioned below:

Sr No.	Item Description	Supply Amount (₹ in Lakh)	Add. GST on Supply
1	Solar PV Modules	2966.40	12%
2	String Inverters	278.10	12%
3	Module Mounting Structure	525.00	18%
4	Cables (AC, DC, Control and Communication)	114.00	18%
5	Inverter Duty Transformer & Power Transformer	114.00	18%
6	Plant Side Substation	135.00	18%
7	Line and Bay Infrastructure	135.00	18%
8	Earthing & Lightning protection system	54.00	18%
9	BOS: DAS, CCTV, Plant Lighting and balance consumables	121.50	18%
10	Installation Service	109.50	18%
11	Civil Work	82.50	18%
12	Contingency	5.00	
	Total	**4640.00**	
Note: GST on Supply and Services shall be charged at actuals at the time of submission of the Invoices. GSTwill be applicable as per Indian laws and regulations. Currently, Net GST is 13.80%.			

Prozeal Green Energy Limited ("**PGEL**"), engaged into green energy services in energy, infrastructure, engineering and project management has agreed to provide its services for setting up of the Solar Power Plant. Our Company has entered a Memorandum of Understanding ("**MoU**") dated August 22, 2024 for the use of land owned by PGEL situated at Survey Nos. 82, 81, 63, 64, 61,49,40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha District, Gujarat – 385565, for the purpose of establishing and operating the Solar Power Plant.

Approvals

Our Company has filed a provisional application dated August 28, 2024 with Gujarat Energy Development Agency for seeking approval for setting up of the Solar Power Plant.

Schedule of implementation

Set out below are details of the deployment of the Net Proceeds towards the capital expenditure for setting up of the Solar Power Plant described above.[(1)]

S. No.	Particulars	Estimated period of commencement	Estimated period of completion
(1)	Acquisition of land (on Lease Basis)	April 2025	April 2025
(2)	Initiation and Development	July 2025	August 2025
(3)	Method of Implementing the Project	July 2025	August 2025
(4)	Planning and Engineering	July 2025	August 2025

S. No.	Particulars	Estimated period of commencement	Estimated period of completion
(5)	Procurement and Construction	August 2025	January 2026
(6)	Installation and Commissioning	January 2026	February 2026

(1) Based on the purchase order dated July 1, 2024 issued to Prozeal Green Energy Limited.
(2) Estimated period of commencement and completion for each stage are indicative and could vary and overlap.

For details in relation to possible risks associated with not meeting the expected schedule of implementation for the Solar Power Plant, see the section entitled *"Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds."* on page 25.

2. Funding long-term working capital requirements of our Company

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks, financial institutions and from other borrowings. For further details, see '*Financial Indebtedness*' on page 284 Our Company requires additional long term working capital for funding future growth requirements of our Company. We are also setting up CCM Plant as a backward integration project for manufacture of billets from scrap. In light of the above, our Company will require incremental working capital.

We propose to utilise ₹ 3000.00 lakhs from the Net Proceeds to fund the long-term working capital requirements of our Company for Fiscal 2026. The details of our Company's working capital as at March 31, 2024, March 31, 2023 and March 31, 2022, given below, are derived from the Restated Financial Statements of our Company.

Basis of estimation of incremental working capital requirement

The estimates of the long-term working capital requirements for the Fiscals 2025 and 2026 have been prepared based on the management estimates of future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's proposed action plan; which might not occur due to changed business circumstances.

On the basis of existing and estimated working capital requirement of our Company on an restated financial basis, and assumptions for such working capital requirements, the Board has pursuant to its resolution dated September 24, 2024 has approved the estimated working capital requirements for Fiscal 2025 and Fiscal 2026 and the proposed funding of such working capital requirements.

The details of the historic working capital requirements of our Company for the last three Fiscals is mentioned below:

(₹ in Lakhs)

Particulars	As at March 31		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current Assets			
Inventories:			
Raw Material	139.06	420.74	752.11
Finished Goods	10,797.57	10,165.60	3,591.01
Trade receivables	1,572.78	903.06	3,180.43
Loans and Advances	50.00	0.00	0.00
Other Current Assets	829.16	1,471.10	1,023.95
Total Current Assets (A)	**13,388.56**	**12,960.50**	**8,547.50**
Current Liabilities			
Trade payables (MSME & Others)	1,359.66	2,790.39	718.47
Other liabilities (Including Non-Current)	2,038.08	197.66	1,193.34
Short-term provisions	0.64	0.35	0.22
Total Current Liabilities (B)	**3,398.38**	**2,988.40**	**1,912.02**

Particulars	As at March 31		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Working Capital Requirements	**9,990.18**	**9,972.10**	**6,635.48**
-From Short Term Borrowings	9,382.66	7,036.90	3,820.02
-From Internal Accruals / Loans	607.52	2,935.20	2,815.47

The details of our Company's expected working capital requirements for the Fiscal 2025 and Fiscal 2026 and funding of the same are as provided in the table below:

(₹ in Lakhs)

Particulars	As at March 31	
	Fiscal 2026	Fiscal 2025
Current Assets		
Inventories:		
Raw Material	6,459.77	5,527.28
Finished Goods	13,170.97	10,167.42
Trade receivables	1,896.56	1,475.74
Loans and Advances	406.00	381.00
Other Current Assets	2494.52	1903.29
Total Current Assets (A)	**24,427.83**	**19,454.73**
Current Liabilities		
Trade payables (MSME & Others)	1,531.80	1,314.91
Other liabilities (Including Non-Current)	2,948.28	2,612.87
Short-term provisions	1,394.52	753.29
Total Current Liabilities (B)	**5,874.61**	**4,681.07**
Net Working Capital Requirements	**18,553.22**	**14,773.66**
-From Short Term Borrowings	10,288.33	11,190.31
- From Unsecured Loan/ Internal Accruals	5,264.89	3,583.35
-From Proceeds of the Issue	3,000.00	0.00
Total Source	**18,553.22**	**14,773.66**

Assumptions for working capital requirements

Holding levels

Provided below are details of the holding levels (days) considered:

Particulars	Estimated		Actual		
	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Raw Material days	25	25	1	2	4
Finished Goods & Other days	45	45	47	40	26
Trade receivables days	6	6	6	4	12
Trade Payable days	6	6	6	12	5

Estimated holding days have been rounded to the nearest whole number.

Holding levels (in days) are calculated as:

Raw Material*	**Estimated**		**Actual**		
	March 31, 2026	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022#**
Closing Stock					
Purchase of Raw Material / Cost of Material *(₹ in Lakhs)*	(6,459.77 / 93,561.84)	(5,527.28 / 80,035.53)	(139.06 / 74,741.80)	(420.74 / 84,368.36)	(752.11) 37,779.28)
No of Days	25	25	1	2	4

**Inventory days are calculated as Inventory of Raw Material/ Cost of Material *12*30*
 # Plant was operational for 6 months in FY 2021-22.

Finished Goods & Others*	**Estimated**		**Actual**		
	March 31, 2026	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
Closing Stock					
(Finished goods & others)# / (Raw material consumption+ Purchase + Manufacturing Expense+ Other Expense) *(₹ in Lakhs)*	(13,170.97/ 1,06,343.30)	(10,167.42/ 81,930.85)	(10,797.57/ 82,582.15)	(10,165.60/ 91,572.35)	(3,591.01/ 50,378.43)
No. of Days	45	45	47	40	26

**Inventory days are calculated as Inventory of Finished Goods & Others/ (consumption of raw material + purchase + Manufacturing expense + Other expenses) *12*30*
 # Plant was operational for 6 months in FY 2021-22.

Trade receivables days*	**Estimated**		**Actual**		
	March 31, 2026	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022#**
Trade receivable					
(Trade Receivables /Total Sales) *(₹ in Lakhs)*	(1896.56/ 1,13,793.40)	(1,475.74/ 88,544.44)	(1,572.78/ 87,295.77)	(903.06/ 88,201.35)	(3,180.43/ 49,372.50)
No of Days	6	6	6	4	12

**Trade receivable days are calculated as (Trade Receivables/Total Sales) *12*30*
 # Plant was operational for 6 months in FY 2021-22.

Creditors days*	**Estimated**		**Actual**		
	March 31, 2026	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
Sundry Creditors					
(Trade Payable/Cost of Material Purchased+ Purchase of stock in trade) *(₹ in Lakhs)*	(1531.80/ 93,561.84)	(1314.91/ 80,035.53)	(1359.66/ 76,942.67)	(2,790.39/ 85,680.25)	(718.47/ 48,376.51)
No of Days	6	6	6	12	5

**Creditors days are calculated as (Trade Payable/* Cost of Material+ Purchase of stock in trade*) *12*30*

(i) Estimated holding days have been rounded to the nearest whole number.

Justification For Working Capital Requirement

Our Company is currently manufacturing TMT Bars with installed capacity of 200,000 MT per annum. Our Company is supplying the goods under the brand name of Kamdhenu NXT, which is one of India's largest TMT selling brand in the retail segment with a strong nationwide distribution network. With the presence of limited TMT Bars suppliers in tier II and tier IIII cities, our Company primarily targets this segment and has developed a network of 227 dealers across the State of Gujarat. More than 80% of sales of our Company is presently achieved through its retail sales network only.

With its established business operation from the existing business, our Company had carried out fresh expansion program at its plant by way of backward integration to install hot charging system by way of installation of electric induction melting system along with continuous casting machine for TMT bars in FY 2024 with installed capacity of 216,000 MT per annum (**"CCM Plant"**). Such backward integration expansion program is expected to complete by October 2024.

As per the current business operation of our Company, our Company sources raw materials i.e. billets from local markets of Gujarat, Maharashtra, etc. from suppliers and has adopted 'just in time' approach for procurement of the raw material, thereby our Company maintains a very low inventory level of raw material for the manufacturing process.

Our Company is in the process of commissioning CCM plant and commercial production is expected to commence from October 2024. After commencement of commercial operation from proposed CCM plant, Company's raw material would be scrap instead of billets, which our Company is planning to primarily source the same under collaboration with other importers for better cost management and may also source directly from domestic market without collaboration as per requirement. For importing of the scrap for the production, the lead period for purchase of raw material and holding level of raw material increases substantially as compared to earlier practice of sourcing billets on 'just in time' basis. The primary reason for this phenomenon is that the scrap is generally supplied in bulk i.e. on entire vessel of 40,000-45,000 MT costing around ₹ 14000 lakhs to 14500 lakhs, which will require additional funds.

With aforesaid lead period and increase in raw material holding level, our Company's working capital requirement is proposed to increase considerably.

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

Days	**31-Mar-26**	**31-Mar-25**	**31-Mar-24**	**31-Mar-23**	**31-Mar-22**
Trade Receivables	6	6	6	4	12
Raw Material	25	25	1	2	4
Finished Goods	45	45	47	40	26
Trade Payable	6	6	6	12	5
Net Working Capital Days	**70**	**70**	**48**	**34**	**37**

Based on the projected turnover targets, working capital requirement of our Company for FY 2026 and F.Y 2025 is estimated to be increased to ₹ 18,553.22 Lakhs and ₹ 14,773.66 Lakhs respectively as compared to ₹ 9,990.18 Lakhs for F.Y. 2024.

Net working capital cycle of our Company was 48 days, 34 days and 37 days, for FY 2024, FY 2023 and FY 2023 respectively. Our Company has estimated net working capital days to be approx. 70 and 70 for FY 2025 and FY 2026 respectively. The net working capital requirement of our Company has proposed to be increased primarily on account of commencement of commercial operation from CCM division.

Trade Receivable cycle of our Company ranges between 6 days to 15 days. Our Company had commenced manufacturing of TMT Bars in August 2021. Prior to that, our Company was mainly engaged into trading of TMT Bars. The trade receivables cycle on March 31, 2022 was 12 days which was on a higher side on account of change in the business model of the Company from trading to manufacturing. Our Company has estimated average trade receivable cycle to be 6 days which is in line with past holding levels of FY 23 and FY 24.

The raw material, i.e. scrap for CCM plant is generally available on advance payment or against letter of credit. After making advance payment or issuance of letter of credit, the supplier generally takes around 20 days in accomplishing the order. It would require around 30-45 days' time period during voyage. Thus, total a lead period of around 60 days in reaching of vessel on India port after issuance of letter of credit is required. Further, Indian port allows 30 days' time period for lifting the material from the port. Looking to the same, our Company requires to maintain raw material holding level of around 25-30 day consolidated at port and factory premise for uninterrupted supply of raw material.

Our Company currently holds raw material inventory for 1-2 days to ensure uninterrupted manufacturing process by taking Just in time approach. Our Company purchases raw material based on sale orders received from the customers. Now, with the proposed commencement of commercial operations from the CCM plant, our Company will be required to maintain the adequate inventory level of imported scrap for uninterrupted production process. Our Company has anticipated raw material inventory holding period of approx. 25 days for FY 2025 & FY 2026.

Our Company holds finished goods inventory of approximately 47 days for supply of goods to its customers on timely basis. Our Company has estimated finished goods inventory of 45 days for FY 2025 and FY 2026 in line with past holding levels of FY 2023 and FY 2024. Company manufactures TMT bars of various sizes ranging from 8MM to 32 MM. Our Company delivers its TMT bars with the delivery schedule of 24 to 48 hours of order at the doorstep through a third party fleet of 50 trucks. Therefore, our Company is required to maintain sufficient level of inventory for finished goods.

The average trade payable cycle of our Company has ranged between 3-9 days in past. Our Company has estimated trade payable cycle of approx. 6 days for FY 2025 and FY 2026 in line with past holding levels.

The above working capital calculations and estimations compiled by our Company have been certified by the Independent Chartered Accountant, Sunil Poddar & Co, Chartered Accountants, pursuant to their certificate dated September 27, 2024.

3. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowings in the form of, *inter alia*, term loans and working capital facilities including fund based and non-fund-based borrowings. As at August 31, 2024, our total outstanding borrowings (fund based) amounted to ₹ 25,251.83 lakhs. For further details on our borrowings, see "*Financial Indebtedness*" on page 248. Our Company proposes to utilise an estimated amount of ₹1100.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company. Our Company may avail further loans and/or draw down further funds under existing loans from time to time.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹ 1,100.00 lakhs.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of the existing borrowings prior to the Issue. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company.

We believe that such repayment and/or pre-payment will help reduce our debt servicing costs, improve our debt-to-equity ratio and enable available of incremental funds due to interest saving towards 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 following table provides the details of borrowings availed by our Company as of August 31, 2024, which we have identified to repay or prepay, in full or in part aggregating upto ₹ 1,100.00 lakhs, from the Net Proceeds:

Name of the Lender	Date of sanction/ letter	Nature of borrowings	Purpose*	Amount sanctioned as on August 31st, 2024* (₹ in lakhs)	Principal amount outstanding as on August 31st, 2024 (₹ in lakhs) *	Repayment Date / Schedule/Tenor	Interest Rate (% p.a.)	Pre- payment conditions/ penalty
SVC BANK	September 01, 2021	Term Loan	Capex & working capital	500.00	270.26	To be repayable in 72 Monthly installments commencing from December 2021	10.90%	3% on outstanding principal amount under the Facility
	March 23, 2022	Working capital Loan	Working capital facility	149.00	136.58	To be repayable in equal 48 Monthly installments	9.25%	NIL
HDFC BANK	December 20, 2021	Term Loan	Working capital and Capex	2000.00	1227.30	To be repayable in 72 Monthly installments commencing from October 2021	ROI= Reference Rate (Bank's T3 Mth TBILL) + Spread of _3.04 % Current Effective rate10.37%	4% on outstanding principal amount under the Facility
	December 20, 2021	Term Loan	Working capital and Capex	200.00	164.45	To be repayable in 72 Monthly installments commencing from February 2023	ROI= Reference Rate (Bank's T3 Mth TBILL) + Spread of _3.04 % Current Effective rate 10.37%.	4% on outstanding principal amount under the Facility
	August 25, 2023	Working Capital Term Loan	Working capital and Capex	687.00	587.22	To be repayable in 36 Monthly installments commencing from March 2024	9.25%	NIL
Total				**3536.00**	**2385.82**			

** In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed. Our Company has obtained a certificate dated September 27, 2024 from the Statutory Auditor.*

We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, levy of prepayment penalty and quantum, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for repayment/prepayment from the respective lenders on agreed terms and conditions, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

For the purposes of the Offer, our Company has obtained consents and notified the relevant lenders, as is respectively required under the relevant facility documentation for undertaking the Offer. Further, to the extent our Company may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such penalty or premium shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.

No portion of the Net Proceeds, that will be utilised for repayment/ prepayment, in full or part, of certain borrowings availed by our Company, will be directly or indirectly routed to our Promoter, members of the Promoter Group, Group Companies or associates

4. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include meeting ongoing general corporate exigencies, expenses incurred in ordinary course of business, business development initiatives, any of the other Objects, other expenses including salaries, administration, insurance, repairs and maintenance, payment of taxes and duties and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the business requirements of our Company and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Appraising entity

None of the Objects require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsels, Registrar to the Issue, Bankers to the Issue, processing fee to the SCSBs for processing Bid cum

Application Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up of the estimated Issue expenses is set forth below:

(in ₹ lakhs)

Activity	**Estimated expenses(1)**	**As a % of the total estimated Issue expenses(1)**	**As a % of the total Issue size(1)**
Fees payable to the Book Running Lead Manager and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/ processing fee for SCSBs and Bankers to the Issue and fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders. Brokerage, selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3) (4) and (5)	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Listing fees, SEBI fees, BSE and NSE processing fees, book-building software fees, and other regulatory expenses	[●]	[●]	[●]
Fees payable to legal counsels	[●]	[●]	[●]
Fees payable to Statutory Auditors	[●]	[●]	[●]
Fees payable to Industry expert	[●]	[●]	[●]
Fees payable to Independent Chartered Engineer	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus upon determination of the Issue Price.

(2) Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

(3) No additional uploading / processing fees shall be payable by our Company to the SCSBs on the Bid cum Application Forms directly procured by them.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

Processing fees payable to the SCSBs on the portion for RIBs, and Non-Institutional Bidders which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

(4) The uploading charges/ processing fees for applications made by UPI Bidders would be as follows:

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

** For each valid application.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation 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 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.

(5) Selling commission on the portion for RIBs, and Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

**the product of the number of Equity Shares Allotted and the Issue Price.*

Bridge Loan

We have not availed bridge financing from any bank or financial institution as on the date of this Draft Red Herring Prospectus.

Monitoring utilization of funds from the Issue

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a monitoring agency to monitor the utilization of the Net Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency upon receipt before the Audit Committee without any delay.

Our Company will disclose the utilisation of the Net Proceeds, including interim, use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such unutilised Net Proceeds. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the

Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the Objects as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised 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 ("**Notice**") shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, in accordance with the Companies Act, 2013 and SEBI ICDR Regulations, at a price and in the manner as prescribed by SEBI, in this regard.

Other confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, the members of the Promoter Group, our Directors, or Key Managerial Personnel, Senior Management Personnel or Group Companies. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with our Directors, our Promoters, the members of the Promoter Group, the Key Managerial Personnel, Senior Management Personnel or Group Companies in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the Issue as set out above.

BASIS OF ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered in the Issue through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the equity shares is ₹ 10 each and the Floor Price is [●] times the face value of Equity Shares and Cap Price is [●] times the face value of Equity Shares.

Investors should also refer to the sections "*Risk Factors*", "*Our Business*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 160, 224 and 262 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are as follows:

a. Long-term customer relationships augmented by large retail distribution network;
b. Established infrastructure with proposed backward integration with strong logistics strategy;
c. Track record of growth in financial performance;
d. Experienced Promoters supported by experienced senior management team and board of directors.

For further details, please see "*Our Business – Strengths*" on page 116.

Quantitative Factors

Certain information presented in this section relating to our Company is based on and derived from the Restated Financial Information. For details, see "*Financial Information*" beginning on page 182.

Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

1. Basic and Diluted Earnings per Share ("EPS"), as adjusted for changes in capital:

Financial Period	Basic & Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2024	4.01	3
Financial Year ended March 31, 2023	1.39	2
Financial Year ended March 31, 2022	2.28	1
Weighted Average EPS	2.85	

Notes:

i. *Basic EPS (₹) = Basic earnings per share is calculated by dividing the restated profit after tax for the year by the number of Equity Shares outstanding at the year-end, after considering impact of bonus issuance retrospectively, for all periods presented.*

ii. *Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the restated profit for the year by the number of equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and after considering impact of bonus issuance retrospectively, for all periods presented.*

iii. *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.*

iv. *Weighted average EPS= Aggregate of year-wise weighted EPS multiplied by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

As derived from the Restated Financial Information:

Particulars	P/E at the lower end of Price Band (number of times) *	P/E at the higher end of Price Band (number of times) *
Based on Basic EPS for the Financial Year ended March 31, 2024	[●]	[●]
Based on Diluted EPS for the Financial Year ended March 31,2024	[●]	[●]

* To be computed after final price

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

Particulars	P/E Ratio	Name of Company	Face value of Equity Shares (₹)
Highest	27.70	BMW Ventures Limited	1.00
Lowest	3.71	Electrotherm (India) Limited	10.00
Industry average	15.71		

Notes:

i. The industry high and low has been considered from the peers set provided later in this chapter. The industry average has been calculated as the arithmetic average of P/E of the industry peers set disclosed in this section. For further details, see para 6 below – "Comparison of Accounting Ratios with Listed Industry Peers" on page 107.

ii. The industry P/E ratio mentioned above is based on earnings for the financial year ended March 31, 2024 and market price on closing market price of the equity shares of the peer group identified above, as on July 31, 2024 on www.nseindia.com and www.bseindia.com.

4. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of our Company:

Particulars	RoNW %	Weight
Financial Year ended March 31, 2024	28.96%	3
Financial Year ended March 31, 2023	13.60%	2
Financial Year ended March 31, 2022	36.82%	1
Weighted Average RoNW	**25.15%**	**-**

**Not annualised*

Notes:

i. Return on Net worth (%) = Restated Profit for the year as a percentage of the Net worth as at the end of the year.

ii. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, preliminary expense, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, where applicable, (in compliance with the provisions of section 2(57) of the Companies Act, 2013 and regulation 2(1)(hh) of the SEBI ICDR Regulations) for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

iii. Weighted average return on Net Worth = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights

5. Net Asset Value per Equity Share of face value of ₹ 10 each, as adjusted for changes in capital.

As derived from the Restated Financial Information:

Period	NAV derived from the Restated Financial Information (₹)
As on March 31, 2024	13.84
As on March 31, 2023	10.20
As on March 31, 2022	6.18
After the completion of the Issue	At Floor Price: [●] At Cap Price: [●]
Issue Price	[●]

Notes:

i. Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

ii. Net Asset Value per Equity Share = Net worth divided by the number of Equity Shares outstanding at the year-end, after considering impact of bonus issuance retrospectively, for all periods presented.

6. Comparison of accounting ratios with listed industry peers

Name of the company	Standalone/ Consolidated	Face value per equity share (₹)	Total income (in ₹ Lakhs)	Diluted EPS[1] (₹)	NAV (₹ per share)[2]	P/E[3]	CMP (₹)	RoNW [4](%)
VMS TMT Limited	**Standalone**	10.00	87,316.86	4.01	13.84	[●]	[●]	28.96%
Kamdhenu Limited	**Standalone**	10.00	73,829.48	18.59	88.13	27.37	508.85	21.12%
Vraj Iron and steel limited	**Standalone**	10.00	42,427.00	21.69	76.19	10.49	229.64	28.73%
BMW Industries Limited	**Standalone**	1.00	53943.10	2.62	28.22	27.70	72.57	9.30%
Electrotherm (India) Limited	**Standalone**	10.00	4,27,584.00	250.73	Negative	3.71	931.15	Negative

Notes

1. *Diluted Earnings per Equity Share (₹) = Net Profit after tax of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year*
2. *Net Asset Value per Equity Share = Net worth divided by the number of Equity Shares outstanding at the year-end, after considering impact of bonus issuance retrospectively, for all periods presented.*
3. *P/E Ratio has been computed based on the closing market price of the equity shares (Source: NSE/BSE) on July 31, 2024, divided by the diluted EPS of March 31, 2024.*
4. *Return on Net worth (%) = Restated Profit for the year as a percentage of the Net worth as at the end of the year.*

7. The Issue Price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with *"Risk Factors", "Our Business", "Financial Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 26, 116, 182 and 186, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the *"Risk Factors"* on page 26 and you may lose all or part of your investments.

8. Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse our business performance, which as a result, help us in analysing the growth of business in comparison to our peers.

All the KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated September 24, 2024. Further, the KPIs disclosed herein have been certified by Suresh Chandra and Associates, Chartered Accountants, by their certificate dated September 27, 2024. Further, the Audit Committee has on September 24, 2024 taken on record that other than the key performance indicators set out below, our Company has not disclosed any other KPIs during the three years preceding this Draft Red Herring Prospectus with any investors.

Our Company confirms that it shall continue to disclose all the KPIs included below in this section on a periodic basis, at least once in a year (or any lesser period as determined by our Board), for a duration that is the later of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Net Proceeds, whichever is later, or for such duration as required under SEBI ICDR Regulations, for further details, see "*Objects of the Issue*" on page 92, or for such other duration as may be required under the SEBI ICDR Regulations.

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Issue Price Bidders can refer to the below-mentioned KPIs to make an assessment of our Company's performance and make an informed decision. A list of our KPIs as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 is set out below:

Particulars	As of and for the Fiscal		
	2024	2023	2022
Total Income (₹ in Lakhs)	87,316.86	88,205.61	49,374.63
EBITDA (₹ in Lakhs)	4120.29	2190.77	1603.60
EBITDA margins (%)	4.72	2.48	3.25
PAT before exceptional items (₹ in Lakhs)	1,346.84	419.53	687.95
PAT Margin before exceptional items (%)	1.54	0.48	1.39
PAT after exceptional items (₹ in Lakhs)	1,346.84	419.53	687.95
PAT margin after exceptional items (%)	1.54	0.48	1.39
Return on Net Worth before exceptional items (%)	28.96%	13.60%	36.82%
Return on Net Worth after exceptional items (%)	28.96%	13.60%	36.82%
Rate on Capital Employed (%)	16.70	10.94	13.72

Notes:

i. *EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) – exceptional items- other income.*

ii. *EBITDA Margin is EBITDA as a percentage of revenue from operations.*

iii. *PAT Margin is calculated as restated profit/ (loss) after tax for the year/ period as a percentage of total income.*

iv. *Return on Net Worth is PAT before exceptional items or after exceptional items, as applicable, as a % of Net Worth.*

v. *ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities and Intangible assets includes Right of use assets.*

Company does not have any exceptional items, hence before and after effect remain same.

Operational KPIs of the company:

Particulars	As of and for the Fiscal		
	2024	2023	2022
Contribution to revenue from operations of top customers			
Top 1 Customer (%)	29.09	28.55	32.18
Top 3 Customers (%)	80.24	79.49	63.88
Top 5 Customers (%)	91.53	87.45	72.35
Top 10 Customers (%)	94.44	92.22	84.23
Contribution to purchase material of top suppliers			
Top 1 Supplier (%)	8.63	11.08	20.48
Top 3 Suppliers (%)	21.64	30.24	45.66
Top 5 Suppliers (%)	31.38	40.81	55.46
Top 10 Suppliers (%)	49.88	57.43	66.40

Explanation for the Key Performance Indicators

KPI	Explanation
Total Income:	Total Income represents the scale of our business and provides information of our Company's operating and non-operating income
EBITDA:	EBITDA is calculated as Restated profit / loss after tax plus finance costs, depreciation and amortization expense plus tax excluding exceptional items and Other income. EBITDA provides information regarding the operational efficiency of the business of our Company and enables comparison of year-on-year performance of our business.
EBITDA Margin:	EBITDA Margin is the percentage of EBITDA divided by total income and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes and reduce by other income.
PAT:	PAT represents the Restated profit / loss after tax that our Company makes for the financial year or during a given period. It provides information regarding the profitability of the business of our Company.
PAT Margin:	PAT Margin is the ratio of PAT to the total revenue. This provides the financial benchmarking against peers as well as to compare against the historical performance of our business.

KPI	Explanation
Return on Net Worth	Return on Net Worth refers to Profit after Taxes divided by Net Worth as at the end of the year. Return on Net Worth is an indicator of our Company's efficiency as it measures our Company's profitability, and is indicative of the profit generated by our Company against the equity contribution

For further details on the Key Performance Indicators, please see the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 262.

9. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation.

Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

10. Comparison with Listed Industry Peers

a. Comparison with listed industry peers for the period ended March 31, 2024

Particulars	Fiscal 2024 (₹ in Lakhs)				
	VMS TMT Limited	Kamdhenu Limited	Vraj Iron and steel limited	BMW Industries Limited	Electrotherm (India) Limited
	Standalone	Standalone	Standalone	Standalone	Standalone
Total Income (₹ in Lakhs)	87,316.86	73,829.48	42,427.00	53,943.10	4,27,584.00
EBITDA (₹ in Lakhs)	4,120.29	5,896.51	7647.80	13,365.17	95,884
EBITDA margins (%)	4.72	8.14	18.22	24.97	22.45
PAT (₹ in Lakhs)	1,346.84	5,013.35	5,411.70	5,906.15	31,943
NET PAT margin (%)	1.54	6.92	12.76	10.95	7.47
Return on Net Worth (%)	28.96	21.12	25.45	9.30	Negative
Return on Capital Employed (%)	16.70	26.24	36.66	11.76	101.54

Notes:

i. *EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items-other income.*
ii. *EBITDA Margin is EBITDA as a percentage of revenue from operations.*
iii. *PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of revenue of operations.*
iv. *Return on Net Worth is PAT as a % of Net Worth.*
v. *ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities and Intangible assets includes Right of use assets.*

Financial information for listed industry peers mentioned above is for the Fiscal 2024 and is based on the financials disclosed by these respective companies to the stock exchanges

b. Comparison with listed industry peers for the period ended March 31, 2023

Particulars	Fiscal 2023 (₹ in Lakhs)				
	VMS TMT Limited	Kamdhenu Limited	Vraj Iron and steel limited	BMW Industries Limited	Electrotherm (India) Limited
	Standalone	Standalone	Standalone	Standalone	Standalone
Total Income (₹ in Lakhs)	88,205.61	73,367.00	51,742.10	51,643.27	3,08,074
EBITDA (₹ in Lakhs)	2,190.77	5996.50	7667.80	10,980.79	2,980.00
EBITDA margins (%)	2.48	8.19	14.87	21.63	0.97
PAT (₹ in Lakhs)	419.53	4,102.38	5,111.10	4,414.65	(7666.00)
NET PAT margin (%)	0.48	5.57	9.88	8.55	Negative
Return on Net Worth (%)	13.60	24.61	37.97	7.60	7.38
Return on Capital Employed (%)	10.94	22.50	50.14	9.16	(1.84)

Notes:

i. *EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items-other income.*
ii. *EBITDA Margin is EBITDA as a percentage of total income.*
iii. *PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.*
iv. *Return on Net Worth is PAT as a % of Net Worth.*
v. *ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities and Intangible assets includes Right of use assets.*

Financial information for listed industry peers mentioned above is for the Fiscal 2023 and is based on the financials disclosed by these respective companies to the stock exchanges

c. Comparison with listed industry peers (Fiscal 2022)

Particulars	Fiscal 2022 (₹ in Lakhs)				
	VMS TMT Limited	Kamdhenu Limited	Vraj Iron and steel limited	BMW Industries Limited	Electrotherm (India) Limited
	Standalone	Standalone	Standalone	Standalone	Standalone
Total Income (₹ in Lakhs)	49,374.63	60,261.43	40,241.72	41,872.55	2,83,404
EBITDA (₹ in Lakhs)	1,603.60	5,463.27	4,796.33	11,125.45	7,678.00
EBITDA margins (%)	3.25	9.11	11.93	27.39	2.71
PAT (₹ in Lakhs)	6,87.95	3,945.50	2,750.20	3,292.75	(5,432.00)
NET PAT margin (%)	1.39	6.55	6.83	7.86	Negative
Return on Net Worth (%)	36.82	17.58	33.04	6.08	5.65

Return on Capital Employed (%)	13.72	16.36	44.71	7.65	(2.26)

Notes:

i. *EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items- other income*
ii. *EBITDA Margin is EBITDA as a percentage of revenue from operations.*
iii. *PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.*
iv. *Return on Net Worth is PAT as a % of Net Worth.*
v. *ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities and Intangible assets includes Right of use assets.*

Financial information for listed industry peers mentioned above is for the Fiscal 2022 and is based on the financials disclosed by these respective companies to the stock exchanges

11. Weighted Average Cost of Acquisition, Floor Price and Cap Price

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

The details of Equity Shares or convertible securities allotted by our Company equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s)), in the last 18 months preceding the date of this Draft Red Herring Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days (Primary Transactions) are set out below:

Date of allotment	Number of securities allotted	Details of allottees	Face value (₹)	Issue price per security (₹)	Form of consideration	Total consideration ₹ in Lakhs
July 22, 2024	5,43,500	Chanayka Opportunity Fund-I	10	92	Cash	500.02
July 22, 2024	54,350	Jayesh Dinesh Kumar Shah	10	92	Cash	50.00
July 22, 2024	54,350	Vedant Loyalka	10	92	Cash	50.00
July 22, 2024	54,350	VPK Global Ventures Fund-Scheme-I	10	92	Cash	50.00
July 22, 2024	54,350	Benani Capital Scheme- I	10	92	Cash	50.00
June 19, 2024	2,11,000	Kamdhenu Limited	10	230	Cash	485.30
May 03, 2023	7,24,238	Rishabh Sunil Singhi	10	29	Cash	210.03
March 31, 2023	22,00,000	Varun ManojKumar Jain	10	29	Cash	638.00
March 31, 2023	5,17,500	Rishabh Sunil Singhi	10	29	Cash	150.08
Total	**44,13,638**					**218.43**
Weighted average cost of acquisition (WACA) for Primary Transactions						**₹ 49.47**

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

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group or the Shareholder(s) having the right to nominate Director(s) in our

Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Issue capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

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

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

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on the primary issuances and secondary transactions as disclosed below**:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (₹ [●]) *	Cap Price (₹ [●]) *
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	₹ 49.47	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA	**[●]**	**[●]**
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.	NA	**[●]**	**[●]**

^ *As certified by* Suresh Chandra & Associates., *Chartered Accountants, by way of their certificate dated September 27, 2024*

** To be updated in the Prospectus prior to filing with RoC.*

12. Detailed explanation for Issue Price/ Cap Price being [●] times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2024, 2023 and 2022:

[●]*

**To be included upon finalisation of the Price Band.*

13. Explanation for the Issue Price/Cap Price, being [●] times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Issue.

[●]*

**To be included upon finalisation of the Price Band.*

14. Justification for Basis of Issue Price

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above stated qualitative and quantitative parameters.

Investors should read the above-mentioned information along with *"Risk Factors", "Our Business", "Financial Information"* and *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* on pages 25, 160, 224 and 262, 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"* on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

[The remainder of this page has intentionally been left blank]

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors,
VMS TMT Limited
Survey No 214 Bhayla Village,
Near Water Tank Bavla,
Ahmedabad 382220,
Gujarat, India

(The **"Company")**

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the "Equity Shares" and such offering, the "Issue") of 'VMS TMT Limited' (the "Company")

This report is issued in accordance with the Engagement Letter dated August 12, 2024.

We, the present statutory auditors of the Company have been informed by the Company that it proposes to undertake the initial public offering of equity shares in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and the Companies Act, 2013, as amended ("Companies Act").

In connection with the Issue, we have been requested by the Company to report about the special tax benefits available to the company and its shareholders.

Managements' responsibility for the Statement

The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (**Revised 2016**)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (**SQC**) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Conclusion

We, M/s Suresh Chandra & Associates, the statutory auditor of the Company, hereby report that the enclosed statement is in connection with the possible special tax benefits available to (i) the Company, (ii) the shareholders of the Company, under applicable tax laws presently in force in India including the Income Act, 1961, as amended by the Finance Act, 2023, read with rules, circular and notification issued thereunder (Act) i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India and under indirect taxation laws presently in force in India, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017,the applicable states' Goods and Services Tax Act, the Customs Act, 1962 (Customs Act) and the Customs Tariff Act, 1975 (Tariff Act), as amended by the Finance Act 2024 including the relevant rules, notifications and circulars issued thereunder in agreement with the applicable tax laws presently in force in India.

Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which is based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders, may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure I cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each 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 do not express any opinion or provide any assurance as to whether:

i) the Company and its shareholders will continue to obtain these possible special tax benefits in the future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. 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 or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Restrictions on use

We hereby consent to the extracts of this certificate being used in the Red Herring Prospectus (RHP), to be filed with the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with the BSE, the Stock Exchanges) and the Red Herring Prospectus (RHP) and the Prospectus (Prospectus together with RHP, the Issue Documents), to be filed with the Registrar of Companies, Gujarat at Ahmedabad (ROC) and submitted to the SEBI, and the Stock Exchanges with respect to the Issue, and any other regulatory or governmental authorities, and in any other material used in connection with the Issue and on the websites of the Company and the Book Running Lead Managers in connection with the Issue.

This certificate is for information and for inclusion, in part or in full, in the Issue Documents or any other Issue-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Issue. We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or governmental authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law and for disclosure on the websites of the Company and the Book Running Lead Managers.

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Issue.

All capitalized terms not defined herein bear the meaning ascribed to them in the Issue Documents.

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Issue.

Yours faithfully,

For and on behalf of
Suresh Chandra & Associates
Chartered Accountants

Authorized signatory
CA Shyamsundar Nanwal
Partner

Membership No.: 128896
UDIN: 24128896BKBOXJ5725
Place: Ahmedabad
Date: 27/09/2024

Encl: As above

ANNEXURE I

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

You Should Consult Your Own Tax Advisors Concerning the Indian Tax Implications and Consequences of Purchasing, Owning and Disposing of Equity Shares in Your Particular Situation.

- SPECIAL TAX BENEFITS TO THE COMPANY
  The Company is not entitled to any special tax benefits under the Taxation Laws.

- SPECIAL TAX BENEFITS TO THE SHAREHOLDER
  The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

- SPECIAL TAX BENEFITS TO THE SUBSIDIARY COMPANY- **NOT APPLICABLE**

Note:

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

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "TMT Bars Industry in India" dated September 19, 2024, prepared by Dun & Bradstreet, which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company in connection with the Issue (the "***Dun & Bradstreet Report***"). The Dun & Bradstreet Report has been commissioned by and paid for by our Company, exclusively in connection with the Issue. For further information, see 'Risk Factors - For details of risks in relation to Dun & Bradstreet Report, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 27. Also see, 'Certain Conventions, use of Financial Information and Market Data and Currency of Presentation – Industry and Market data' on page 14. The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. A copy of the Dun & Bradstreet Report is available on the website of our Company at www.vmstmt.com from the date of this Draft Red Herring Prospectus till the date of Bid/ Issue Closing Date.*

Global Economic Outlook

At the midpoint of the year, so far in 2024 we have seen divergence in outcomes and prospects around the world in terms of economic growth, inflation, and policy responses. On balance, global short-term economic prospects have improved over the course of the year. We expect this momentum to continue through the second half of 2024 and into 2025 as inflation eases further and monetary policy continues to loosen, supporting steady growth. Macroeconomic risks, in our view, have become more balanced.

The U.S. has performed better than other developed economies, particularly those in Europe where the consumer sentiment has been relatively weak – though the picture in Europe has been varied. A sustained recovery in tourism this year has boosted the economies of Greece and Spain, whereas Germany, France, and Italy have been held back by the slower recovery of manufacturing. Nonetheless, the European Central Bank (ECB) lowered the three key interest rates in June – for the first time since September 2019 – which will support stronger regional growth.

Growth in the Chinese Mainland has held up well so far this year despite challenges from the property market amid ongoing rebalancing, and the export cycle is supporting growth in the rest of Asia. In Latin America, larger economies, such as Brazil and Mexico, tend to be performing more moderately than smaller economies, such as Chile and Peru, indicating slower regional growth overall.

Globally, industrial production has been relatively sluggish because of restrictive trade policies, persistent supply chain disruptions, high interest rates, and anaemic growth. We expect industrial production to gather steam later this year and into 2025 on the back of a gradual recovery in global trade, stimulated by stronger domestic demand for goods.

Policy responses have diverged so far this year and are set to remain so in the near term. Central banks have begun rate cutting cycles in several developed economies, including the Eurozone, Canada, Sweden, and Switzerland. However not every economy has followed suit. Disinflation has not been as predictable as it was in 2023, and underlying price pressures mean inflation is likely to remain bumpy this year – hence, policy will remain more restrictive than was anticipated at the start of the year. With relatively stronger economic growth and stickier inflation, the timing of the first interest rate cut by the U.S. Federal Reserve (the Fed) and the onward path of interest rates remains ambiguous.

The global economy is showing signs of stabilizing, yet growth will remain subdued this year before picking up pace in 2025. We forecast global growth of around 2.5% in 2024, half a percentage point softer than in the decade following the financial crisis. The weaker outlook reflects fiscal consolidation, lagged tight monetary policy, restrictive trade policies, and elevated levels of geopolitical uncertainty. Looking ahead to 2025, global growth is likely to pick up slightly to 2.8% as the impact of these factors declines and stronger growth becomes more entrenched.

Emerging economies look set for softer growth in general this year. On a regional basis, growth is likely to be markedly slower in Eastern Europe, but only slightly softer in Asia Pacific and Latin America, with growth only moderately slower in key economies such as the Chinese Mainland, India, and Brazil. Outcomes in developed economies are also mixed but largely remain subdued because of tight policy settings.

India Macroeconomic Analysis

GDP Growth Scenario

India's economy showed resilience with GDP growing at 8.2% in CY 2023. The GDP growth in CY 2023 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	**Real GDP Growth (CY 2023)**	**Projected GDP Growth (CY 2024)**	**Projected GDP Growth (CY 2025)**
India	8.20%	7.00%	6.50%
China	5.20%	5.00%	4.50%
Russia	3.60%	3.20%	1.50%
Brazil	2.90%	2.10%	2.40%
United States	2.50%	2.60%	1.90%
Japan	1.90%	0.70%	1.00%
Canada	1.20%	1.30%	2.40%
Italy	0.90%	0.70%	0.90%
France	1.10%	0.90%	1.30%
South Africa	0.70%	0.90%	1.20%
United Kingdom	0.10%	0.70%	1.50%
Germany	-0.20%	0.20%	1.30%

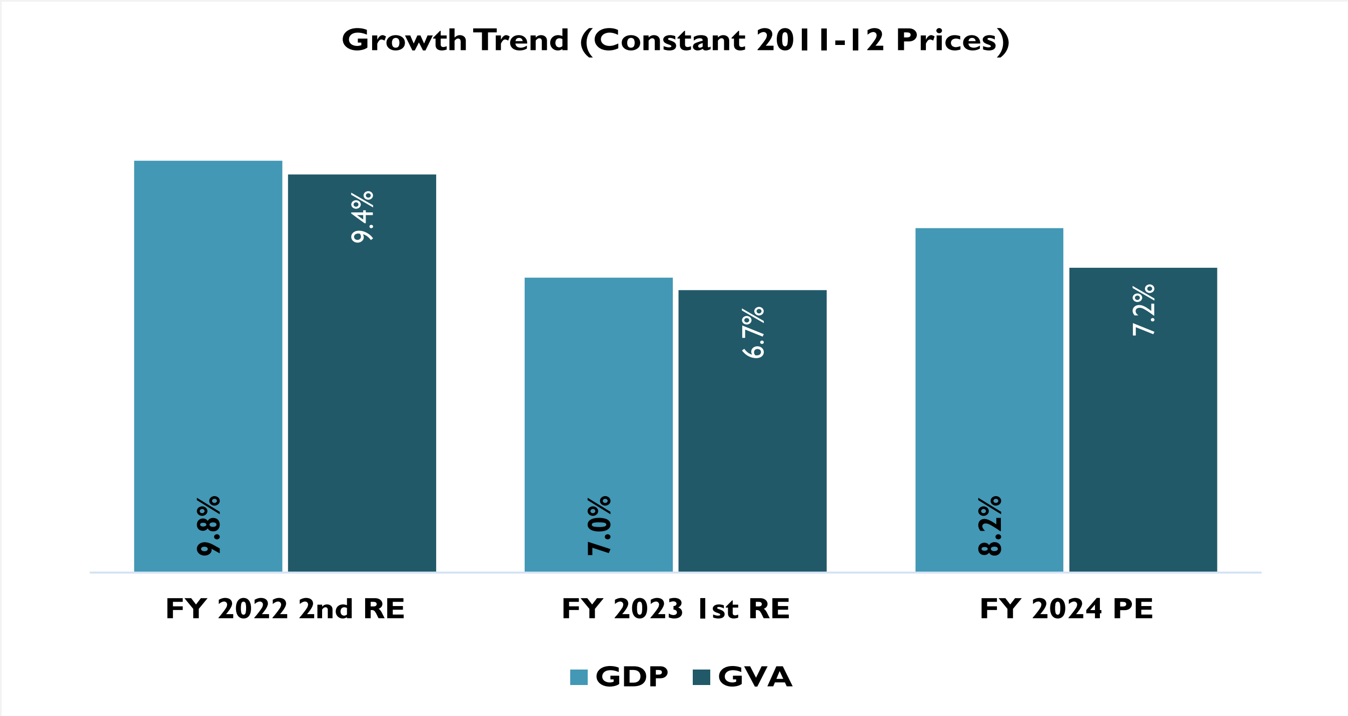
Source: World Economic Outlook, July 2024 Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (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 37.4% increase in capital expenditure (budget estimates), to the tune of INR 10 trillion in the Union Budget 2023-2024. The announcement also included a 30% increase in financial assistance to states at INR 1.3 trillion for capex. The improvement was accentuated further as the Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at INR 11.11trillion, constituting 3.4% of the GDP. This has provided much-needed confidence to the private sector, and in turn, attracted private investment.

On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from the corporate sector to fund the next round of expansion plans. The banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to the micro, small, and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the fiscal year 2024 grew by 14% to INR 10.31 trillion compared to INR 9.02 trillion as on 24 March 2023. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

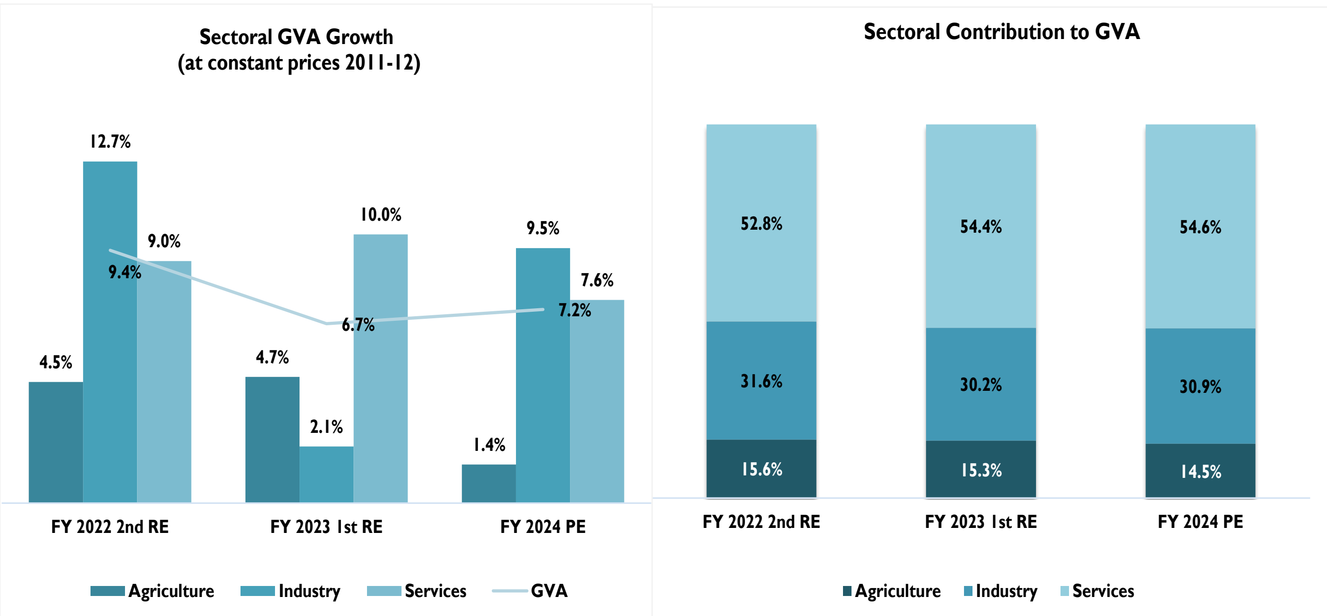
As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24

RE stands for Revised Estimates, SAE stands for Second Advance Estimates

Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

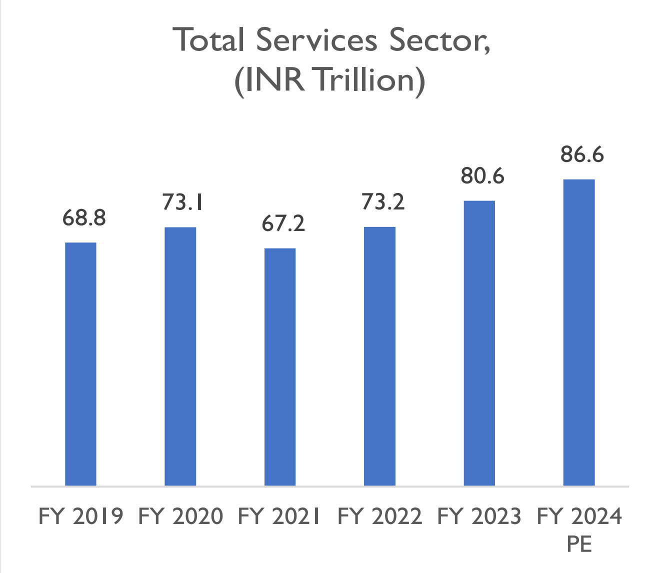
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered 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.

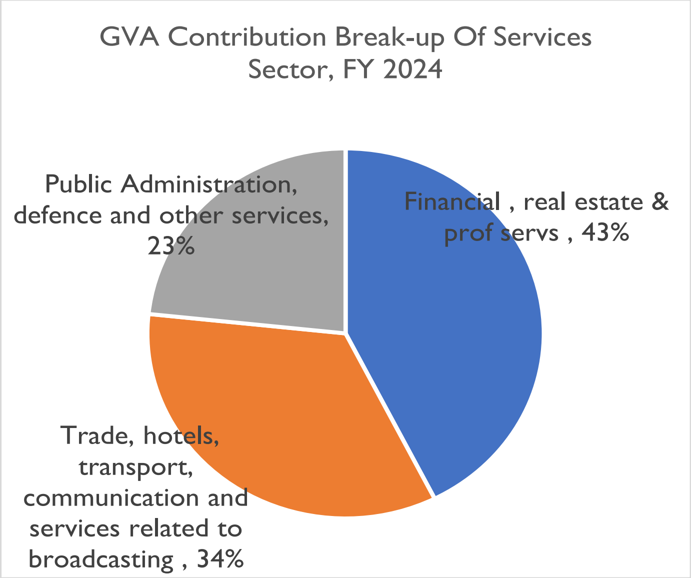
Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility 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 services1 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[2]

India's HSBC Services Purchasing Managers' Index**,** an important indicator to track service sector performance, measured 60.3 in July 2024 against 60.5 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

India's Growth Outlook

India's economy has exceeded expectations, registering an 8.2% growth in FY24. High-frequency indicators such as automobile sales, e-way bills, cargo traffic, and exports signal sustained growth momentum into Q2 FY25. However, the rural demand outlook is tied to the monsoon, where inconsistent rainfall could impact the agriculture sector and inflation. The government is proactively boosting grain storage capacity to mitigate these risks. On the credit front, the Reserve Bank of India (RBI) has kept the policy rate unchanged, with inflation expected to average around 5% in FY25. Despite stable policy rates, lending rates may rise due to the incomplete transmission of earlier hikes, while strong credit growth in the private sector suggests potential capacity expansion. Supply-side challenges persist, particularly in food storage infrastructure. The government has launched a massive initiative to enhance grain storage capacity by 70 million tonnes over the next five years. The recent long-term agreement for operating Iran's Chabahar Port is also set to bolster trade and supply chain resilience.

In terms of trade, India's recent agreements, particularly with the European Free Trade Association (EFTA) and Oman, are opening new markets and opportunities for exports. The proposed mega-distribution hub in the UAE by 2025 will further support India's global trade ambitions, particularly in Africa, Europe, and the US.

Politically, the continuation of the National Democratic Alliance (NDA) government signals sustained reforms, with optimism around labour and land reforms. The government is also taking steps to control retail inflation by managing food prices and import duties. The external environment remains cautious, with geopolitical tensions, particularly in Gaza, posing potential risks to global stability.

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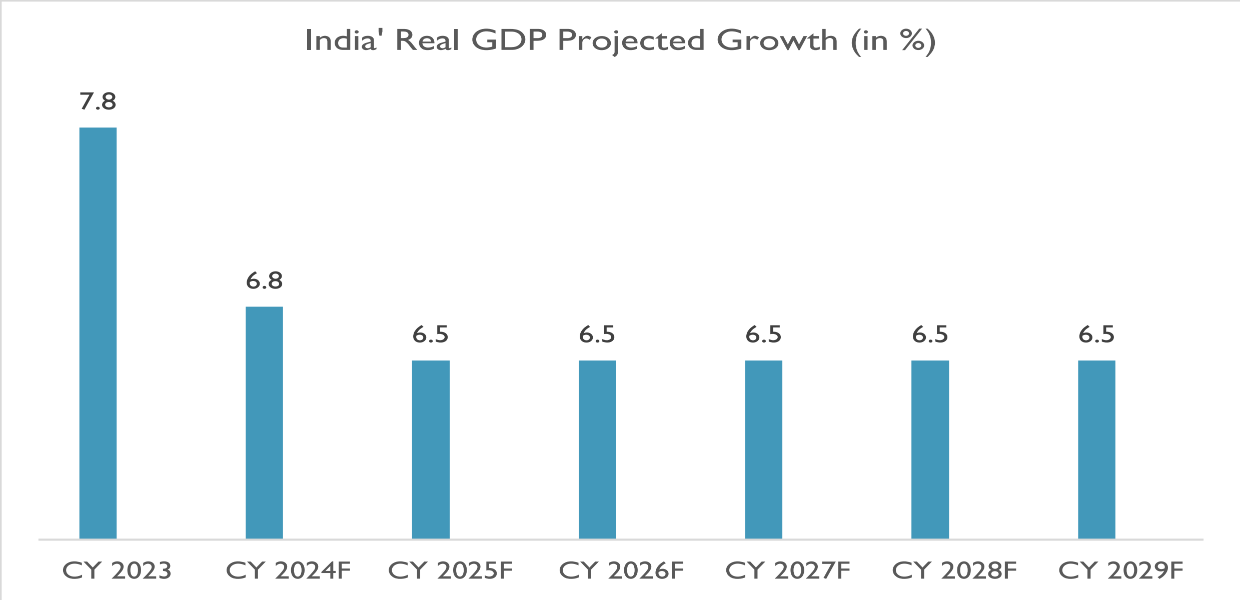
[1] *Other services include Education, Health, Recreation, and other personal services.*

[2] *Projection as Based on CMIE Growth rate till FY 2029 and FY 2030 is based on Dun & Bradstreet assumption.*

Overall, India's short-term growth outlook remains positive, underpinned by strong domestic demand, proactive government measures, and expanding global trade relationships, despite some challenges in the rural economy and supply chain infrastructure.

India’s Projected Economic Growth

Looking ahead to 2024, India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6%, and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



Source: IMF

This decent growth momentum in near term (CY 2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on1st Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY2024 and setting a lower-than expected fiscal deficit target for FY2025, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D (Research & Development) in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY2024 and projecting a lower than-anticipated fiscal deficit of 4.9% as announced in the interim budget in July 2024 for the current fiscal year (FY 2025) are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 billion) for fiscal year 2024-25 – is at a 21-year high (3.3% of GDP in fiscal year 2023-24. The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

India's optimistic economic outlook is underpinned by its demographic dividend, which brings a substantial workforce that boosts labor participation and productivity. The burgeoning middle class and urbanization contribute to increased domestic consumption, driven by rising incomes and purchasing power. Extensive investments in infrastructure, encompassing roads, railways, ports, and digital connectivity, are enhancing productivity and efficiency, with government initiatives like the Smart Cities Mission and PM Gati Shakti creating a conducive growth environment. This digital transformation, catalyzed by initiatives such as Digital India, is fostering a tech-driven economy marked by enhanced internet penetration, digital payments, and e-governance, thereby fueling growth in sectors like fintech, e-commerce, and digital services. The push to position India as a global manufacturing hub through Make in India and PLI (Production Linked Incentive) schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

Some of the key factors that would propel India's economic growth.

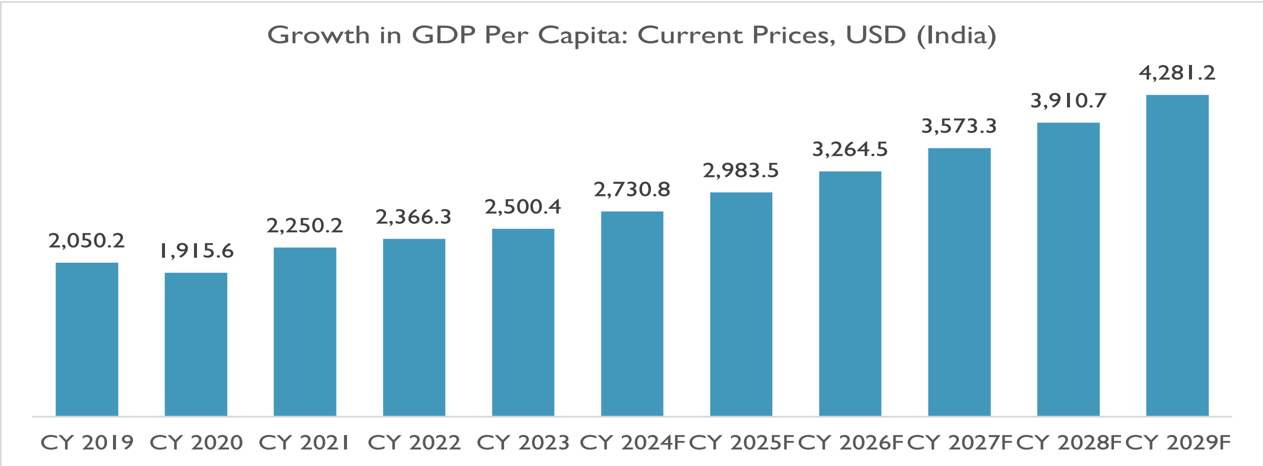
Strong Domestic Demand

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. PFCE as a percentage of GDP increased to 58% during FY 2022 and FY 2023 while in FY 2024 it settled at 56%. There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power. As per National Statistics Office (NSO), India's per capita net national income (at constant prices) stood at INR 1.06 lakhs in FY 2024 against 99,404 in FY 2023 and 87,623 in FY 2018. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fueled by this growth in per capita income.

India's Per capita GDP trends

India is poised to become the world's third-largest economy with a projected GDP of USD 5 trillion within the next three years, driven by ongoing reforms. As one of the fastest-growing major economies, India currently holds the position of the fifth-largest economy globally, following the US, China, Japan, and Germany. By 2027-28, it is anticipated that India will surpass both Germany and Japan, reaching the third-largest spot. This growth is bolstered by a surge in foreign investments and a wave of new trade agreements with India's burgeoning market of 1.4 billion people. The aviation industry is witnessing unprecedented orders, global electronics manufacturers are expanding their production capabilities, and suppliers traditionally concentrated in southern China's manufacturing hubs are now shifting towards India.

To achieve its vision of becoming the world's third-largest economy by 2027-28, India will need to implement transformative industrial and governmental policies. These policies will be crucial for sustaining the consistent growth of the nation's per capita GDP over the long term.



Source: IMF

From CY 2024-29, India's per capita GDP is projected to grow at a compound annual growth rate of 9.4%. This growth will be driven by the service sector, which now accounts for over 50% of India's GDP, marking a significant shift from agriculture to services.

Digitization Reforms

Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI (Unified Payments Interface), Aadhaar based benefit transfer programs, and streamlining of GST (Goods and Services

Tax) collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favorable demographic pattern (with higher percentage of tech savvy youth population) and India's strong IT (Information Technology) sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

Increased adoption of digital technology and innovation, inclusive and sustainable practices, business-friendly and transparent regulations, and heightened corporate research and development (R&D) investments will further bolster the country's growth. These factors will collectively support employment growth across both private and public sectors, including micro, small, and medium enterprises (MSMEs).

a) Product Profile

TMT (Thermo-Mechanically Treated) bars are high-strength reinforcement steel used widely in construction industry due to their exceptional strength, ductility, and corrosion resistance. Manufactured through a process of quenching, self-tempering, and atmospheric cooling, TMT bars feature a tough outer surface and a ductile core, making them ideal for earthquake-resistant structures. They offer superior weldability and cost- effectiveness by reducing the amount of steel needed. Commonly used in building frameworks, infrastructure projects, and reinforced concrete structures, TMT bars come in various grades (like Fe-415D, Fe-500D, Fe- 550D, Fe-600D) and sizes (6mm to 50mm in diameter), catering to diverse construction requirements.

TMT Grade	Product Feature
Fe 415D	Have Lower Strength and High Flexibility
Fe 500D	Moderately High Strength with High Flexibility /Elongation
Fe 550	Higher Strength with Low Flexibility/Elongation
Fe 600	Even Higher Strength with Very Low Flexibility/Elongation

Amongst all, TMT grade 500D is the is the most preferred TMT bars because it has the accurate balance of strength and flexibility to remain structurally stable and strengthen.

b) Manufacturing Process

- **Raw Material Selection and Preparation:** The manufacturing of TMT bars begins with the selection and preparation of high-quality raw materials. The primary materials include iron ore, coke, and limestone. Iron ore is the fundamental component, while coke acts as a reducing agent, and limestone helps in removing impurities. These raw materials are sourced meticulously and blended in precise proportions to achieve the desired chemical composition necessary for producing high- strength steel.

- **Iron Making:** The next step involves converting these raw materials into molten iron. This can be achieved through a blast furnace process or a direct reduced iron (DRI) process. In the blast furnace process, iron ore, coke, and limestone are charged into the furnace, where coke reduces the iron ore to molten iron, and limestone forms slag by combining with impurities. Alternatively, in the DRI process, iron ore is directly reduced using natural gas or coal gas, producing iron without melting it.

- **Steel Making:** The molten iron is then converted into steel through processes such as the Basic Oxygen Furnace (BOF) or Electric Arc Furnace (EAF). In the BOF method, oxygen is blown through the molten iron to lower the carbon content and remove impurities, while the EAF method involves melting recycled steel scrap using electric arcs, followed by refining to achieve the desired chemical composition.

- **Secondary Refining:** The molten steel undergoes secondary refining in a Ladle Refining Furnace (LRF). During this stage, deoxidation, desulfurization, and alloying take place. Excess oxygen is removed, sulphur content is reduced, and elements like chromium, nickel, and vanadium are added to refine the steel and ensure it possesses the required properties for high-strength applications.

- **Casting:** The refined steel is then cast into semi-finished forms such as billets, blooms, or slabs through a continuous casting process. The molten steel is transferred to a tundish and poured into a water-cooled Mold, where it solidifies into the desired shape. Rapid cooling in the Mold ensures the steel retains its structural integrity.

- **Rolling:** The semi-finished steel is reheated in a reheating furnace to a temperature suitable for rolling. It then passes through a series of rolling mills, starting with the roughing mill for initial shaping, followed by the intermediate mill for further reduction in thickness, and finally the finishing mill to achieve the precise size and shape of the TMT bars.

- **Quenching:** After rolling, the bars undergo a rapid cooling process known as quenching. They are passed through a series of water jets that rapidly cool the outer surface, creating a hardened martensitic layer while the core remains hot and relatively soft.

- **Self-Tempering:** The self-tempering process involves the transfer of residual heat from the core to the surface, tempering the hardened outer layer. This results in a tough outer surface that is less brittle, enhancing the overall strength and durability of the TMT bars.

- **Atmospheric Cooling:** The bars are then laid on a cooling bed for atmospheric cooling. This step allows the core to cool down slowly, forming a ductile ferrite-pearlite structure. The combination of a tough exterior and a ductile core gives TMT bars their characteristic strength and flexibility.

- **Cutting and Quality Control:** Once cooled, the bars are cut into specified lengths using shearing machines. Rigorous quality control tests are conducted to ensure the bars meet the required mechanical and chemical standards. These tests include tensile tests for strength, bend tests for ductility, and chemical analyses to verify composition.

TMX (THERMEX), from HSE Germany and TEMPCORE from CRM Belgium are the two patented technologies to manufacture thermo processed bars globally. THERMAX and TEMPCORE technologies were developed in mid-eighties to produce re-bar that had far superior properties against the sub-standards TMT Bars. TMT bars manufacturing using Thermex technologies is widely preferred.

Key Attributes

Attribute	Description
Strength	The bars' high yield strength, resulting from thermomechanical treatment, ensures they can withstand significant stress.
Ductility	TMT bars have good elongation properties, allowing them to bend without breaking, which is essential in earthquake zones.
Corrosion Resistance	TMT bars have enhanced resistance due to the absence of torsional stress and reduced carbon content.
Weldability	Low carbon content ensures that the bars can be easily welded without losing. strength.
Bond Strength	The ribbed surface ensures better bonding with concrete, preventing slippage.
Earthquake Resistance	Their high fatigue resistance makes them well-suited for structures in seismic. zones.

Application Process

Application Area	Details

Residential Buildings	Reinforcement in columns, beams, slabs, and foundations, ensuring stability and strength
Commercial Buildings	Used in high-rise buildings, shopping malls, and office complexes, requiring robust structural support.
Infrastructure Projects	Bridges, dams, highways, and flyovers, where high tensile strength is crucial.
Industrial Structures	Reinforcement in factories and warehouses, supporting heavy machinery and equipment.

Global Steel Industry

From 2019 to 2023, the global crude steel industry experienced a tumultuous period characterized by modest overall growth and significant fluctuations. The compound annual growth rate (CAGR) during this period stood at a mere 0.2%, underscoring the volatility and challenges faced by the sector. The COVID-19 pandemic in 2020 was a major disruptor, causing a notable decline in steel production as industries worldwide grappled with lockdowns and reduced economic activity. However, the industry demonstrated resilience with a sharp rebound of 4.1% in 2021 as economies began to recover. This recovery was short-lived, as 2022 saw a steep decline of -3.7%, indicating a persistent and underlying slowdown in the industry.

a) Global Steel Production Trends

China, the world's largest producer of crude steel, has played a pivotal role in shaping global production trends. China's steel industry benefits from abundant iron ore reserves and favorable labor policies, which provide a significant cost advantage. Despite facing tighter environmental regulations and policies aimed at reducing carbon emissions, China's share in global crude steel production remains around 7%. This dominance is bolstered by the country's extensive industrial base and continuous investments in infrastructure development.

India, the second-largest 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 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.

b) Challenges Impacting Global Steel Production

Despite the leadership of major producers like China and India, several factors have contributed to the global slowdown in steel production. These include:

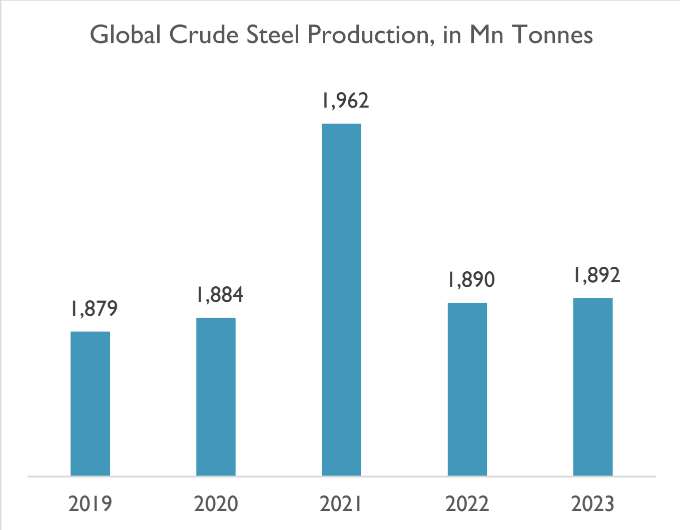
- **Weakening Demand:** High interest rates and inflation have dampened demand for steel across various industries. Sectors like construction and manufacturing, which are significant consumers of steel, have scaled back operations due to increased borrowing costs and economic uncertainty.

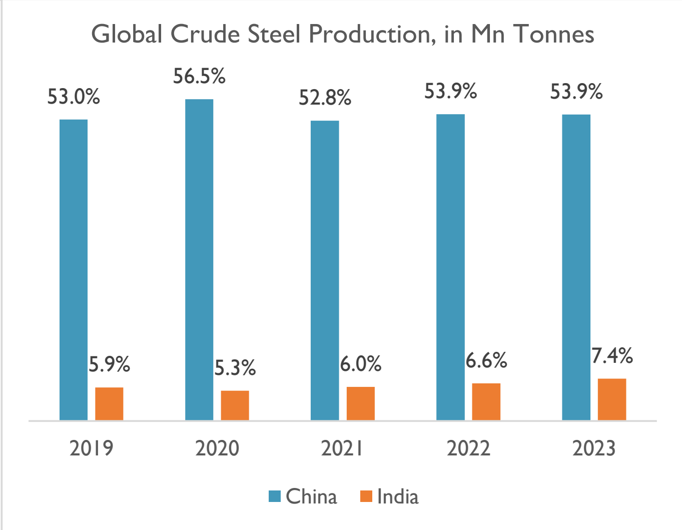
- **Rising Production Costs:** The cost of raw materials and energy required for steel production has risen significantly. Prices of iron ore, coal, and other essential inputs have been volatile, impacting the profitability and production levels of steel manufacturers.

- **Supply Chain Disruptions:** The lingering effects of the COVID-19 pandemic continue to affect global supply chains. Disruptions in the supply of raw materials and logistical challenges have led to delays and increased costs, hindering production efficiency.

- **Environmental Regulations:** Stricter environmental regulations aimed at reducing carbon emissions have put additional pressure on the steel industry. Compliance with these regulations often requires significant investments in technology and infrastructure, increasing production costs.

- **Shifting Demand Patterns:** Industries such as automotive manufacturing are increasingly shifting towards lighter materials like aluminum, which impacts the demand for steel. This transition is driven by the need for fuel efficiency and reduced emissions, further challenging the steel industry.



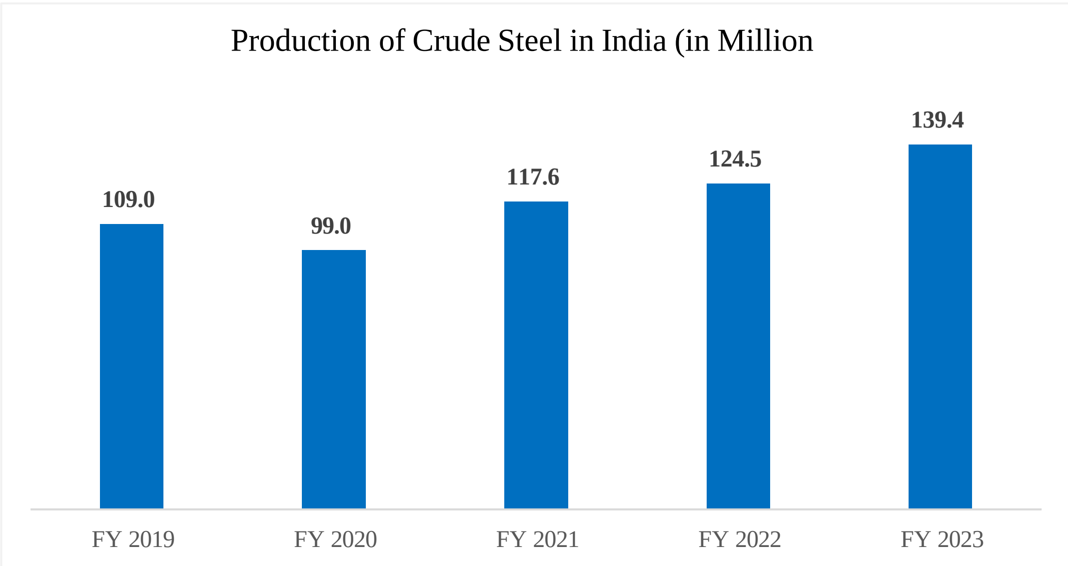


Source: World Steel Association

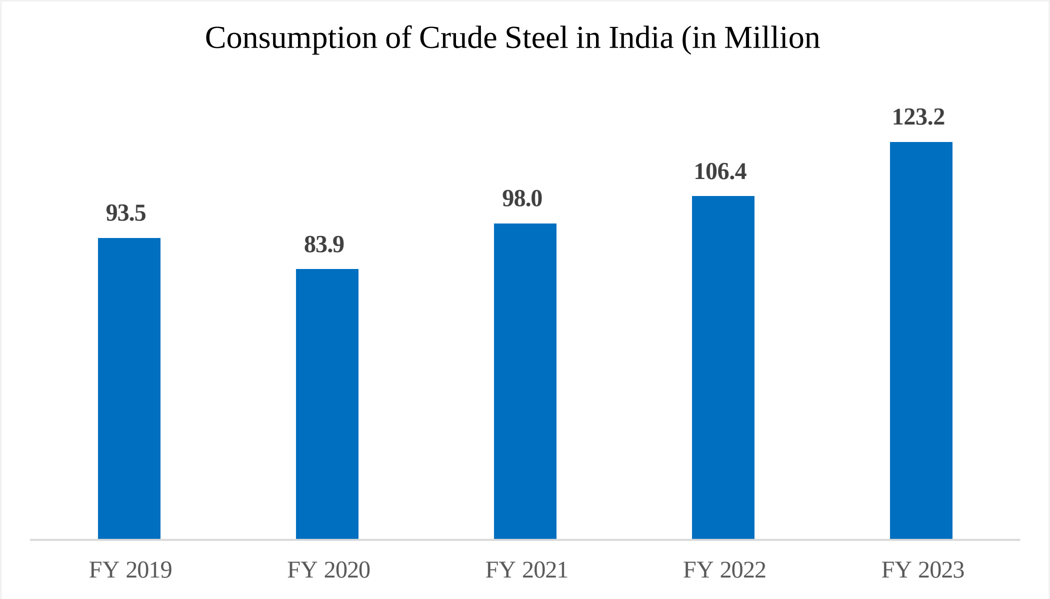
Indian Annual Production & Consumption of crude steel

According to Steel Mint, gross production of crude steel in India stood at 139.4 million tonnes in FY 2023 marking a 12.1% increase over FY 2023. The private sector played a dominant role in this growth, contributing 83% (119.851 million tonnes) and witnessing a 14.4% rise in production, compared to a 7.9% increase from the public sector units (PSUs), which accounted for 17% 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.



Source: Steel Mint



Source: Steel Mint

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. Starting from FY 2019, there was a consistent increase in crude steel consumption, growing at a compound annual growth rate (CAGR) of 7.1%. However, the arrival of the COVID-19 pandemic in FY 2020 led to a significant downturn, with consumption dropping by 10.3%. 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 2023, there was a notable resurgence in consumption, with a robust growth rate of 15.8%. This rebound was fueled by various factors, including increased investments in global infrastructure projects, the revival of the automotive and construction sectors post-pandemic, and the expansion of industrial sectors like machinery and equipment manufacturing. Additionally, governments worldwide implemented supportive policies and incentives to revitalize manufacturing and construction, further driving the demand for steel. 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.

i. Regulatory Scenario

Iron and steel industry play a strategic position in the overall economic development. Therefore, the government has been taking sustained initiative on yearly basis towards the development of the industry. Government has imposed no restriction on production and sale of steel products, and this has immensely helped in the development of domestic manufacturing sector. Foreign investment norms have helped the country attract global steel manufacturers who bought in improved manufacturing technology and processes. This move played significant role in assisting steel companies to widen their product portfolio from basic steel products like hot rolled & cold rolled steel to manufacturing of steel rebars and TMT bars. Currently 100% FDI under automatic route is allowed in the steel sector.

Proposal to provide additional depreciation of 20% against 10% on new plant and machinery installed by a manufacturing unit if the asset is installed after 30th Sep 2015 is a favorable move to boost investment in new plant and machinery in steel industry.[3]

- **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 61 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

[3] Ministry of Finance, GoI

coking coal from 85% to 65% by 2030-31.

a. Key Features of National Steel Policy:

- **Steel Demand:** The current GDP growth rate suggests that steel demand is projected to triple over the next 15 years, 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, ferro-alloys, and nickel at competitive rates. To achieve the target, an estimated 91,000 acres of additional land will be required for greenfield expansion. The Ministry will ensure the timely provision of litigation- free land, water, and power to the industries. Additionally, water conservation at all levels will be promoted, and the industry's efforts in this area will be supported.

- **Infrastructure and Logistics:** To meet the growing industry needs, adequate and timely infrastructure development must be pursued in Odisha, Chhattisgarh, and Jharkhand. This includes enhancing railways, roadways, power generation and distribution, evacuation infrastructure, slurry pipelines, and conveyors. To foster export opportunities and enhance competitiveness, the Government of India is also considering port-led development of steel clusters under the Sagarmala program**.**

Steel Quality Order Control

The quality of steel in India is regulated by the Steel and Steel Products (Quality Control) Order, 2024, issued by the Ministry of Steel in February 2024. This order replaces the previous 2020 version and establishes updated standards for steel production, certification, and distribution. The primary objective is to ensure high-quality steel products in the Indian market, in line with international standards, and to protect public safety. By emphasizing quality control, this order prevents substandard steel from entering the market, thereby promoting public safety, and ensuring the reliable performance of steel products in infrastructure, construction, and various industrial applications. The order achieves this through:

- **Specified Steel Products:** The order applies to a specific list of steel products outlined in Schedule-I. 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, 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.

A. 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.

B. 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.

C. 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.

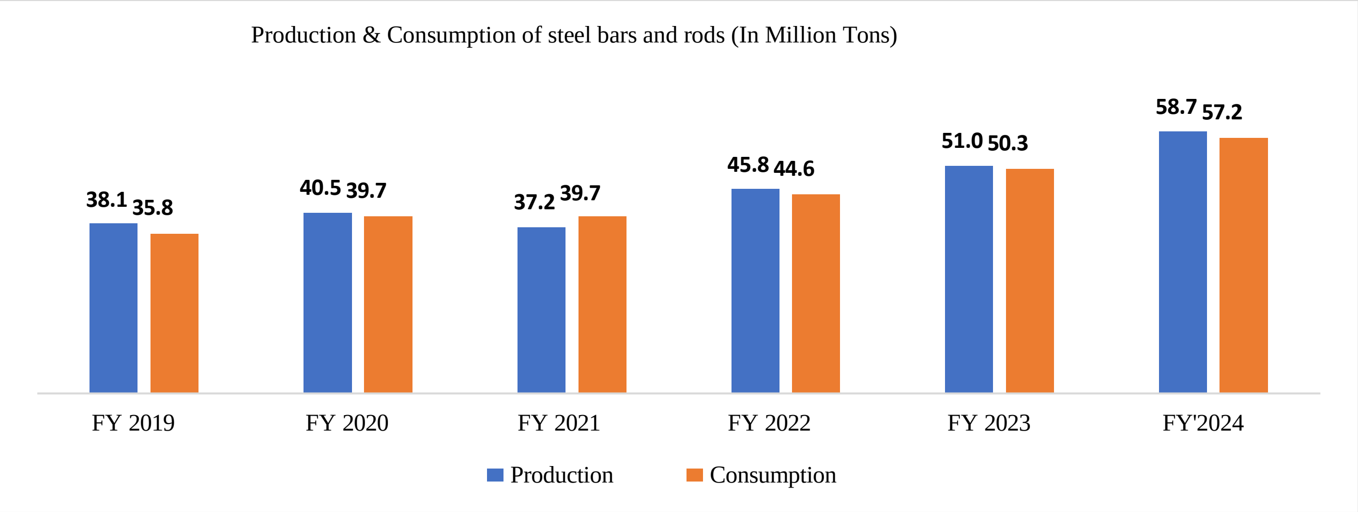
D. Union Budget 2023-24 Announcement & Steel

- The budget included a continuation of the waiver on customs duty for ferrous scrap, raw materials used in manufacturing Cold Rolled Grain Oriented (CRGO) steel, and nickel cathode. This is seen as a positive step for steel manufacturers.
- The inclusion of "specialty steel" under the Production Linked Incentive (PLI) scheme was announced as a positive development for the industry. This scheme aims to provide financial incentives for domestic manufacturing of these specific steel products.
- Tariff rate of scrap of iron or steel is reduced to 2.5% from 5%. Therefore, once the exemption from duty on these scraps expire, the BCD rate shall operate through tariff.
- Rescinds anti-dumping or countervailing duty on following products of steel are revoked with effect from February 1, 2022:
  - Straight length Bars and Rod of alloy Steel from China PR,
  - High Speed Steel of Non-Cobalt Grade from China PR, Brazil, Germany.
  - Flat rolled products of steel (Al or Zinc coated) from China PR, Vietnam, and Korea RP.
  - Hot rolled and cold rolled stainless steel flat products (from China PR).

In **Union Budget 2024-25**, the allocation for the Ministry of Steel's Total-Central Sector Schemes/Projects has been increased significantly to INR 2.59 bn for FY25 (BE), from INR 0.14 bn in FY24 (RE).

Current Market Scenario

a) Annual Production & Consumption of Steel bars & rods



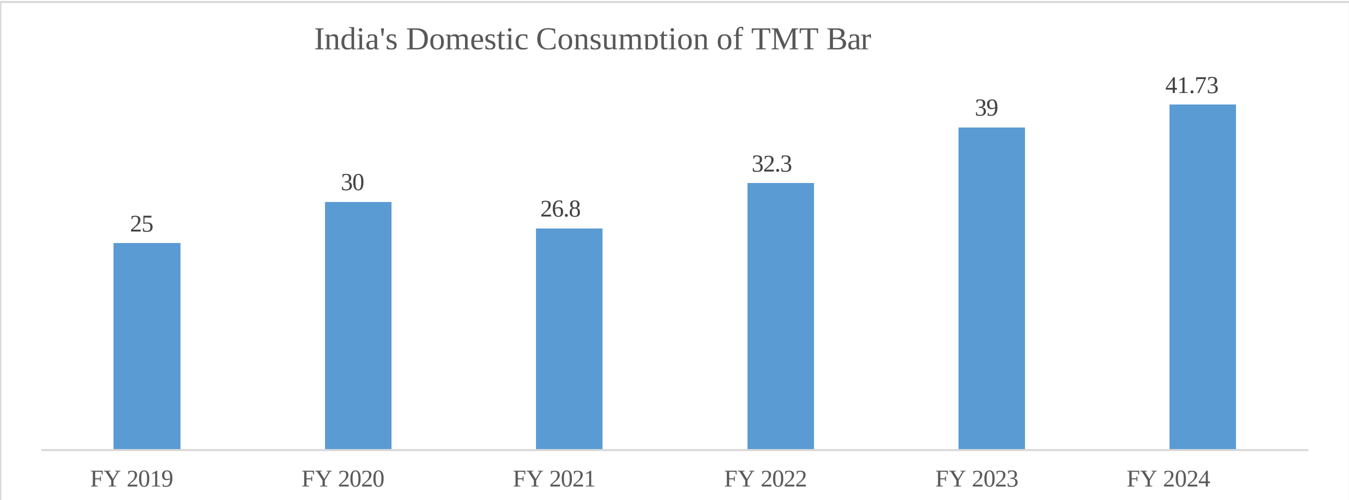
Sources: CMIE Industry Outlook

Over the past six years, the production and consumption of steel bars and rods have maintained a close correlation, showcasing steady growth rates with production growing at a Compound Annual Growth Rate (CAGR) of 9.0% and consumption slightly outpacing it with a CAGR of 9.8%. Notably, in the FY 2022, both production and consumption experienced significant spikes, with production surging by 23.2% and consumption growing commendably by 12.3%. This robust growth pattern over the last three years underscores a strong demand for steel bars and rods, driven by various sectors such as construction, automotive, and machinery manufacturing. The alignment between production and consumption reflects a balanced market, indicative of efficient production planning and responsive market dynamics within the steel industry. These trends signify stable growth opportunities for stakeholders in the steel bars and rods market, bolstered by consistent double-digit growth rates and favourable market conditions.

Consumption of TMT Bars [3]

In the fiscal year 2022-23, India observed a substantial increase in the apparent consumption of rebar, registering a notable surge of 20.9% to reach 39 million metric tons (mmt), compared to 32.3 mmt in the preceding fiscal period. While in FY 2024, it has been estimated to have grown further to 41.73 Mn tonnes. This surge was notably underpinned by a significant uptick in property registrations, particularly notable in Mumbai, the nation's foremost real estate market. Specifically, property registrations in Mumbai escalated by 7% year-on-year, amounting to 116,078 units in FY23, in contrast to 108,861 units recorded in FY22.

[3] Apparent Consumption (Production + Import –Export



Source: Steel Mint,

Despite encountering a decline in exports during the previous fiscal year, the domestic market exhibited robust demand, thus lending crucial support to both consumption and production within the rebar sector.

Throughout FY23, prices for BF-route rebar in India experienced an average escalation, reaching INR 60,500 per ton (USD738) ex-yard in Mumbai, marking an increase of 8% from INR 56,000 per ton (USD 683) in FY22. Concurrently, prices in the IF segment ascended to INR 56,200 per ton (USD 685) in FY23, compared to INR 51,300 per ton (USD 626) in FY22, signifying an annual surge of around 10%, ex-warehouse in Mumbai.

Despite these positive trends, the price differential between primary and secondary mills exhibited a slight contraction, narrowing marginally by INR 400 per ton (USD 5) to INR 4,300 per ton (USD 52) in FY23.

Demand Scenario

Domestic demand for TMT bars is anticipated to rise significantly, driven by the government's focused efforts on enhancing the nation's infrastructure. The construction industry's growth in India is on an upward trajectory, increasingly favoring TMT bars due to their superior qualities. These bars are known for their exceptional strength, durability, and ability to withstand seismic activities, making them indispensable in modern construction. As the government continues to prioritize the development of quality and sustainable infrastructure, TMT bars are set to play a crucial role. Their widespread adoption is not just a trend but a necessity, given the evolving structural requirements of contemporary construction projects. Engineers and builders across the country are increasingly turning to TMT bars to meet these demands, owing to their numerous advantages over traditional reinforcement materials. One of the most significant benefits of TMT bars is their earthquake-resistant properties. India, being prone to seismic activities, requires construction materials that can ensure the safety and stability of buildings. TMT bars are designed to absorb and dissipate seismic energy, which is essential for maintaining the structural integrity of buildings during earthquakes. This characteristic makes them a critical component in construction projects, especially in earthquake-prone areas. Moreover, the use of TMT bars aligns with the broader goals of sustainable development. They contribute to building resilient infrastructure that can withstand natural disasters, thus reducing the need for frequent repairs and reconstructions. This not only ensures the safety of residents but also supports long-term economic stability by minimizing the costs associated with rebuilding after seismic events. In addition to their functional benefits, TMT bars also promote advancements in building technology. Their integration into construction practices encourages innovation and the adoption of new techniques that enhance overall building quality. As a result, the construction industry in India is becoming more efficient and capable of delivering high-standard projects.

Construction Sector Performance

India's construction industry is on a phenomenal growth trajectory, projected to reach a staggering USD 1.4 trillion by 2025, accounting for 8%-10% of India's GDP. This represents a significant leap from its current size of approximately USD 820 billion, showcasing the dynamism and potential of this sector. The Indian government's ambitious Gati Shakti National Master Plan plays a pivotal role in propelling the construction industry forward. This comprehensive roadmap aims to seamlessly integrate infrastructure development across various sectors, creating a national logistics network that will boost efficiency and reduce costs. The Bharatmala Pariyojana initiative complements Gati Shakti by focusing specifically on developing a world-class highway network spanning over 83,000 kilometers. This ambitious project comprises several expressways, ring roads, and economic corridors, aiming to improve connectivity, boost regional development, and facilitate trade. The booming construction industry is a significant job creator, directly employing millions of workers across various disciplines like engineering, construction, architecture, and skilled labor. Additionally, the sector indirectly supports numerous job opportunities in associated industries like manufacturing, transportation, and logistics.

Infrastructure Construction in India

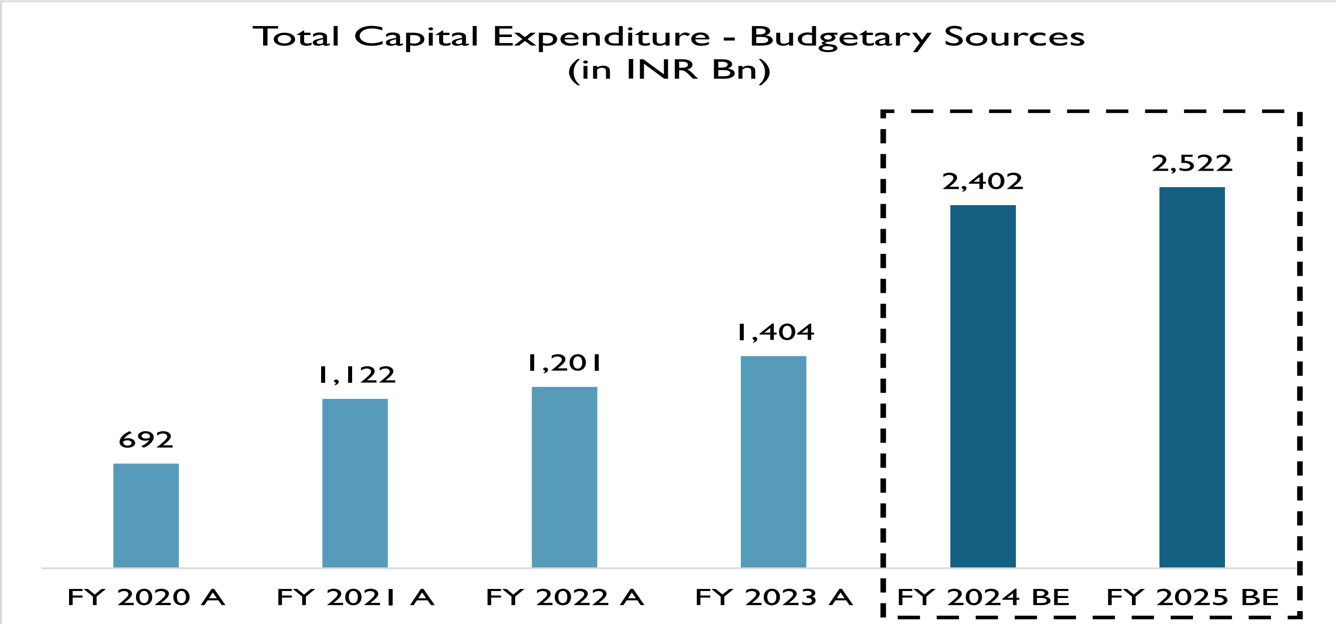
The infrastructure construction segment in India is a key driver of economic growth and national development. It encompasses the development and maintenance of essential infrastructure like roads, highways, railways, airports, ports, waterways, power plants, and irrigation systems. This segment plays a crucial role in:

- Connecting people and places: Efficient transportation networks facilitate movement of goods and people, boosting trade and commerce.
- Stimulating economic activity: Infrastructure projects create jobs, attract investments, and spur development across various sectors.
- Improving quality of life: Access to clean water, sanitation, and reliable electricity enhances living standards and

promotes overall well-being.

Increase in Railway Construction and Its Impact on TMT Bar Demand

Indian Railways has been allocated a record capital expenditure (Capex) of INR 2,622 Bn for the financial year 2024-25, maintaining the same level as announced in the Interim Budget 2024. The Gross Budgetary Support for Railways in FY 2024-25 stands at INR 2,522 Bn, marking a significant rise from INR 2,402 Bn in 2023-24 and from the level of INR 692 Bn in FY 2020. The increasing budgetary allocation underscores Indian Railways' commitment to modernizing infrastructure, enhancing safety, and improving passenger services.



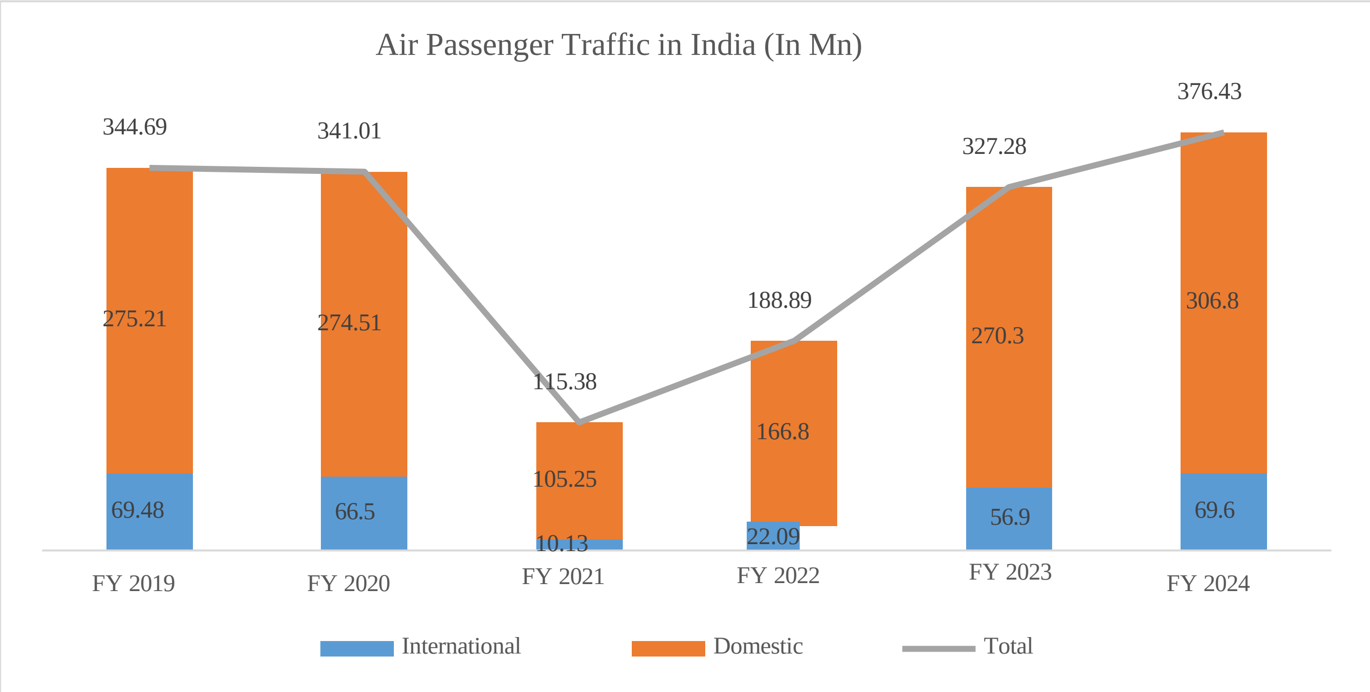
Source: Union Budget, Expenditure Profile

Note: A – Actual Capex over the years and BE – Budgeted figures

Railway sector improvement is a major driver of TMT bar demand. The expansion of railway networks increases the need TMT bars as railway bridges and stations require substantial amounts of TMT bars for reinforcing concrete 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 TMT bars. Urbanization along railway lines also leads to the development of commercial buildings, residential complexes, and public infrastructure, all of which depend on TMT bars for reinforcement. Furthermore, specific types of railway projects, such as high-speed rail or dedicated freight corridors, may necessitate specialized TMT bars with higher strength or corrosion resistance, influencing the demand within the TMT bar market.

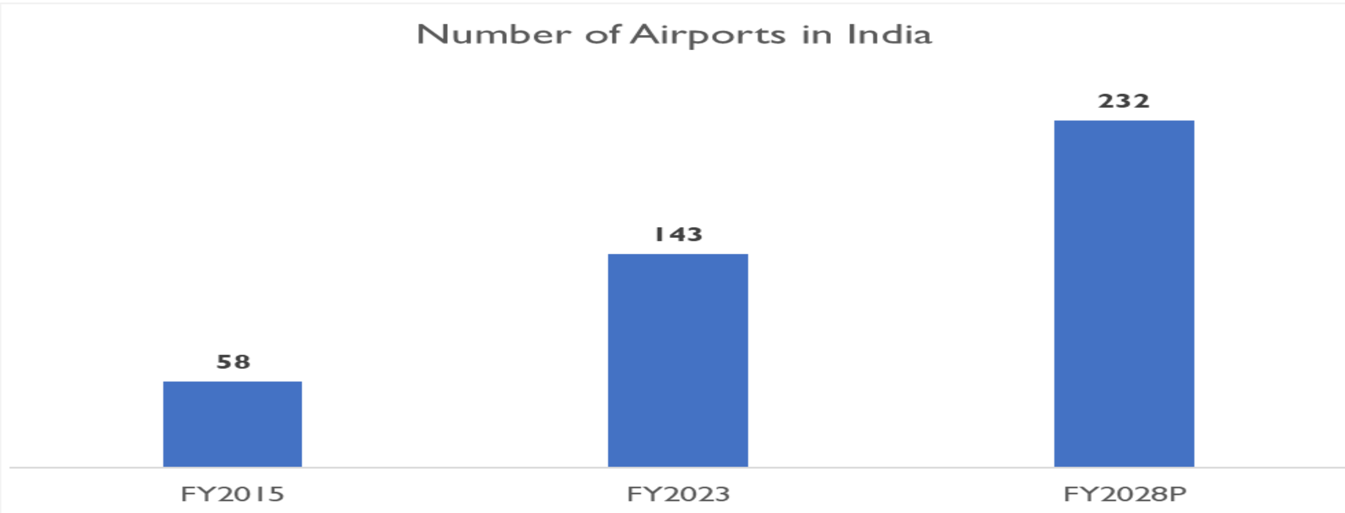
Airport Infrastructure in India

India has witnessed massive growth in air travel in the recent years, with annual rate of growth in air passengers trumping the growth rate in passengers carried by railways. India is today the third largest civil aviation market in the world, in terms of total number of air passengers carried per annum. The total passengers carried by Indian airlines peaked 344 million in FY 2019 while it hovered near same range in FY 2020 at 342 Mn before falling to 115.38 million in FY 2021 due to Covid induced restriction in travel. However, strong growth in airline traffic (both passengers and cargo) prior to FY 2021 have resulted in massive expansion in commercial aircraft stock in the country. During FY 2024, overall passenger air travel carried by schedule commercial aircraft surged by 15% to 376 Mn against 73% y-o-y growth registered in FY 2023.



Source: Airports Authority of India

The air passenger traffic in India is expected to double its 2019 market size by 2035 (as per IATA estimates it is predicted to reach 500 Mn by 2035) on the back of growing economy and expanding middle class. This has put pressure on the existing civil aviation infrastructure in the country. In addition, the Indian government is investing heavily in the aviation sector. The government is building new airports, expanding existing airports, and improving air traffic management systems. According to the Airports Authority of India (AAI), in the last eight years, the number of airports in the country has increased from 50 to 148 in 2023, and over the next five years, 89 new airports are expected to be opened.



Source: Airports Authority of India (AAI)

Government Initiatives for expanding airport infrastructure.

Driven by the rapid increase in passenger traffic, the UDAN scheme was launched on April 2017 to enhanced aviation infrastructure and air connectivity in tier II and tier III cities. Under UDAN, the regional air- connectivity in the country has significantly increased from 74 operational airport in 2014 to 141 currently. 68 underserved/unserved destinations which include 58 Airports, 8 Heliports & 2 Water Aerodromes have been connected in the last five year under UDAN scheme. With 425 new routes initiated under the scheme, UDAN has provided air connectivity to more than 29 States/ UTs across the country.

Going forward, 68 new airports aiming to touch 100 airports are planned to be constructed by 2026 under this scheme. 220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in the country. Under UDAN, 954 routes have already been awarded to connect 156 airports.

Airport infrastructure construction and Its Impact on TMT Bar Demand

The construction of new terminals, runways, taxiways, and cargo facilities within airport infrastructure projects significantly increases the demand for TMT bars. These bars are preferred for concrete reinforcement due to their exceptional strength, ductility, and weldability, making them ideal for the robust construction required in aviation infrastructure. As airports expand, the need for substantial concrete structures grows, further driving up the demand for TMT bars. Additionally, the size and scale of these projects play a crucial role; larger projects with extensive new construction require far more TMT bars than smaller renovation efforts. Local infrastructure needs, such as the construction of access roads, bridges, and parking lots around airports, also contribute to this demand, as these structures utilize TMT bar-reinforced concrete for added durability. Government regulations and building codes that specify certain concrete strength requirements can further influence the type and quantity of TMT bars used in these projects.

However, the emergence of alternative construction materials, such as fiber-reinforced polymers and pre- stressed concrete, presents potential competition and may affect the future demand for TMT bars in some specific applications, though their current dominance remains significant.

Real Estate Construction impact on TMT bars demand

Real estate construction is one of the key economic sectors in the country driving the demand for various building materials including TMT. The residential market continues to strengthen, with sales volumes at a ten-year high, unaffected by underlying fundamentals. Sales levels remained resilient despite concerns over growing inflation, high interest costs, and slowing economic growth. The industry is consolidating, with residential developments increasingly being managed by stronger developers who have weathered the economic challenges posed by the pandemic.

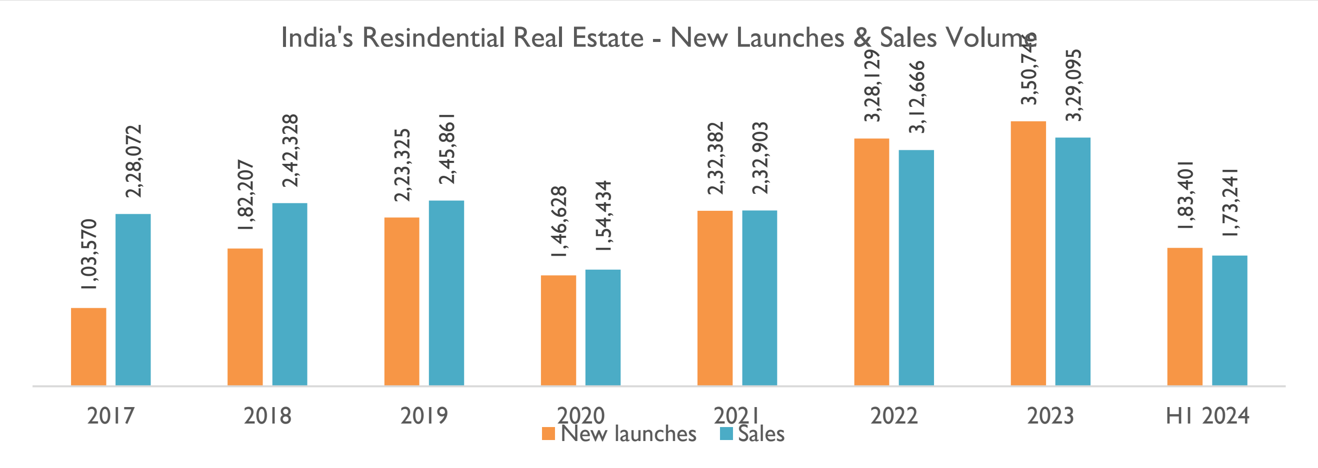
Residential Real Estate

The residential real estate market is a vital sector within the broader real estate industry that revolves around the desire for home ownership. Residential real estate markets are influenced by a range of factors such as job stability, income growth, and favorable interest rates which can create an environment where people feel confident to invest in their homes. Location also plays a significant role, as buyers seek neighborhoods that offer convenience, safety, and access to essential amenities that enhance their quality of life.

Government policies and regulations also impact residential real estate markets. Housing policies, tax incentives, and mortgage regulations can affect affordability, accessibility, and investment potential. Additionally, demographic trends, such as population growth, changes in household sizes, and shifts in lifestyle preferences, contribute to the demand and preferences within the market. As per industry sources, the Indian real estate market is projected to reach the value of USD 1 Trillion by 2030, with affordable housing segment playing an important role. Supply of houses and new launches are also expected to accelerate the growth of residential real estate sector.

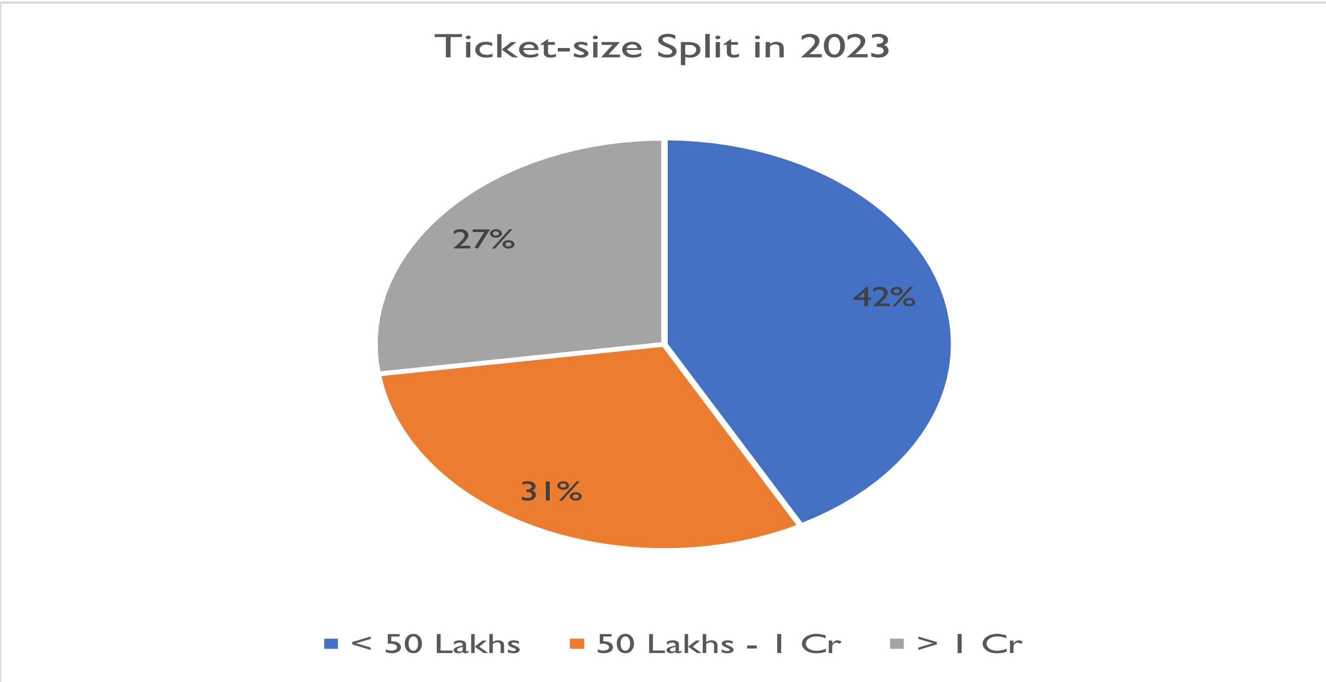
Annual Sales & Launches

The Indian residential real estate sector has been witnessing a steady recovery since 2021. During 2021, 232,382 new residential units were launched across the top 8 cities, highest since 2016, registering a robust growth of 58.5% y-o-y. During the year, number of residential units sold reached 232,903, up by 50.8% compared to previous year. Increased savings during lockdowns, minimal income disruptions for mid and high-income brackets, and a robust economic growth forecast have fueled demand in India's residential real estate market. Additionally, the upward trend in house prices since 2021 has created a positive sentiment among prospective buyers, boosting sales. The resurgence in demand has accelerated residential development, with both half-yearly and annual volumes of units launched reaching ten-year highs. Notably, launch volumes in 2022 and 2023 exceeded sales for their respective periods, a rare occurrence that has only happened three times in the past decade.



Source: Knight Frank Report on Indian Real Estate Sector (Statistics for Top 8 Cities in India)

The year 2023 was the year of a new high for the Indian real estate sector. As central banks responded to inflation by raising policy rates and increasing mortgage costs, the global housing market's momentum slowed after an initial rebound in 2023. Despite the Reserve Bank of India's 250 basis points increase in policy rates from May 2022 to February 2023, residential property demand in the country not only remained resilient but also reached a ten-year high in annual sales for 2023. The year 2023 (January-December) witnessed unprecedented growth in residential sales in India and recorded 3,50,746 launches of housing units and sales of 3,29,097 units. This shows a y-o-y increase of whopping 7% and 5% respectively. Of the total sales of residential units in 2023, 61% were dominated by three cities: Mumbai, NCR, and Bengaluru. The strong momentum will most likely last through 2024 as 183,401 of housing units have been launched during H1 2024 and sales for the same period was 173,241 units. Both sales and launches increased by 6% and 11% from H1 2023 respectively.



Source: Knight Frank Report on Indian Real Estate Sector (Statistics for Top 8 Cities in India)

Additionally, a trend of house price growth since 2021 has boosted buyer confidence, further supporting sales. The 0.17 million units sold in H2 2023 marked a healthy 12% YoY volume growth. The increased demand has also accelerated residential development, with both half-yearly and annual unit launch volumes reaching ten-year highs. Notably, the launch volumes in 2022 and 2023 have surpassed sales volumes for the respective periods, a phenomenon observed only twice in the past ten years.

Affordable segment (housing units with ticket price less than INR 50 Lakhs) dominates the residential real estate sector in India. However, the market share for the same has noted a decline from 45% in CY 2020 to 42% in CY 2023. Moreover, H2 2023 saw a decline in the segment with a 28% share, as compared to 35% in H2 2022. A similar trend was observed for INR 50 Lakhs – 1 Cr category. In CY 2023, this category had a share of 31%. However as compared to H2 2022 with a share of 37%, H2 2023 has a reduced share of 35%.

Sales & Launches by Cities

Among top 8 markets, Mumbai accounted for 26% of the total sales, which is highest among all the markets. Kolkata, Ahmedabad, and Pune displayed robust growth with strong uptick in both sales and launches. Increased hiring and steady income growth dominated the new-age markets such as Ahmedabad and Pune, also buoyed homebuyer demand.

City	Launches		Sales	
	H2 2023 (YoY change)	2023 (YoY change)	H2 2023 (YoY change)	2023 (YoYchange)
Mumbai	42,505 (-1%)	93,051 (3%)	46,073 (12%)	86,871 (2%)
NCR	32,911 (-5%)	62,649 (-1%)	29,888 (2%)	60,002 (3%)
Bengaluru	27,584 (24%)	51,126 (18%)	27,799 (4%)	54,046 (1%)
Pune	21,203 (0%)	42,437 (10%)	27,596 (28%)	49,266 (13%)
Hyderabad	24,134 (7%)	46,985 (7%)	17,525 (7%)	32,880 (6%)
Ahmedabad	11,941 (15%)	22,497 (8%)	8,131 (39%)	16,113 (15%)
Chennai	8,150 (4%)	16,272 (6%)	7,770 (6%)	14,920 (5%)
Kolkata	8,954 (59%)	15,730 (28%)	7,675 (32%)	14,999 (16%)
All India	1,77,382 (6%)	3,50,746 (7%)	172,457 (12%)	329,097 (5%)

Source: Knight Frank Report on Indian Real Estate Sector (Statistics for Top 8 Cities in India)

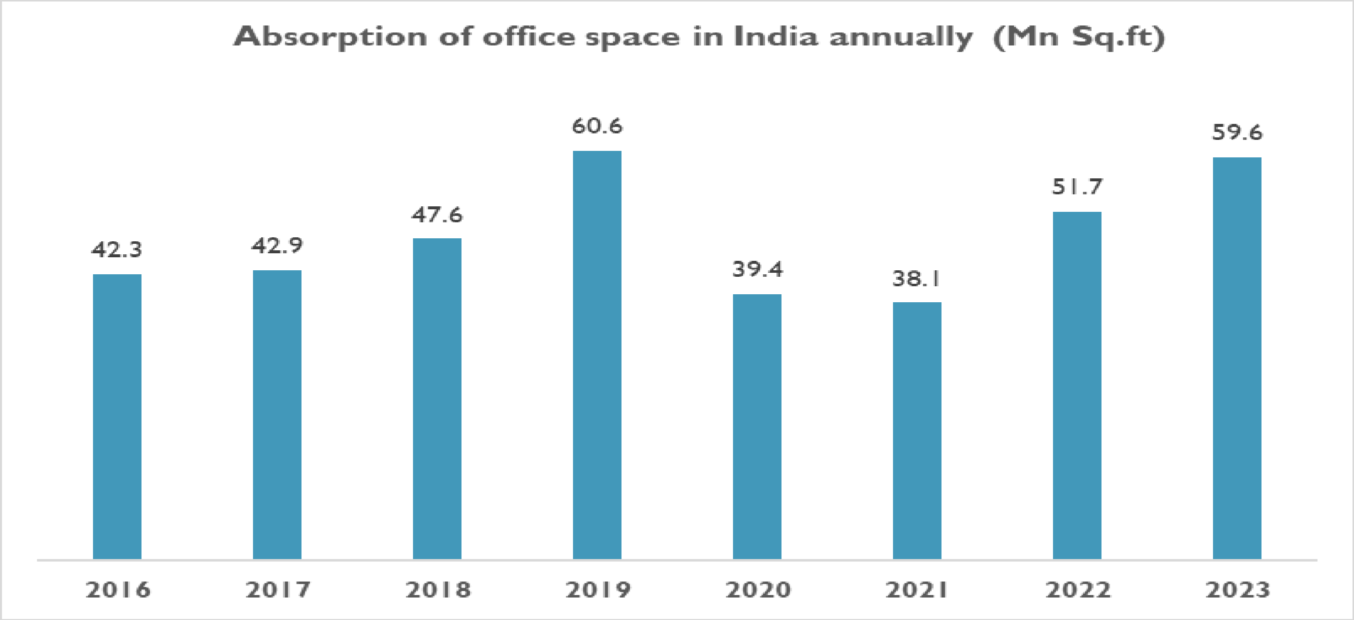
b. Impact on TMT bar demand

The increase in new construction projects significantly boosts the demand for TMT bars. Thriving real estate markets often trigger a surge in residential developments, including single-family homes, apartments, and high- rise buildings, which are major consumers of TMT bars for concrete reinforcement. Similarly, commercial construction projects, such as office buildings, shopping malls, and hotels, also require substantial amounts of TMT bars for their steel frameworks and concrete reinforcements. Urbanization and infrastructure development further fuel this demand. The influx of populations into urban areas necessitates new housing and infrastructure, including roads, bridges, and public amenities, all of which rely heavily on TMT bars. Additionally, large-scale urban development projects, like smart city initiatives, focus on creating sustainable and efficient urban environments, using extensive TMT bars in residential, commercial, and public infrastructure. Increased renovation and remodeling activities during periods of real estate growth also contribute to the demand for TMT bars, as homeowners and businesses invest in structural modifications and property upgrades.

Conversely, a reduction in new construction projects leads to a decrease in TMT bar demand. A slowdown in the real estate market results in fewer residential projects, with developers becoming cautious and delaying or canceling plans. Commercial real estate projects are similarly affected, often put on hold during market downturns, further reducing the need for TMT bars. Decreased infrastructure development due to economic uncertainty can cause delays or reductions in urban projects, lowering TMT bar consumption. Cutbacks in government spending during economic downturns also impacts the demand for TMT bars used in public construction projects. Additionally, oversupply and market saturation can lead to an inventory backlog, prompting developers to halt new projects until existing units are sold, thereby decreasing the need for TMT bars. Price reductions to clear unsold inventory can further reduce the initiation of new projects, diminishing the overall demand for TMT bars.

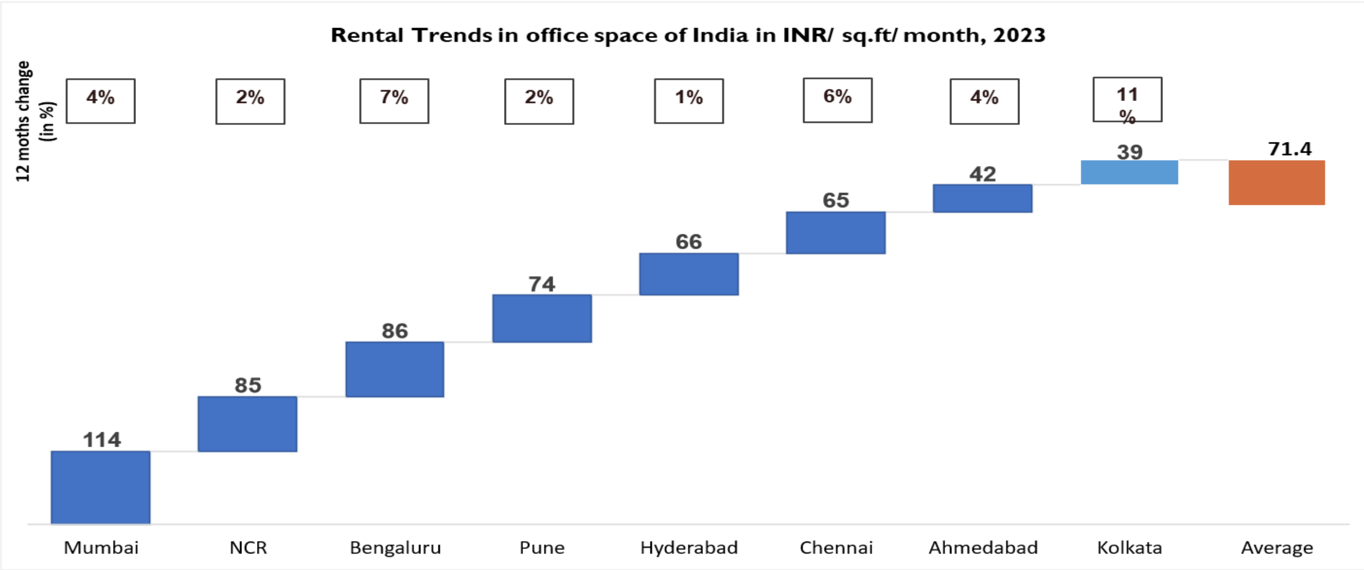
Commercial Real Estate:

Indian commercial real estate space is dominated by office space, and absorption of office space sets the tone for demand in Indian commercial real estate market. There was a steady rise in leasing activity throughout 2023. In fact, the total amount of leased space across eight major markets kept increasing each quarter. By the end of the year, leasing came close to reaching record highs, with a total of 59.6 million square feet occupied. The second half of the year (H2) was particularly strong, with a 15% increase in leasing compared to the same period in 2022. This marks the highest volume of space leased in a half-year since 2012.



Source: Knight Frank, Industry Sources

Office rents in India have been on a steady rise throughout 2023. This marks the third consecutive six-month period where rents have either increased or held steady across all major markets. Mumbai and NCR, being major financial and business centers, command premium rents. IT hubs like Bengaluru and Pune also see high rental values due to strong demand from the technology sector. Secondary cities like Hyderabad and Chennai are catching up with rising IT activity, but their rents remain lower compared to the top tier cities.

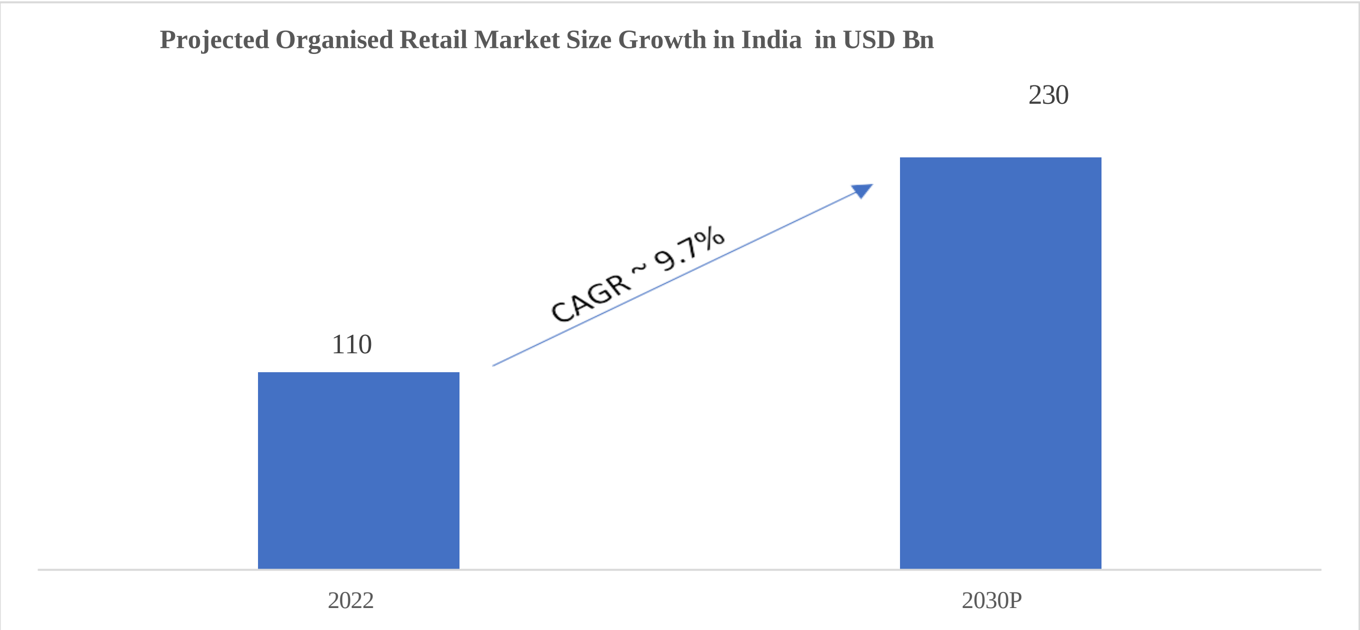


Source:[4] Dun & Bradstreet Desk Research

Increasing transaction in 2023 points towards improving demand presenting a favorable demand scenario for TMT bar consumption in office space segment.

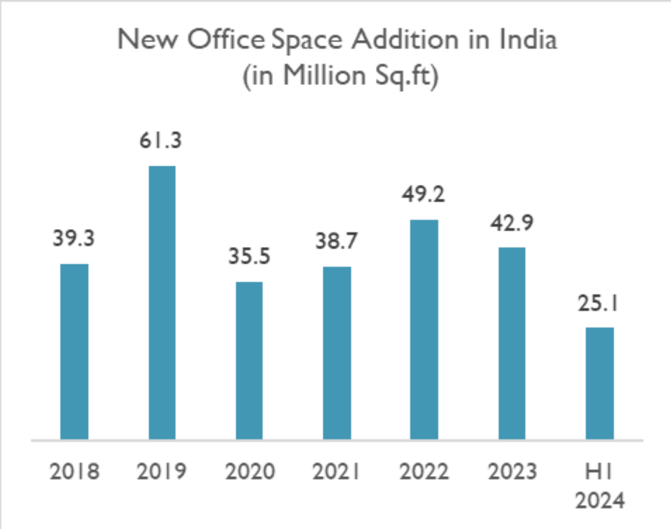
Supply Scenario

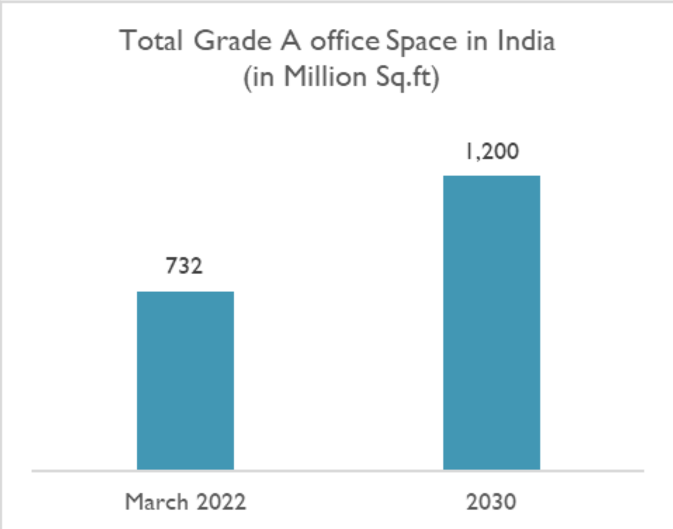
In 2023, 42.9 million sq. ft of office space were completed, marking a 13% decrease compared to the previous year. However, the second half of 2023 saw improvement, with 24.8 million sq. ft delivered, reflecting a 7% year-over-year growth. The growth was particularly remarkable in 2022, with approximately 49.4 million sq. ft of office space added across the top 8 cities in India, a 27% increase from 2021. After a significant decline in new capacity additions in 2020



due to pandemic-induced disruptions, construction activity in the commercial real estate segment almost normalized in 2022. As the corporate sector gradually shifts from work-from-home to hybrid and eventually to regular office-based work, the demand for office space is picking up.

[4] Market Size number based on report published by AT Kearney a global competitive intelligence company tracking retail sector.





Industry Sources (Knight Frank, JLL)

This surge is driven by the returning workforce, increased economic activity, and growth forecasts, which have heightened the demand for innovative office spaces. Following the decline in office space additions in 2023, the trend reversed in 2024. In the first half of the year, 25.1 million sq. ft of office space were added, representing a 39% increase compared to the same period in 2023. According to JLL, Grade A office space in India is expected to reach 1.2 billion square feet by 2030, up from nearly 732 million squares feet in 2022.

The increasing workforce, along with the influx of multinational corporations (MNCs) and Global Capability Centers (GCCs), will further impact the commercial real estate market. As more companies establish and expand their offices, the demand for high-quality office spaces will rise. This, in turn, will lead to increased construction activity, driving further demand for HVAC systems. The expanding workforce and presence of MNCs and GCCs will thus play a crucial role in sustaining and boosting the demand for TMT Bars in the commercial real estate market.

c.Indian Retail Sector

The organized retail is gaining ground at a brisk pace in India where a balance is emerging across shopping format that include hypermarkets, supermarket, and other large retail format like specialty store. Major retail chains are expanding their presence beyond metros and Tier-1 cities to tier-2, tier-3 cities and even in tier- 4 cities owing to lower rental rates and operating costs. This is translating into overall increase in nation’s consumer power and benefitting the growth of organised retail in India. As per AT Kearney report, the organised retailing segment was estimated to value at USD 110 Bn in 2022 and is projected to grow to USD 230 Bn by 2030,

Malls are the largest format of organized retail available today. Since it is equipped with presence of dedicated multi-level parking, multi-brand retail outlet and exclusive retail outlet, hypermarket/supermarket, large food courts, restaurants, entertainment zone and many more, it precisely offers multiple convenience to consumer all under common roof. Beyond their retail offerings, malls and high streets provide safe and secure environments for social interaction and quality time with loved ones.

India ranks among one of the best countries to invest in the retail space. Since 2020, retail demand has increased regularly across investment grade malls, well-known high streets, and independent developments. With 275 to 300 million square feet already operational in the country, the retail sector witnessed all time high leasing activity taking total leased space to 7.1 million square feet[6] during 2023, registering a year-on- year rise of 47%[7]. The report further highlighted that recently completed mall contributed towards 30% share in total lease space absorption in 2023. On supply side, the sector witnessed a peak retail supply of 6 Mn sq feet, witnessing 316% y-o-y growth on the back of commencement of supply of 12 investment grade mall across the 8 cities.

As per, Deloitte India and the Shopping Centre Association of India (SCAI), malls and shopping centres play is projected to grow at 17% CAGR from 2022 to 2028, which present a conducive demand scenario for TMT bar consumption growth in India.

d. Indian Hotel Industry

As on YTD January 2024, there are nearly 1,264 hotels operating in India which together accounted for nearly 76,946 rooms. Bulk of these hotel (and hotel rooms) fall into the four and five-star category. Other segments include one-, two- and three-star hotels.

Source: Ministry of Tourism, Government of India, as on January 2024

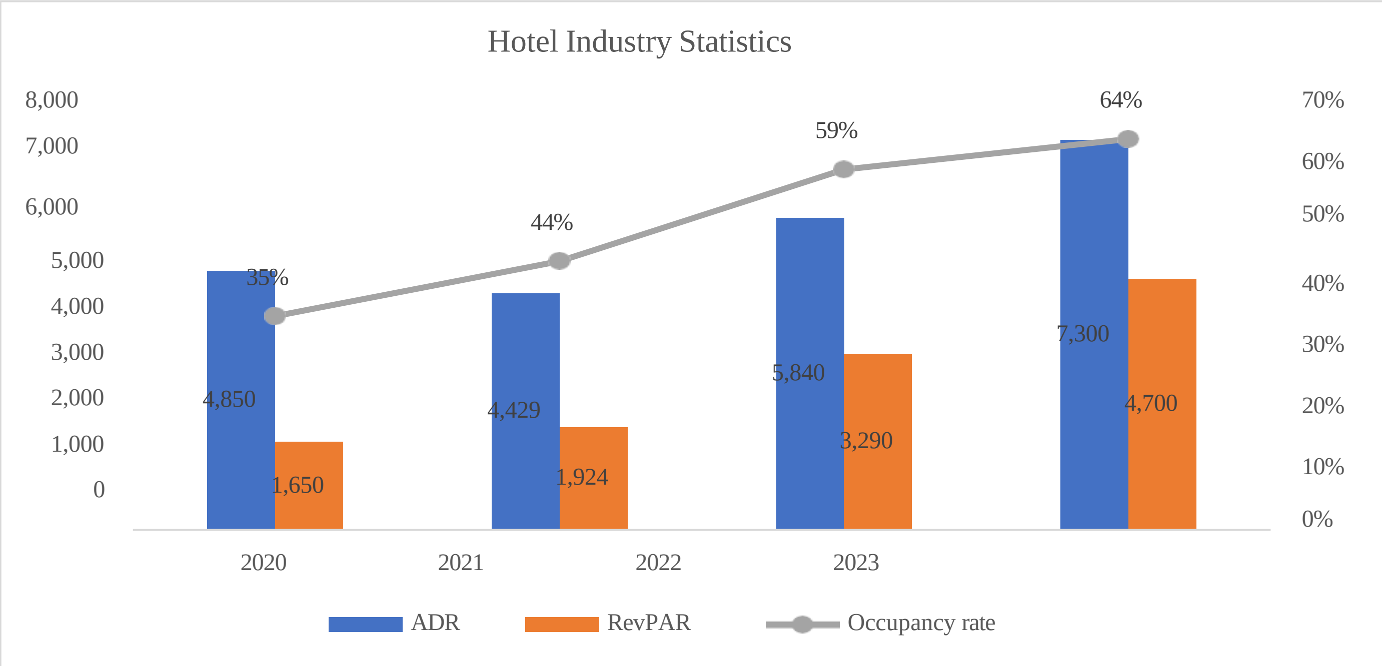
e.Performance of Hotel Industry

The Indian hotel industry in 2023 marked a significant chapter, witnessing a robust recovery post the challenges imposed by the Covid-19 pandemic. The Economic Survey 2023 highlighted the sector's resurgence, emphasizing improvements in key metrics such as occupancy rate, Average Daily Rate (ADR), and Revenue Per Available Room (RevPAR), which had returned to pre-pandemic levels.

According to the survey, the hotel industry reported a thriving scenario, with occupancies reaching around 68-70 percent in November 2022, completely recovering the average pre-pandemic level of 2019-20. The resurgence was attributed to factors such as the high vaccination rate in the country, effective pandemic management, and the resumption of regular international flights at full capacity, leading to a 52.9 percent year-on-year increase in overall aircraft movement between April and November 2022.

The Economic Survey also pointed out that the hotel industry had overcome a two-year hiatus, with a positive outlook for the future. The resumption of regular international flights, coupled with the successful hosting of various international events like the ICC Men's World Cup, contributed to the positive momentum. The survey anticipated a continued positive trend, forecasting an improvement in occupancy to 66 percent in 2023, accompanied by a 16-17 percent increase in ADR, resulting in a RevPAR of INR 4,690—almost 18 percent higher than the pre-pandemic RevPAR recorded in 2019.

In line with this, according to HVS Anarock, hotel occupancy rates in 2023 witnessed a notable rebound, reaching 61-65% in the first half of 2023. This surge, approximately 3 - 6% percentage point increase from the same period in 2022, was propelled by a resurgence in domestic demand and a gradual return of international travelers.



Source: Industry Sources

CY 2023 is estimated to have reached an occupancy rate of 64%, up from 35% observed in 2020. Other key metrics such as ADR and RevPAR witnessed positive trends as well. India's average hotel rates saw a strong increase of 30-32% in H1 2023 compared to H1 2022 and were 21-23% higher than in H1 2019. This steady rise in average rates helped the nationwide RevPAR to reach INR 4,700 in 2023. ADR increased from INR 4,850 in 2020 to INR 7,300 in 2023, with an anticipated further increase to over INR 8,000 in 2030. Similarly, RevPAR was expected to rise from approximately INR 3,300 in FY22 to Rs 6,000 in FY30. The recovery in these metrics signaled the industry's ability to adapt and thrive in the post-Covid landscape.

f. Hotel Industry growth and Its Impact on TMT Bar Demand

The rise in construction activity, particularly in commercial properties such as office buildings, shopping malls, and warehouses, leads to an increased number of construction projects. This surge directly boosts the demand for TMT bars, a key reinforcement material in these structures. Urban areas, in particular, often feature many high-rise buildings. TMT bars are ideal for these multi-story structures due to their superior strength and ability to withstand heavy loads. Additionally, TMT bars facilitate faster construction thanks to their excellent weldability, which allows for the rapid creation of strong joints, and their ductility, which minimizes the risk of cracks and reduces potential delays. Furthermore, TMT bars are renowned for their outstanding earthquake resistance and overall structural stability, enhancing the safety and durability of commercial properties. This increased safety and durability make TMT bars a significant selling point for developers and construction companies.

Impact of Government initiatives and programs on TMT bars

A. Direct Impact:

- **Infrastructure Development:**

➢ **Project Specificity:** India's ambitious Bharatmala project aiming to develop 83,677 km of highways by 2022 requires an estimated 25 million tonnes of steel. The specific grade of TMT bars used varies depending on factors like traffic volume and lane configuration.

➢ **Public-Private Partnerships (PPP):** In 2022-23, the Indian government approved PPP projects worth ₹1.35 lakh crore across sectors. The choice of TMT bars in these projects can be influenced by a mix of government specifications and private partner preferences, impacting demand for different TMT bar qualities.

• **Housing Programs**:

➢ **Focus** on **Affordable Housing:** The Pradhan Mantri Awas Yojana (PMAY) aims to build 8 million houses by 2024. While the program promotes cost-effectiveness, compromising on TMT bar quality can be risky. A 2021 study by the Bureau of Indian Standards (BIS) found that 42% of TMT bar samples from affordable housing projects failed quality checks. This highlights the need for a balance between affordability and safety in PMAY, impacting the TMT bar market.

➢ **Regional Variations:** PMAY caters to various income segments. A 2020 report by the National Institute of Housing and Urban Development (NIHUD) suggests that low-income category houses under PMAY typically use around 1.2 tonnes of TMT bars per unit, while the high-income category might use 1.5 tonnes or more. This showcases the variation in TMT bar demand based on housing type within the program.

g. Indirect Impact:

• **Urbanization:**

➢ **Slum Redevelopment Projects:** According to the Ministry of Housing and Urban Affairs (MoHUA), India has over 63 lakh slum households. Slum redevelopment projects often involve high- rise buildings, which can use up to 30% more TMT bars per square meter compared to single-story houses. This significantly impacts TMT bar demand in these projects.

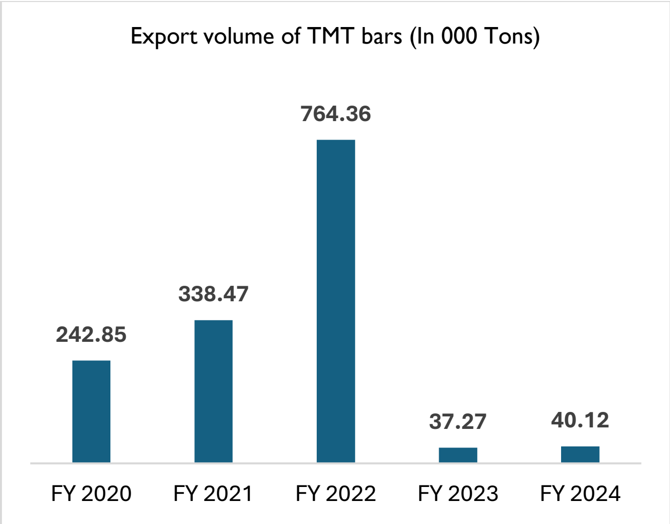
➢ **Focus on Public Transport:** The Delhi Metro Phase 4 project, under construction, is estimated to require over 1 lakh tons of steel. This exemplifies how government investment in metro rails and similar public transport systems indirectly boosts TMT bar demand for stations, bridges, and elevated tracks.

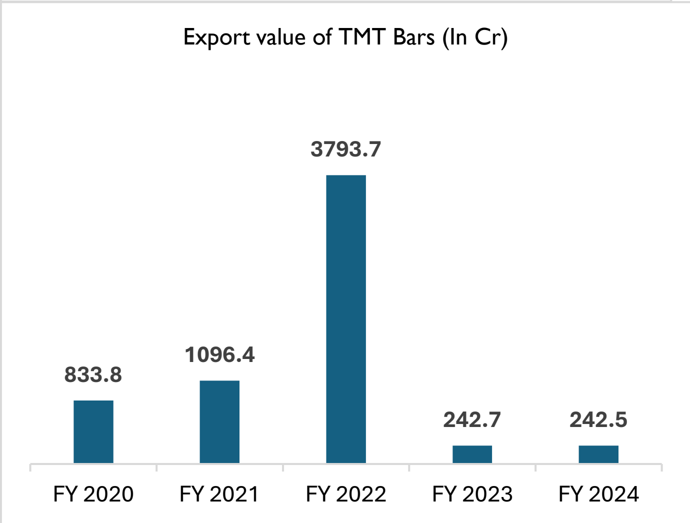
➢ **Green Building Certification:** The Indian Green Building Council (IGBC) reported over 7.8 billion square feet of green building footprint in India by 2022. Since green building projects often prioritize recycled steel content, this indirectly benefits TMT bar manufacturers producing such bars. The growing green building movement can lead to a shift in TMT bar demand towards sustainable options.

2. *Export Scenario*[8]

3.

Analysis of export of TMT bars from India





Sources: Department of Commerce, Trade Statistics,

The export of TMT bars from India has been decreasing post FY 2022, after witnessing a significant growth of 125% in volume and 246% in value that year. This decline is attributed to several interrelated factors affecting the global market and specific regional dynamics.

Firstly, the global economic recovery from the COVID-19 pandemic has been inconsistent. While some regions have bounced back robustly, others, particularly many developed countries in Europe, have seen a marked slowdown in construction activities. This slowdown directly impacts the demand for steel products, including TMT bars, as construction is a major consumer of steel. The sluggish recovery in these regions reduces the overall need for imported steel.

Secondly, the world has been grappling with rising inflation, prompting central banks to increase interest rates to control inflationary pressures. Higher interest rates have a dampening effect on economic growth, as they tend to decrease consumer spending and investment. This environment of heightened caution among investors and consumers has led to a reduction in infrastructure projects, further curbing the demand for steel and TMT bars globally.

Another significant factor is the intensified competition from China. China, facing its own economic slowdown, has seen a decrease in domestic demand for steel. As a result, Chinese steel producers, dealing with surplus production, have turned to international markets, aggressively exporting their steel products. The Chinese steel industry benefits from various government subsidies, allowing them to offer lower prices than their Indian counterparts. This price advantage has made Chinese steel more attractive in the global market, particularly in price-sensitive regions, making it difficult for Indian TMT bars to compete effectively.

Additionally, a trend towards nearshoring has emerged, driven by the desire of developed countries to source materials from geographically closer locations. This strategy aims to reduce dependence on long-distance supply chains, which have proven vulnerable to disruptions, as seen during the pandemic. By sourcing steel from closer regions, these countries aim to enhance supply chain resilience and reduce logistical complexities.

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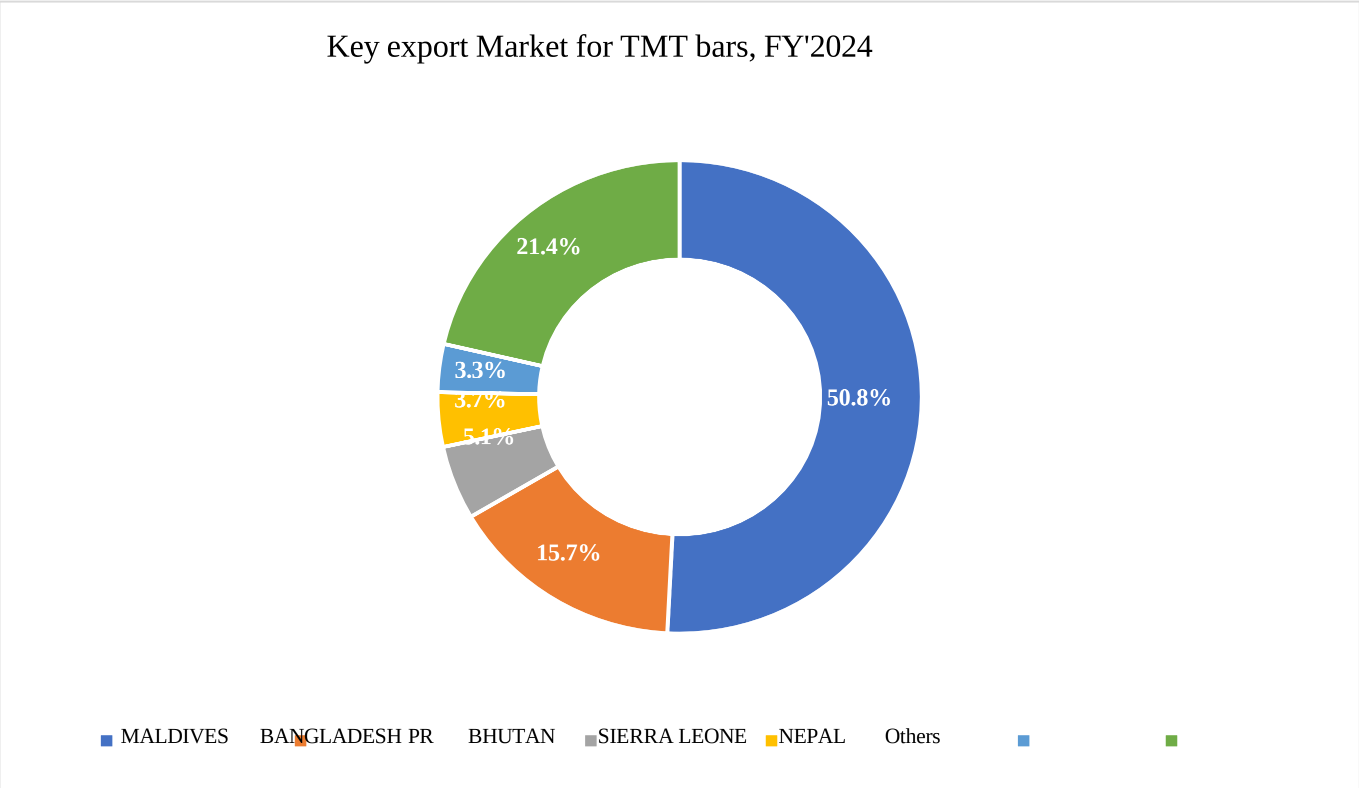
Geopolitical tensions and trade wars have further influenced this shift towards nearshoring. Countries are increasingly wary of relying on imports from regions that might be subject to political instability or trade conflicts. As a result, there is a growing preference for sourcing steel from politically stable and geographically closer regions, further reducing the demand for Indian TMT bars in international markets.

Key Export Market for India



[8] HS code: 72142090

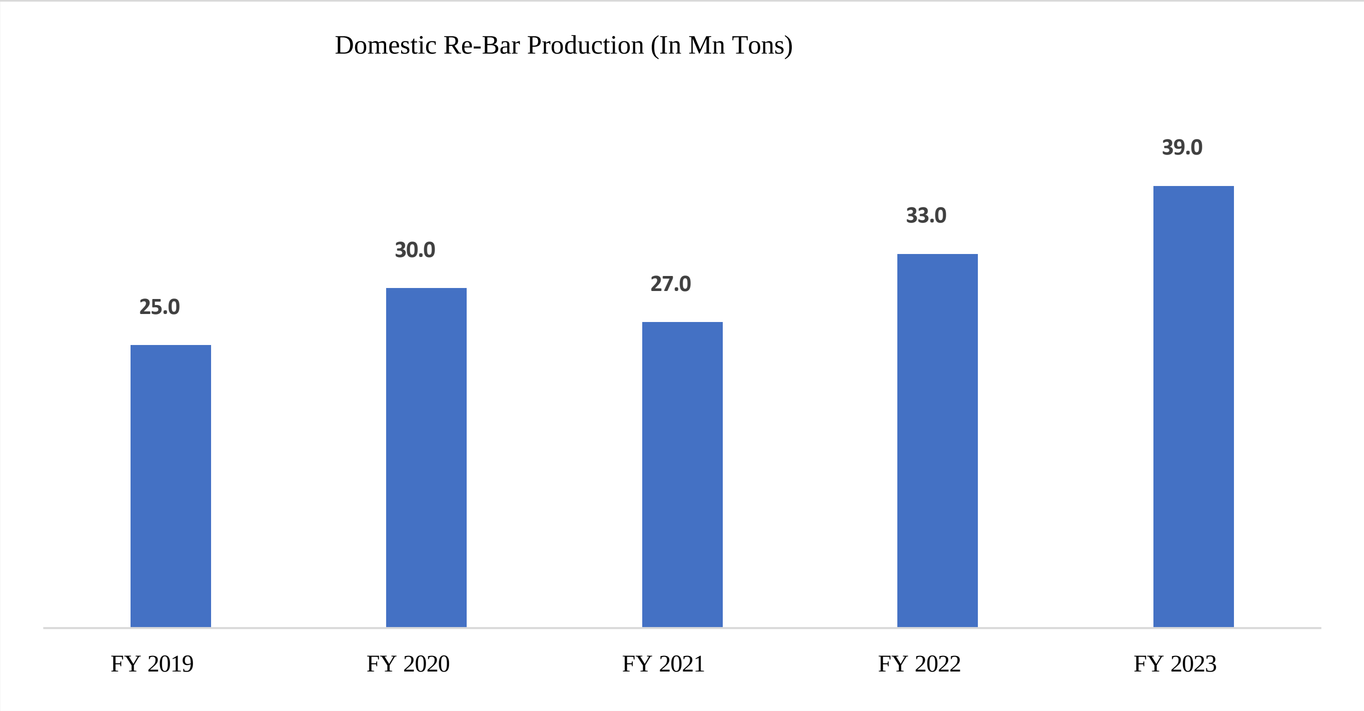
Maldives is the highest importer of TMT bars from India with around 50%, The Maldives has emerged as the highest importer of TMT bars due to its booming construction industry, driven primarily by its flourishing tourism sector. The need to build and maintain numerous hotels, resorts, and related infrastructure requires a substantial amount of construction materials, with TMT bars being essential for reinforcing concrete structures. Additionally, the geographic proximity of India, a leading producer of steel, to the Maldives significantly reduces shipping costs and logistical complexities, making it more economical to source these materials from India rather than other distant steel-producing nations. This combination of high construction demand and cost-effective sourcing from a nearby supplier explains the Maldives' position as a top importer of TMT bars.

Bangladesh ranks as the second highest importer of TMT bars with 15.7% due to its thriving construction industry, driven by substantial infrastructure development and economic growth. The demand for TMT bars, crucial for reinforcing structures like buildings and bridges, is consequently high. Moreover, the geographical proximity of India, a major steel producer, significantly lowers transportation costs compared to importing from distant suppliers. Additionally, the established trade links between India and Bangladesh ensure smooth import processes, further solidifying India as a primary source of TMT bars for Bangladesh's construction needs.

4. Supply of TMT bars in India:

Domestic Production

India predominantly fulfils is domestic consumption requirement through indigenous production. In the fiscal year 2022-23 (FY23), India experienced a significant upsurge in rebar production, indicating a remarkable increase of 16% to nearly 39 million tonnes, compared to 33 million tonnes in the preceding fiscal period (FY22). This surge in production not only signifies a robust growth trajectory but also underscores the dynamism within India's steel sector.



Source: Steel Mint

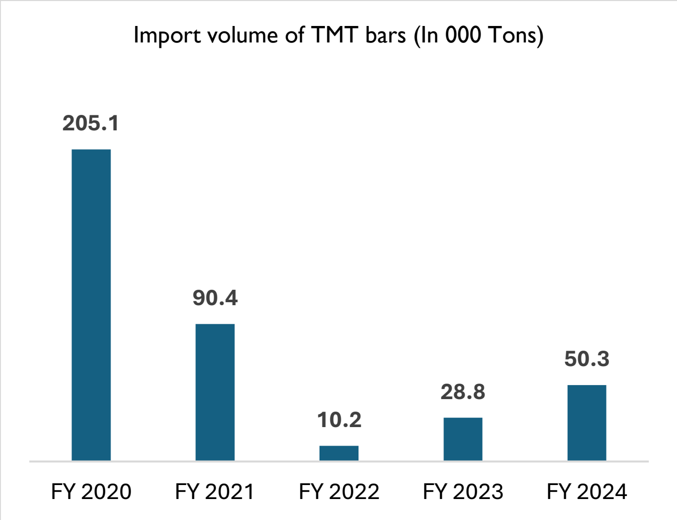
One of the noteworthy shifts observed during this period was in the production methodologies employed. The blast furnace (BF) route, which is a conventional method for steel production, notably increased its share of the total output. Specifically, the BF route witnessed a commendable rise of 14% year-on-year (y-o-y), reaching nearly 12 mn tons as compared to 10 mn tons in FY22. This indicates a continued reliance on traditional manufacturing processes, likely driven by factors such as established infrastructure and economies of scale.

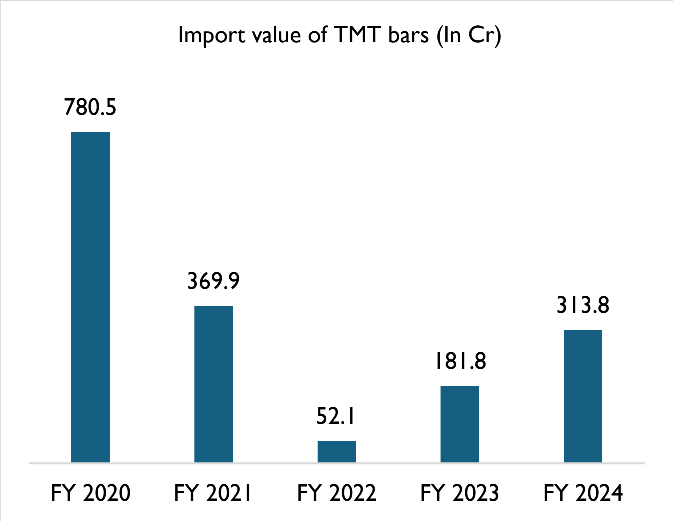
Simultaneously, the induction furnace (IF) route, which is known for its flexibility and cost-effectiveness, also experienced a notable surge in production. Recording a substantial increase of 17%, the IF route reached a total output of 27 mn tons compared to 23 mn tons in the same period. This highlights the adaptability of India's steel industry, as it embraces diverse production methodologies to meet growing demand and optimize efficiency.

Within the tier-1 mills category, FY23 witnessed JSW Steel emerging as the leading producer of rebar, manufacturing 2.97 mn tons. Close behind were industry stalwarts such as the Steel Authority of India (SAIL) with 2.72 mn tons Tata Steel with 2.65 mn tons, and Jindal Steel & Power with 1.92 mn tons. Rashtriya Ispat Nigam Limited (RINL) concluded the list with a production of 1.50 mn tons. This competitive landscape underscores the robustness of India's steel industry, characterized by a diverse mix of established players and emerging contenders vying for market share and operational excellence.

Imports of TMT bars in India and impact on domestic industry

Import share in total India's total TMT supply is negligible. The country is predominantly an exporter of a product.





Sources: Department of Commerce, Trade Statistics, HS Code: 72142090

The fluctuations in India's import of TMT bars can be attributed to several interlinked global and regional economic factors:

• **Global Growth Outlook:** The global economy is anticipated to slow slightly in 2024, according to the OECD. However, the risk of a severe economic downturn has decreased despite high levels of debt and uncertainties over interest rates. This global economic deceleration can impact demand for infrastructure projects, which in turn affects the demand for steel and TMT bars. Slower global growth can lead to reduced production and export capacities in steel-producing countries, influencing import volumes in India.

• **China's Property Slump:** China, a major player in the global steel market, is experiencing a significant property downturn. The Chinese government's stimulus measures to revive the sector introduce risk and uncertainty into the economy. Additionally, China's proposed production cuts and an increase in domestic demand for steel could lead to higher steel prices globally. As India imports a substantial portion of its TMT bars from China, fluctuations in Chinese steel prices and production levels directly impact the cost and availability of imports.

• **Stagnation in Euro Zone:** The euro zone's economy stagnated in 2023, heavily impacted by industrial struggles in Germany. The outlook for 2024 remains challenging, with expectations of continued stagnation due to weak demand and rising geopolitical tensions. This stagnation affects the steel industry in Europe, potentially leading to decreased exports to markets like India. The reduced economic activity in the euro zone may result in lesser availability of TMT bars for import, affecting the supply chain in India.

• **Volatile Trade Flows:** Global trade flows are predicted to remain volatile due to ongoing geopolitical tensions and protectionist policies. Conflicts, such as the war between Russia and Ukraine and unrest in disrupt normal trade routes and increase transportation costs, which in turn can cause fluctuations in the import of TMT bars into India. Volatile trade flows make it difficult for Indian importers to secure consistent supplies at stable prices.

• **Rising Raw Material Prices:** The prices of essential raw materials like iron ore and coking coal have been rising over the past few months. These materials are crucial for steel production, and their increased costs lead to higher steel prices. As TMT bars are a derivative of steel, any fluctuation in raw material prices directly impacts the cost of TMT bars. Higher raw material costs can lead to increased prices for imported TMT bars, affecting the volume and frequency of imports as buyers adjust to changing price levels.

Major Trend

The industry is witnessing a shift towards the production of ***green steel***, which represents a shift towards more sustainable steel production by focusing on reducing carbon emissions through innovative practices and technologies. Key methods include recycling scrap steel, using hydrogen-based reduction processes instead of coke, employing electric arc furnaces, and implementing carbon capture and storage techniques. These approaches aim to address the environmental impact of traditional steelmaking, which is known for its high greenhouse gas emissions.

- **India's Steel Production Expansion:** India is set to increase its steel production capacity from 160 million tonnes to 300 million tonnes by 2030. Despite this ambitious expansion, the country's steel industry continues to rely predominantly on traditional coal-burning methods. In contrast, global demand for green steel is rising, driven by environmental regulations and shifts in the automotive sector towards electric vehicles. The Indian Steel Association (ISA) projects that global green steel demand will surge from 50-60 million tonnes in the near term to 450-475 million tonnes by 2040, highlighting a significant shift towards more sustainable steelmaking practices.
- **Challenges in Transitioning to Green Steel:** India's steel sector, which contributes 12% of the country's CO2 emissions, faces a challenge in transitioning to greener technologies. The country is still in the early stages of adopting expensive green technologies like gas-based Direct Reduced Iron (DRI) and Electric Arc Furnaces (EAF). Most current production relies on fossil fuels and coal, with the high costs of green steel technology and limited access to natural gas and hydrogen posing substantial barriers.
- **Government Initiatives:** To address these challenges, the Indian government is promoting green steel through initiatives such as the National Green Hydrogen Mission, aiming to increase the use of hydrogen and improve the adoption of cleaner technologies. The Government of India has introduced new guidelines for pilot projects focused on incorporating green hydrogen into the steel sector. These guidelines, titled "Scheme Guidelines for Implementation of Pilot Projects for Use of Green Hydrogen in the Steel Sector under the National Green Hydrogen Mission," were issued by the Ministry of New & Renewable Energy (MNRE).

– Key Aspects of the Guidelines: The guidelines outline key strategies for integrating green hydrogen into steel production, emphasizing three main thrust areas: utilizing hydrogen in Direct Reduced Ironmaking processes, incorporating hydrogen into traditional blast furnaces, and gradually replacing fossil fuels with green hydrogen. Existing steel plants are encouraged to start with a small blend of green hydrogen, gradually increasing it as technology and cost-effectiveness improve, while new plants should be designed to operate fully with green hydrogen. Additionally, greenfield projects aiming for 100% green steel will be considered.

– Financial and Strategic Support: The scheme is supported by a budget of ₹455 crore, allocated until FY 2029-30, with the objective of developing the infrastructure needed for green hydrogen in the steel sector and establishing a green hydrogen ecosystem. The initiative aligns with the broader goals of the National Green Hydrogen Mission, which was launched on January 4, 2023, with a substantial budget of ₹19,744 crore up to FY 2029-30. This mission aims to enhance India's self-reliance through clean energy, reduce dependence on fossil fuels, and position the country as a global leader in green hydrogen technology. As production costs for green hydrogen decrease, its utilization in the steel industry is expected to become more widespread.

While the shift to green steel is crucial for long-term sustainability, the transition is likely to be gradual. India's existing infrastructure, heavily invested in coal-based methods, complicates the move towards greener practices. In the short term, India's steel exports, predominantly to developing nations, might not face significant impact due to cost considerations. However, in the long term, global trade barriers and carbon taxes could affect India's export competitiveness. Overall, substantial policy support and technological advancements will be necessary for India to successfully transition to green steel.

Major Threat & Challenges

The Indian steel industry is facing a multitude of challenges that could significantly affect the TMT bar segment, which is a crucial component of the construction and infrastructure sectors. These challenges include:

- **Geopolitical Crises and High Energy Costs**: Global geopolitical tensions have led to spikes in energy prices, directly impacting the cost structure of steel production. High energy costs make it difficult for steel manufacturers, including those producing TMT bars, to maintain profitability without passing on the increased costs to consumers, which could reduce demand.
- **High Cost of Finance**: The steel industry in India requires significant capital investment, especially for greenfield projects. The high cost of borrowing in India, compared to other countries like China, Japan, and Korea, adds to the final cost of steel production. For the TMT bar industry, this means higher production costs, which can make Indian TMT bars less competitive in both domestic and international markets.
- **Logistics Challenges**: The bulk nature of raw materials like iron ore and coal, necessary for steel production, poses significant logistical challenges. Transporting these materials across the country is costly and time-consuming. As India

looks to double its steel production, the existing logistical infrastructure, particularly by Indian Railways, may struggle to keep up. For the TMT bar industry, poor logistics can lead to delays in production and increased costs, affecting supply chains and market availability.

- **Raw Material Availability and Price Volatility**: While India has abundant iron ore and coal reserves, it lacks sufficient domestic coking coal, which is essential for steel production. The reliance on imports, primarily from Australia, makes the industry vulnerable to supply disruptions and price volatility. This uncertainty in raw material supply can lead to fluctuations in the availability and pricing of TMT bars, making it difficult for manufacturers to maintain stable operations and meet market demands.
- **Environmental and Energy Efficiency Pressures**: The steel industry is one of the largest consumers of energy and a significant contributor to carbon emissions. The need to adopt energy-efficient technologies and reduce the carbon footprint is becoming increasingly important. However, these investments are costly and may not immediately translate into profitability. For the TMT bar industry, this adds pressure to adopt cleaner technologies while remaining competitive, especially in a market where cost sensitivity is high.
- **Global Trade Dynamics and Protectionism**: The global steel trade is heavily influenced by China, the largest producer of steel. Protectionist measures by various countries could lead to an influx of cheap steel into India, increasing competition for domestic producers. For the TMT bar industry, this could result in lower prices and tighter margins, challenging the ability of Indian manufacturers to maintain market share.
- **Digital Disruption**: The rise of digital technologies poses both opportunities and threats to the steel industry. Traditional business models may be disrupted, and companies will need to adapt to changing customer expectations and technological advancements. For the TMT bar sector, embracing digital transformation is crucial for staying competitive, but the transition could be challenging for smaller players.

In summary, the Indian steel industry, and by extension the TMT bar sector, is navigating a complex environment of geopolitical, financial, logistical, and environmental challenges. These factors collectively impact the cost, availability, and competitiveness of TMT bars, making it essential for manufacturers to innovate, invest in efficient technologies, and develop strategies to mitigate risks to thrive in a dynamic market.

Competitive landscape

India's TMT bar industry is a flourishing market, anticipated for significant growth. However, this boom is accompanied by fierce competition. Established giants like Tata Steel hold a major share, while regional players and new entrants fight for their piece. The competition revolves around factors like price wars, product innovation with features like earthquake resistance, and building strong distribution networks. Government policies and raw material costs also play a crucial role. This dynamic landscape demands a well-rounded strategy from players, focusing on cost control, innovation, efficient distribution, and brand building to secure their position in the ever-growing Indian TMT bar market.

- **Entry Barriers:** Entering the TMT bar industry in India is challenging due to high capital investment requirements. Establishing a manufacturing unit demands substantial funding for land acquisition, machinery procurement, and technological integration. Additionally, stringent government regulations, including the need to secure various licenses and adhere to environmental guidelines, further complicate the entry process for new players. These hurdles create a significant barrier, limiting the influx of new competitors and thus stabilizing the existing market players.
- **Switching Costs:** Switching costs in the TMT bar market vary significantly based on the nature of the buyer. For small-scale construction projects or price-sensitive buyers, switching between brands is relatively low-cost and common, driven primarily by cost considerations. Conversely, for larger projects or buyers who prioritize quality, switching can be costly and risky. This is due to several factors: the potential reputational risk associated with using an untested brand, engineering specifications that are tailored to the properties of a specific TMT bar brand, and the logistical challenge of finding a new supplier who can meet project timelines without causing delays.
- **Bargaining Power of Customers:** The bargaining power of customers in the TMT bar industry is influenced by their size and purchasing volume. The market is fragmented with many small and medium-sized construction companies, which dilutes individual bargaining power. However, large- scale projects, especially those funded by the government or major developers, can exert significant bargaining power due to their high-volume requirements. Additionally, the rise of organized retail chains in building materials enables bulk purchasing, giving these retailers leverage to negotiate better prices.
- **Price:** Price remains a critical competitive factor in the TMT bar industry, largely due to the price sensitivity of a considerable portion of the market. Manufacturers engage in intense price competition to attract these cost-conscious buyers. To remain profitable, companies must focus on cost optimization, leveraging efficient manufacturing processes and economies of scale.
- **Quality of Product:** Quality differentiation is a strategic avenue for TMT bar manufacturers. While all TMT bars must comply with Bureau of Indian Standards (BIS), some manufacturers go beyond these basic requirements to offer superior strength, ductility, and corrosion resistance. These enhanced quality features can serve as a basis for differentiating their products in the market, allowing them to justify premium pricing and appeal to quality-conscious customers.
- **Distribution Network:** An extensive and efficient distribution network is vital for success in the TMT bar industry.

Ensuring that products reach retailers and construction sites promptly and cost- effectively is a key competitive advantage. Companies must balance the need for wide market reach with the efficiency of their logistics operations to minimize distribution costs.

• **Relationship with Construction Players**: Building strong relationships with architects, engineers, and contractors is crucial in the TMT bar industry. Such relationships can lead to specifications in construction projects that favor a particular brand. Additionally, providing technical support and guidance to construction companies can foster brand loyalty, further solidifying a manufacturer's market position.

Major TMT bars Brands in India:

Company Name	Overview
Tata Tiscon	Launched In 2000, Tata Tiscon, a brand of Tata Steel, a global leader in steel production, stands out in the TMT rebar market. They provide a comprehensive range of TMT bars to suit various construction needs. From the high-strength Tata Tiscon 550 for consistent performance to the super ductile Tata Tiscon SD designed for earthquake zones, Tata Tiscon offers solutions for every project. Their prefabricated Tata Tiscon EZ option further streamlines construction by minimizing errors and saving time.
Jindal Panther TMT	Launched in 2013, Jindal Panther TMT Rebars surpass industry standards by employing cutting-edge manufacturing technologies, ensuring superior quality rebars that enhance the performance of construction projects. Utilizing advanced HYQST Technology and QST Technology, these rebars offer exceptional strength, exceeding the specifications of Fe500D, Fe550D, and Fe600CRS standards. Adhering to stringent quality control measures, Jindal Panther TMT Rebars deliver reliable and consistent quality. They also provide the essential tensile strength needed for Reinforced Cement Concrete (RCC) structures, making them an ideal complement to concrete.
JSW Neosteel	JSW Neosteel, launched in 2009 as JSW TMT Plus and later rebranded in 2015, is a high-quality TMT bar known for its superior strength and flexibility. Made using a primary production process for enhanced purity, JSW Neosteel is manufactured with virgin iron ore, resulting in a superior product. They come in various grades, including Fe 500, Fe 550D (known for its enhanced strength and cost savings), and Fe 600, catering to different construction needs. JSW Neosteel bars are also known for their better weldability, bendability, and corrosion resistance, making them a reliable choice for construction projects.
Kamdhenu Nxt	Kamdhenu Nxt, a product of Kamdhenu Limited, is a next-generation TMT bar designed for modern construction needs. Made using a thermo-mechanically treated process, Kamdhenu Nxt boasts features like a unique double-rib design for a stronger concrete bond, superior earthquake resistance due to its high tensile strength and flexibility, and better fire resistance. It's also claimed to be lighter than regular TMT bars, reducing overall material consumption, and bond more strongly with cement for a robust structure.

Source: Company Websites

Major Gujarat TMT bars Companies in India:

Company Name	Overview
German TMX	German TMX, a top TMT bar manufacturer in Gujarat, India, is known for its quality and adherence to global standards. With manufacturing facilities producing 1.2 lakh Metric Tonnes Per Annum (MTPA) of TMT bars, they cater to various sectors nationwide. Specializing in Fe-550 grade TMT bars, ideal for critical structures in earthquake-prone regions, German TMX offers bars with high strength, ductility, and corrosion resistance, making them ideal for demanding construction projects.
Electrotherm Steel	Established in 2005 in Kutch, Gujarat, Electrotherm Steel Division produces TMT bars & ductile iron pipes with a manufacturing capacity of 0.7 million tons per annum. The state-of-the-art steel plant includes Blast furnaces, Sponge Iron Kilns, Induction Furnaces, Rolling Mills, Ladle Refining Furnace, and Pipe Making Facilities. Known for its superior manufacturing process, ET TMT bars are favored for critical infrastructures and construction projects, making it Western India's first fully integrated manufacturing facility. Electrotherm (India) Limited also produces BIS approved Epoxy Coated TMT Bars at a single location.
ASR Multimetals Private Limited	ASR Multimetals Private Limited is a leading manufacturer of TMT bars in Gujarat, India. They specialize in high-strength, deformed steel bars used in construction projects. Their state-of-the-art facilities and rigorous quality checks ensure the production of top-quality TMT bars known for their durability and resistance to harsh conditions. ASR offers TMT bars in various sizes and grades to meet specific client requirements.

Financial Analysis

Operating Cost and Profitability as a Percentage of Revenue							
Year	Raw Material	Power & Fuel	Salary & Wage	SGA Expenses	Interest Expense	PBDIT Margin	PAT
FY 2019	52.5%	5.5%	2.2%	4.4%	0.8%	3.7%	1.4%
FY 2020	54.7%	6.5%	3.1%	3.6%	0.9%	3.9%	0.4%
FY 2021	63.2%	7.7%	3.8%	3.6%	1.6%	7.4%	2.7%
FY 2022	65.5%	7.1%	3.3%	2.9%	1.3%	6.3%	2.8%
FY 2023	69.8%	7.9%	2.4%	1.4%	1.1%	6.7%	3.4%

Source: CMIE Prowess, D&B Research, Sample –6 Companies

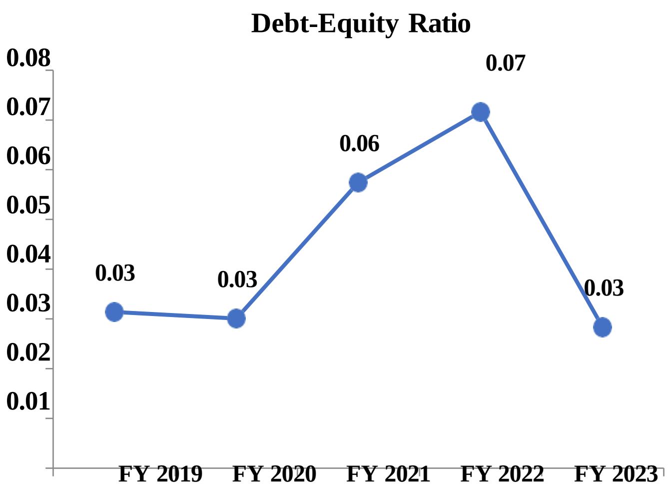
In fiscal years 2023 and 2022, the industry showed a significant recovery, with net sales increasing by 8.2% in FY 2023 and an impressive 44.8% in FY 2022. This indicates strong demand and improved operations after the pandemic. However, the higher costs of raw materials in FY 2023 affected the percentage of net sales compared to FY 2022.

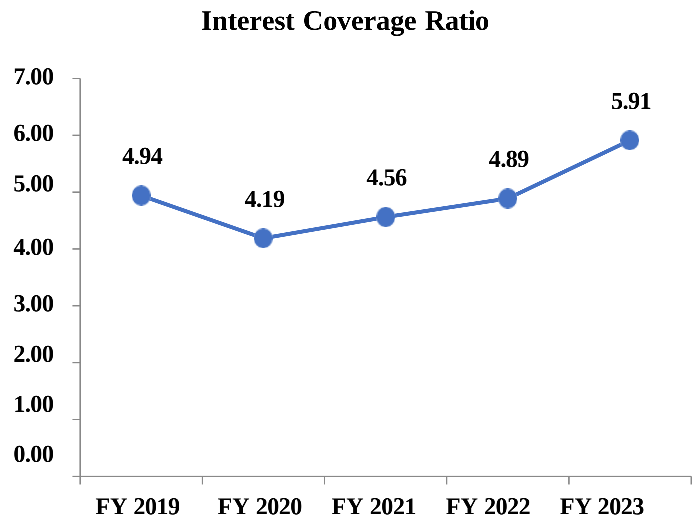
The changes in raw material prices, especially iron ore, played a big role in this. Iron ore, essential for steel production, became more expensive because major suppliers like Australia, Brazil, and Canada reduced exports after the pandemic. This reduced supply and high demand drove up prices, significantly affecting the industry's costs.

Other direct costs, like power and fuel, and salaries, have also been rising, but the increase in raw material prices has had the most significant impact on profits. Despite these higher costs, the industry has managed to keep growing. Profit Before Depreciation, Interest, and Taxes (PBDIT) has increased at a double-digit rate since the pandemic. Specifically, PBDIT grew by 14.9% in FY 2023, though this was lower than the 22.9% growth in FY 2022, showing the impact of higher raw material costs.

Additionally, profit after tax grew by 28.0% in FY 2023, indicating that the industry is doing well despite cost challenges. This strong profit growth shows the industry's resilience and its ability to adapt to changing market conditions.

Debt Equity Ratio





Sample Companies have experienced notable fluctuations in their debt-to-equity ratio over the past several years, reflecting changes in their financial strategy and market conditions. In FY 2019 and FY 2021, the companies maintained a debt-to-equity ratio of 0.03. This low and constant ratio indicates a conservative approach, suggesting that the companies were cautious about taking on debt and preferred to finance their growth through equity. This strategy typically aims to minimize financial risk and ensure stability, especially in uncertain economic conditions.

However, in the two years following FY 2021, the debt-to-equity ratio increased. This rise could indicate that the companies decided to leverage more debt, possibly to fund expansion, new projects, or to take advantage of favorable borrowing conditions. The shift suggests a strategic pivot towards more aggressive growth, accepting higher financial risk for the potential of greater returns.

By FY 2023, the debt-to-equity ratio had returned to 0.03, mirroring the levels seen in FY 2019. This reversion to a more conservative ratio indicates that the companies faced significant market challenges that prompted a return to caution. Key challenges included rising raw material prices, which would increase production costs and squeeze profit margins, and intensified competition from cheaper Chinese TMT products, which could erode market share and pricing power. In response to these pressures, the companies likely chose to reduce their reliance on debt, thereby lowering financial risk and focusing on maintaining stability in a turbulent market environment.

Sample companies interest coverage ratio has been increasing over the years with notable increase in FY’ 2023 by 5.9 a growing interest coverage ratio indicates that a company is increasingly capable of meeting its interest obligations, reflecting improved financial health and stability. This upward trend often signifies rising EBIT, potentially due to higher revenues, better profit margins, or enhanced operational efficiency. It can also suggest more effective debt management, such as reducing overall debt or refinancing at lower interest rates, leading to lower interest expenses. For investors and creditors, a higher ratio signals reduced financial risk and greater stability, making the company a more attractive investment. Overall, this positive financial indicator suggests that the company is not only generating sufficient earnings to cover its debt obligations but is also potentially increasing its profitability and operational success.

TMT infrastructure in Gujarat:

Gujarat is a significant hub for TMT steel production in India, with a robust network of rolling mills spread across various districts. The state's strategic location, availability of raw materials, and well-developed infrastructure make it an ideal region for steel manufacturing. Here are some key insights from the data:

• **Installed Capacity**[1]**:**
– The total installed capacity for TMT production across the mills listed is approximately 7 million tons per annum (TPA).
– The estimated production from these mills is around 3.88 million tons, indicating an average capacity utilization of about 56%.
• **Production and Utilization:**
– Many mills operate at different levels of capacity utilization, with some achieving over 80% efficiency, while others are significantly lower, indicating potential for increased production if demand rises or operational efficiencies improve.
• **Technology and Expansion:**
– A number of mills use hot charging technology, which is more energy-efficient and reduces production costs.
– There is ongoing expansion and modernization in the industry, with several mills installing new machinery or expanding their production capabilities to meet growing demand.
• **Geographic Distribution:**
– Key locations for TMT mills in Gujarat include Ahmedabad, Kutch, Bhavnagar, and Surat, which are well-connected through road and rail networks, facilitating smooth supply chain operations.
• **Market Dynamics:**
– The TMT industry in Gujarat is competitive, with several players having significant production capacities. However, market share is influenced by factors such as brand reputation, quality of products, and distribution networks.

Top 15 TMT Players in Gujarat by Installed Capacity

Name	Location	Brand	Installed Capacity (TPA)	Features
Welspun	Kutch	WelSpun TMT	450,000	Uses hot charging technology
Gallent TMT	Kutch	Gallent	300,000	High-capacity utilization of 80%
Vinayak	Dhegham	Vinayak	288,000	Utilizes hot charging technology
Shriyam Power & Steel Ltd	Kutch	National	240,000	High-capacity utilization with hot charging
VMS TMT Ltd	***Ahmedabad***	***Kamdhenu***	***200,000***	***New installation of hot charging from Sep 2024***
Bandan TMT	Bhavnagar	Bandan	200,000	Uses hot charging
Haq Steel P Ltd	Kutch	German TMX	200,000	Efficient production with hot charging
Jai Bharat Steel Ind- Mill-1	Kutch	Mono	200,000	Just started operations
Jai Bharat Steel Ind- Mill-2	Kutch	Mono	200,000	Just started operations

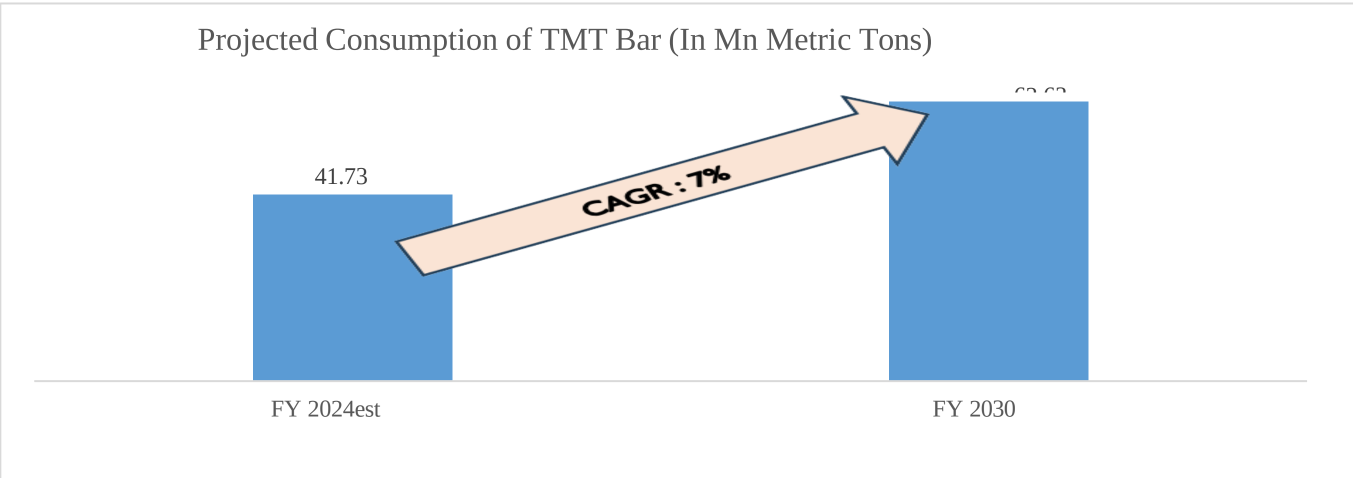
Steefo	Ahmedabad	Steffo	200,000	Achieving 60% capacity utilization
Varmora	Vakaneer	N/A	200,000	Under installation
ET TMT	Kutch	ET TMT	360,000	Utilizes hot charging with moderate capacity utilization
Mono Steel	Kutch	Mono	150,000	Uses hot charging technology
H K Ispat	Godhra	Kothi	150,000	Employs hot charging technology
Agarwal TMT	Ahmedabad	Vibrant	150,000	High production efficiency with 80% utilization

Source: D&B Research, Industry Sources

Gujarat's TMT industry is characterized by a mix of established and emerging players, each contributing to the state's significant output. The presence of advanced technologies such as hot charging and ongoing capacity expansions highlight the dynamic nature of this sector. Companies like VMS TMT Ltd and others are well-positioned to capitalize on the growing demand for construction materials driven by infrastructure development and urbanization in India.

Growth Forecast

Demand for TMT bar in India is projected to accelerate further with the government policies and initiatives being instrumental driving the demand as it aims at achieving a quality and sustainable infrastructure. Substantial infrastructure spends planned in major end user industries under National Infrastructure Pipeline and PM gati Shakti project and various other projects is expected to drive construction activity. As a result, the use of TMT bars that compliments the advancements in building technology and contributes towards to the development of robust and sustainable infrastructure, is poised to witness a healthy growth in coming years. Between the consumption of TMT bar is estimated to grow at ~7% CAGR cross over 62 Mn tonnes by FY 2030.



Sources: Dun & Bradstreet Estimates

On the policy front, the government remained committed to resuscitate growth by initiating substantive changes through policy reform. Scheme like Atmanirbhar Bharat, PLI, amended DMISP policy and Make-in- India will give push to domestic manufacturing and strengthen the supply side dynamics.

On supply side, logistics and input prices are key factors influencing final costs of the project and its demand by project developer, as they resort to only need based purchase. Any disruption in supply chain and fluctuations input prices, particularly fuel prices, significantly affect TMT rod production costs translating into lower procurement by the end users. Also, with the general elections and assembly polls lined in FY 2025, trade activities may be impacted and have a bearing on finished steel demand particularly during the first quarter.

Company Profile

VMS TMT Limited is a prominent manufacturer of Thermo Mechanically Treated Bars (TMT Bars), operates its manufacturing facility in Bhayla Village, near Ahmedabad, Gujarat. In Fiscal 2024, VMS TMT generated over 98% of its revenue from operations within Gujarat, highlighting its strong regional focus. The company has a manufacturing capacity of 200,000 Metric Tons per annum and achieved a production output of 160,321 Metric Tons, in FY 2024 resulting in a capacity utilization rate of 80.16%. Moreover, the company generated a revenue of INR 8,729.6 million and grew at a CAGR of 33% during FY 2022-FY2024, showing company's significant revenue growth.

To support its sales efforts, VMS TMT has established distribution network that includes 3 distributors and 227 dealers. This network is strategically shared with Kamdhenu Limited, under a Retail License Agreement allowing VMS TMT to market its TMT Bars in specific regions of Gujarat. Additionally, in June 2024, the company entered into a lease agreement for a new facility in Bhavnagar, Gujarat, which has an installed capacity of approximately 66,000 Metric Tons for MS Pipe production. This new facility will enhance the company's manufacturing capabilities and positions it to better serve its diverse customer base.

Financial Benchmarking of VMS with Peers [5]

Particulars	Fiscal 2024 (₹ in Lakhs)				
	VMS TMT Limited	Kamdhenu Limited	Vraj Iron and steel limited	BMW Industries Limited	Electrotherm (India) Limited
	Standalone				
Total Income (₹ in Lakhs)	87,316.86	73,829.48	42,427.00	53,943.10	4,27,584.00
EBITDA (₹ in Lakhs)	4120.29	5896.51	7647.80	13365.17	95,884.00
EBITDA margins (%)	4.72%	8.14%	18.22%	24.97%	22.45%
PAT (₹ in Lakhs)	1346.84	5013.35	5411.70	5906.15	31,943.00
NET PAT margin (%)	1.54%	6.79%	12.76%	10.95%	7.47
Return on Net Worth (%)	28.96%	21.12%	25.45%	9.30%	Negative
Return on capital employed (%)	16.70%	26.24%	36.66%	11.76%	101.54%

Particulars	Fiscal 2023(₹ in Lakhs)				
	VMS TMT Limited	Kamdhenu Limited	Vraj Iron and steel limited	BMW Industries Limited	Electrotherm (India) Limited
	Standalone				
Total Income (₹ in Lakhs)	88,205.61	73,367.00	51,742.10	51,643.27	308074.00
EBITDA (₹ in Lakhs)	2,190.77	5996.30	7667.80	10980.79	2980.00
EBITDA margins (%)	2.48%	8.19%	14.87%	21.63	0.97%

[5] *Source: Based certificate issued by M/s. Suresh Chandra & Associates, Chartered Accountants, dated September 19, 2024.*

PAT (₹ in Lakhs)	419.53	4102.38	5111.10	4414.65	(7666.00)
NET PAT margin (%)	0.48%	5.59%	9.88%	8.55%	Negative
Return on Net Worth (%)	13.60%	24.61%	37.97%	7.60	7.38%
Return on capital employed **(%)**	10.94%	22.50%	50.14%	9.16%	(1.84) %

Particulars	**Fiscal 2022 (₹ in Lakhs)**				
	VMS TMT Limited	**Kamdhenu Limited**	**Vraj Iron and steel limited**	**BMW Industries Limited**	**Electrotherm (India) Limited**
	Standalone				
Total Income (₹ in Lakhs)	49,374.63	60,261.43	40,241.72	41,872.55	2,83,404
EBITDA (₹ in Lakhs)	1,603.60	5463.27	4796.33	11125.45	7678.00
EBITDA margins (%)	3.25%	9.11%	11.93%	27.39	2.71%
PAT (₹ in Lakhs)	687.95	3945.50	2750.20	3292.75	(5,432.00)
NET PAT margin (%)	1.39%	6.55%	6.83%	7.86%	Negative
Return on Net Worth (%)	36.82%	17.58%	33.04%	6.08%	5.65%
Return on capital employed **(%)**	13.72%	16.36%	44.71%	7.65%	(2.26) %

Notes:

i. EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items- other income

ii. EBITDA Margin is EBITDA as a percentage of Revenue from operation.

iii. PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.

iv. Return on Net Worth is PAT as a % of Net Worth.

v. ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities and Intangible assets includes Right of use assets.

Financial information for listed industry peers mentioned above is for the Fiscal 2022 and is based on the financials disclosed by these respective companies to the stock exchanges

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and also the sections entitled "Risk Factors", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 120, 224 and 262, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, 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.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to VMS TMT Limited.

Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or the context otherwise requires, the financial information included in this section is for Fiscal 2024, Fiscal 2023 and Fiscal 2022 derived from the Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see Restated Financial Information on page 224.

We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "TMT Bars Industry in India" dated September 19, 2024, prepared by Dun & Bradstreet, which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company in connection with the Issue (the "**Dun & Bradstreet Report**"). For further information, see 'Risk Factors - Certain sections of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks' on page 25. Also see, 'Certain Conventions, use of Financial Information and Market Data and Currency of Presentation – Industry and Market data' on page 14. The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. A copy of the Dun & Bradstreet Report is available on the website of our Company at www.vmstmt.com from the date of this Draft Red Herring Prospectus till the date of Bid/ Issue Closing Date.*

Overview

We are engaged in manufacturing of Thermo Mechanically Treated Bars ("**TMT Bars**") at our manufacturing facility situated at Bhayla Village, Ahmedabad, Gujarat, India. TMT Bars are high-strength reinforcement steel used widely in construction due to their exceptional strength, ductility, and corrosion resistance. *(Dun & Bradstreet Report).* We conduct our business predominantly in the State of Gujarat from where we derived over 98% of our revenues from operations in Fiscal 2024. Our revenue from operations in Fiscal 2024 from sale of TMT Bars in the State of Gujarat constituted approximately 94% of the total revenue from operations wherein retail sales constituted 80% and institutional sales constituted 14% of the total revenue from operations. Our revenue from operations also includes sale of scrap, binding wires and billets which constitutes approximately 6% of the total revenue from operations in Fiscal 2024. We have a diverse customer base of retail and institutional customers primarily based in the State of Gujarat. We have a retail licence agreement dated November 7, 2022, with Kamdhenu Limited which allows us to market our TMT Bars under the brand '*Kamdhenu NXT'* on mutually agreed terms within the State of Gujarat on a non-exclusive basis. We sell our TMT Bars to customers through distribution network, on a non-exclusive basis, which comprise of 3 distributors and 227 dealers as of August 31, 2024.

We manufacture our TMT Bars at our manufacturing facility by utilizing modern TMT rolling mill machines from billets. As of Fiscal 2024, Fiscal 2023 and Fiscal 2022, we had a total annual installed capacity of TMT Bars of 2,00,000 metric tonnes ("**MT**") per annum, 2,00,000 MT per annum and 2,00,000 MT per annum, respectively, and our production of TMT Bars in Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 1,60,321 MT, 1,61,807 MT and 72,121 MT, respectively. For further details, see "*Our Business - Manufacturing - Capacity, Production and Capacity Utilization*" on page 160. In June 2024, we have entered into a factory lease agreement with Hans Industries Private Limited, under which we have taken on lease a facility at Bhavnagar, Gujarat for production of mild steel pipes ("**MS Pipes**"). We intend to market and sell MS Pipes under the brand "*Kamdhenu*" in terms of the retail license agreement dated June 20, 2024 entered into with Kamdhenu Limited on mutually agreed terms within the State of Gujarat on a non-exclusive basis. For further details, see "*Our Strategies – Diversifying into production and sale of MS Pipes*" on page 160.

We currently have re-heating furnace and rolling mill for manufacturing of TMT Bars from billets. Our main raw material for our TMT Bars is iron billets, which we primarily source domestically from, *inter alia,* Gujarat, Chhattisgarh, Maharashtra, Madhya Pradesh, Orisha and Rajasthan. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, 63.89%, 77.65% and 93.16%, respectively, of our raw material purchases were from suppliers in Gujarat. Purchase of raw material locally saves us in transportation costs and time of delivery and keeping our raw material inventory level under check. Our raw material holding level remained at 4 days as on March 31, 2022, 2 days as on March 31, 2023, and 1 day as on March 31, 2024. Apart from billets, our major cost of production involves power expenses. We require 4MW of power for our uninterrupted operations, which we source from Uttar Gujarat Vij Company Limited. Currently, as fuel, we use coal to fire our reheating furnace which we source locally in Gujarat.

As a measure towards backward integration, we have recently installed thirty-ton electric induction furnace and continuous caster for manufacturing of TMT Bars and power substation having 22,000 kVAh. As part of our backward integration project, we will manufacture billets for our TMT Bar production as part of a consolidated TMT Bars manufacturing process with installed capacity of 216,000 MT per annum. With the installation of this new electric furnace, we will be manufacturing TMT Bars from scrap, eliminating the re-heating furnace majorly which will allow us to reduce our cost of production significantly and eliminate our dependency on coal. Post completion of backward integration, our basic raw materials will be iron scrap, manganese, non-coking coal dolomite, limestone and bentonite. We will source raw materials both domestically and from other countries either independently or in association with third party. For further details, see "*Our Business - Our Strategies – Focus on backward integration project to reduce our operational costs*" on page 160.

We focus on sustainability by emphasizing quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our continued growth. Our products meet the standards set by the Bureau of Indian Standards ("**BIS**"). We also maintain a number of quality management system certificates in line with industry standards, including ISO 9001:2015 for quality management standards, ISO 45001:2018 for occupational health and safety management system standards and ISO 14001:2015 for environmental management system standards. As part of our strategy and the use of proceeds from the Issue, we will commission a 15MW solar power plant for our captive power consumption to reduce our current and future electricity expenses and carbon footprint.

Our business is predominantly conducted in the State of Gujarat and we derive our revenue from retail as well as institutional sales. We market and sell our TMT Bars in the State of Gujarat under the brand '*Kamdhenu NXT'*. We also sell scrap and binding wires in the State of Gujarat and other states. We use fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products to our customers. We believe that doorstep delivery to our retail and institutional customers entitle us to have a strategic advantage over our competitors. Our focus on sales of TMT Bars has been Tier II and Tier III cities. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we generated 98.78%, 98.43% and 99.19%, respectively, of our revenue from operations from customers in the State of Gujarat. We sell our TMT Bars to customers through distribution network on a non-exclusive basis which comprise of 3 distributors and 227 dealers as of August 31, 2024. We have divided the State of Gujarat into three zones with one distributor in each zone.

Our Company is led by our Individual Promoters: Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain and Sangeeta Jain, who have a cumulative experience of more than three decades in steel industry. Our Company is supported by an experienced and professional management team and by a workforce of 170 permanent employees as of September 10, 2024. We believe that the collective experience and capabilities of our Promoters and management team and strong workforce enable us to understand and anticipate market trends and manage our business operations and growth.

Our Company and Aditya Ultra Steel Limited, one of our Group Companies which is also engaged in the manufacturing of TMT bars under the Kamdhenu group brand in the State of Gujarat, have entered into a Memorandum of Understanding dated May 16, 2024 ("**MoU**"). Pursuant to the said MoU, it has been agreed by Aditya Ultra Steel Limited to focus its business operations in the Saurashtra and Kutch district of Gujarat and not to sell, deal, distribute, or supply TMT bars and allied products outside these areas. Similarly, our Company has agreed to concentrate its business operations in districts other than Saurashtra and Kutch for selling, dealing, distributing, and supplying TMT bars and allied products beyond Saurashtra and Kutch, Gujarat.

Key financial information

Set forth below is certain key financial information for the periods indicated.

Particulars	As at or for the fiscal year ended March 31		
	2024	**2023**	**2022**
Revenue from Operations (*₹ in lakhs*)	87,295.77	88,201.35	49,372.50
Gross Margin (%)	11.56	9.42	9.53
EBITDA (*₹ in lakhs*)	4120.29	2190.77	1603.60
EBITDA Margin (%)	4.72	2.48	3.25
Profit after tax (PAT) (*₹ in lakhs*)	1,346.84	419.53	687.95
PAT Margin (%)	1.54	0.48	1.39
Return on Equity (RoE) (%)	34.82%	16.94%	45.16%
Return on Capital Employed (RoCE) (%)	16.70%	10.94%	13.72%
Inventory Turnover Ratio	8.60	12.60	13.10
Operating Cash Flows	3,755.45	(1,130.49)	(3,094.61)

For any further details of our KPIs, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 262.

Our Strengths:

We have the following competitive strengths:

Poised to capture growth in the TMT Bar market

We are engaged in manufacturing of TMT Bars from billets by utilizing modern TMT rolling mill machines at our manufacturing facility situated at Bhayla Village, Ahmedabad, Gujarat, India. Our business is predominantly conducted in the State of Gujarat, and we derive our revenue from retail as well as institutional customers. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we sold 1,61,902 MT, 1,51,795.00 MT and 88,410.00 MT of TMT Bars, respectively, and had revenue from operations of ₹ 87,295.77 lakhs, ₹ 88,201.35 lakhs and ₹ 49,372.50 lakhs in the same respective periods.

The table below sets forth the consumption and production of TMT bars in India for the dates indicated.

Market	Fiscal 2024 (est)	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Indian consumption of TMT Bars (million MT)	41.73	39.0	32.3	26.8	30.0
Indian domestic TMT Bar production (million MT)	N/A	39.0	33.0	27.0	30.0

(Source: Dun & Bradstreet Report).

According to Dun & Bradstreet Report, domestic demand for TMT Bars is anticipated to rise significantly, driven by the government's focused efforts on enhancing the India's infrastructure. The construction industry's growth in India is on an upward trajectory, increasingly favouring TMT Bars due their superior qualities: exceptional strength, durability and ability to withstand seismic activities, making them indispensable in the modern construction. As the government continues to prioritize the development of quality and sustainable infrastructure, TMT Bars are set to play a crucial role. *(Source: Dun & Bradstreet Report).*

We believe that we are poised to take advantage of growth in TMT Bars demand for the following reasons:

Marketing and Brand: We have a retail licence agreement with Kamdhenu Limited dated November 7, 2022 which allows us to market our TMT Bars on mutually agreed terms within the State of Gujarat.

Customer Base: We have a diverse customer base of retail and institutional customers primarily based in the State of Gujarat.

Distribution: We sell our TMT Bars to retail and institutional customers. We also have a distribution network, on a non-exclusive basis, comprising of 3 distributors and 227 dealers as of August 31, 2024.

Manufacturing Capacity: During Fiscal 2024, Fiscal, 2023 and Fiscal, 2022, we had total annual installed capacity of TMT Bars of 2,00,000 MT per annum for each of the Fiscals, respectively. We have received environmental clearance for manufacturing of TMT Bars with installed capacity of 30000 MT per month.

Integration: We have initiated a backward integration project for the purpose of manufacturing billets from scrap to increase our raw material security and reduce costs. The production of billets will be for our own captive consumption to manufacture TMT Bars. The capital cost of this backward integration project is approximately ₹ 9457.48 lakhs which we have been financed through borrowings from banks, internal accruals and raising funds through equity.

Raw Material: We source raw materials i.e. billet from local markets of Gujarat, Maharashtra, etc. and has adopted 'just in time' approach for procurement of the raw material, thereby maintaining a very low inventory level of raw material for the manufacturing process. We have procured 63.89% of our raw material purchases in Fiscal 2024 from suppliers in Gujarat. Purchase of raw materials locally saves us in transportation costs and time of delivery.

Logistics: We use a fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products to our customers. We believe that doorstep delivery to our retail and institutional customers entitle us to have a strategic advantage over our competitors.

Long-term customer relationships augmented by large distribution network

Our business is predominantly conducted in the State of Gujarat, and we derive our revenue from retail as well as institutional customers.

We have a history of high customer retention. As of March 31, 2024, we enjoyed relationships in excess of three years with five of our top 10 customers. Our long-term relationships and ongoing active engagements with customers also allow us to enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base.

We market and sell our TMT Bars in the State of Gujarat under the brand "**Kamdhenu NXT**". We also sell scrap and binding wires in the State of Gujarat and other states. Our focus for sales has been on Tier II and Tier III cities. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we earned 98.78%, 98.43% and 99.19%, respectively, of our revenue from operations from customers in the State of Gujarat. We sell our TMT Bars to retail and institutional customers through distribution network, on a non-exclusive basis, comprising of 3 distributors and 227 dealers as of August 31, 2024. We have divided the State of Gujarat into three zones with one distributor in each zone.

Established infrastructure with backward integration with strong logistics support

We manufacture our TMT Bars at manufacturing facility in Bhayla Village near Ahmedabad, Gujarat, India. We have diversified our operations to include production and sale of MS Pipes under the brand "*Kamdhenu*" in terms of the retail license agreement dated June 20, 2024 to be manufactured at a factory at Bhavnagar, Gujarat which we have taken on lease vide a factory lease agreement with Hans Industries Private Limited. In July 2024, we had commenced with the trial phase of production of MS Pipes (IS 4923) and MS Pipes (IS 1161) with specification ranging from 0.5" to 3" with a thickness of 1 mm to 2 mm. Our Company has already applied for BIS licenses for the MS Pipes (IS 4923) and MS Pipes (IS 1161) and upon receipt of the BIS licenses, our Company will initiate steps to commence the commercial production and, thereafter, will engage into sale of MS Pipes. For further details, see "*Our Strategies – Diversifying into production and sale of MS Pipes*" on page 160.

The capital cost of this backward integration project is approximately ₹ 9457.48 lakhs which we have financed through borrowings from banks, internal accruals and raising funds through equity. As part of our backward integration project, we will manufacture billets for our TMT Bars production. We have installed a thirty-ton electric induction furnace with installed capacity of 216,000 MT per annum and have installed power substation having 22,000 kVAh. The production of billets will be for our own captive consumption to manufacture TMT Bars. For further details, see "*Our Strategies - Focus on our backward integration project to reduce our operations costs*" on page 160.

Prior to our backward integration project, our primary raw material for our TMT Bars was billets, which we primarily sourced domestically from, *inter alia,* Gujarat, Chhattisgarh, Maharashtra, Madhya Pradesh, Orisha and Rajasthan. These billets will now be produced inhouse as part of a consolidated TMT Bar manufacturing process. With the installation of our new electric induction furnace, our consumption of coal will be substantially reduced. Further, our Company has proposed to commence commercial operation from the proposed CCM division from October 2024. After commencement of commercial operation from the proposed backward integration, our Company's raw material would be scrap instead of billets, which our Company is planning to primarily source the same under collaboration with other importers for better cost management and may also source directly from domestic market without collaboration as per requirement.

Our business is significantly dependent on our supply chain management. We have strong supply chain relationships in the State of Gujarat. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, 63.89%, 77.65% and 93.16%, respectively, of our raw material purchases were from suppliers located in the State of Gujarat. Purchase of raw materials locally saves us in transportation costs and time of delivery.

We use a fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products to our customers. We believe that doorstep delivery to our retail and institutional customers entitle us to have a strategic advantage over our competitors.

Track record of growth in financial performance

We believe that our integrated production facility focus on maintaining high-capacity utilization, operational efficiency, productivity and low operating costs are the inherent strengths of our Company, which helps us to effectively manage the cyclical trends of the TMT Bars sector. We have a consistent track record of delivering operating profitability.

Summary of our financial performance are as follows:

(*₹ lakhs except percentages)*

Particulars	**As at or for the fiscal year ended March 31**		
	2024	**2023**	**2022**
Revenue from Operations (*₹ in lakhs*)	87,295.77	88,201.35	49,372.50
Gross Margin (%)	11.56	9.42	9.53
EBITDA *(₹ in lakhs*)	4120.29	2190.77	1603.60
EBITDA Margin (%)	4.72	2.48	3.25
Profit after tax (PAT) (*₹ in lakhs*)	1,346.84	419.53	687.95
PAT margin (%)	1.54	0.48	1.39
Return on equity (RoE) (%)	34.82	16.94	45.16
Return on capital employed (RoCE) (%)	16.70	10.94	13.72
Inventory turnover ratio	8.60	12.60	13.10
Operating cash flows	3,755.45	(1,130.49)	(3,094.61)

For any further details of our KPIs, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 262.

The debt-to-equity ratio and debt-to-EBITDA ratios of our Company as of Fiscal Year 2024 was 4.25 times and 4.77 times respectively and which have improved from 5.28 times and 7.39 times in Fiscal 2023 respectively. Our total borrowings for August 31, 2024, largely comprises of borrowings of ₹ 25,251.83 lakhs, unsecured borrowings of ₹ 8,797.82 lakhs and secured borrowings of ₹ 16,454.01 lakhs.

Our focus on operations have helped us achieve a track record of healthy financial performance. Our total income has grown at a CAGR of 32.98 % from ₹ 49,374.63 lakhs in Fiscal 2022 to ₹ 87,316.86 lakhs in Fiscal 2024. Our EBITDA has grown at a CAGR of 60.29 % from ₹ 1603.60 lakhs in Fiscal 2022 to ₹ 4120.29 lakhs in Fiscal 2024. Our profit after tax has grown at a CAGR of 39.92% from ₹ 687.95 lakhs in Fiscal 2022 to ₹ 1,346.84 lakhs in Fiscal 2024. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we achieved an EBITDA margin of 4.72 %, 2.48%, and 3.25 %, respectively. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have achieved a profit margin of 1.54%, 0.48 % and 1.39%, respectively. This is attributable to our continued focus on product quality and production process improvement, competitive pricing and cost rationalization. Our strong financial performance reflects the efficacy of the manufacturing and management protocols that we have implemented and strong working capital management across our business while our steady operating cash flows enable us to meet the present and future needs of our customers.

For our percentage of growth in revenue compared to the previous Fiscals, percentage contribution to our revenue, for Fiscal 2024, Fiscal 2023 and Fiscal 2022, see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 262.

Experienced Promoters and committed senior management team

Our Company is led by our Promoters Varun Manojkumar Jain who is also the Chairman and Managing Director, Rishabh Sunil Singhi who is a Whole Time Director and Manojkumar Jain who is a non-executive Director. Our Promoters are supported by a qualified and experienced management team under the guidance of our Board of Directors including the non-independent directors as well from various professional backgrounds.

Varun Manojkumar Jain has more than 8 (Eight) years of experience in the steel sector. Presently, he is also a Director in Aditya Ultra Steel Limited, one of our Group Companies. He holds degree in Bachelor of Commerce from Gujarat University and has done Management Programme for family business from Indian School of Business (ISB), Hyderabad and has also passed the Professional Competence Examination from ICAI.

Rishabh Sunil Singhi has been associated with our Company since October 9, 2021 and holds a degree in Bachelor of Technology in Civil Engineering from Pandit Deendayal Energy University. He has more than 2 (two) years of experience in the steel sector.

Our other Promoter, Manojkumar Jain has been associated with our Company since May 25, 2014 who has been critical in growing our operations. He is a commerce graduate from Kanpur University and a qualified Chartered Accountant. He has 22 (twenty-two) years of experience in diverse sectors like ship breaking and recycling, TMT bar manufacturing, offshore activities, automobiles and finance. Presently, he is also a director in VMS Industries Limited, Luxierge Media Private Limited and VMS Autolink Private Limited.

Our Company is also supported by Sangeeta Jain, one of our Promoter who has completed the master's in arts from C.S.J.M. University, Kanpur. She has more than 30 (thirty) years of experience in administration. Presently, she is a director at VMS Industries Limited and VMS Autolink Private Limited.

We believe that the collective experience and capabilities of our Promoters and management team enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. For additional details, see "*Our Management*" on page 198.

Our Strategies

We have the following key business strategies to grow our business.

Focus on backward integration project to reduce our operational costs

We currently buy billets locally in Gujarat to produce our TMT Bars; however, to enhance our backward integration of our production and increase raw material security, our Company is in the process of installing a Continuous Casting Machine ("**CCM**"). We initiated a project to manufacture billets from scrap at Survey No. 231/2, Bhayla Village Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India. The production of billets will be for our own captive consumption to manufacture TMT Bars. We expect an inventory and supply cost reduction per ton of billets from our backward integration.

In this regard, we have installed thirty-ton electric induction furnace with installed capacity of 216,000 MT per annum and have installed power substation having 22,000 kVAh. The length of the billets can be customized as per the specification of TMT bars to be manufactured.

Key features of our billets unit include:

- Both our billets unit and TMT Bar unit will be operated and controlled through unified control panel at single location.
- Cast billets will directly go into rolling which is the first stage of TMT Bar production. This will eliminate the reheating of billets.
- Our consumption of coal will be substantially reduced and scrap melting will be done through the electric induction furnace to be installed. Accordingly, our current price fluctuation risk in coal sourcing will be minimized.

The capital cost of this backward integration project is approximately ₹ 9457.48 lakhs which we have financed through borrowings from banks, internal accruals and raising funds through equity. For details, see "*Capital Structure*" and "*Financial Indebtedness*" on pages 77 and 284, respectively.

All necessary regulatory approvals are in place and installation of the induction furnace was completed on July 25, 2024. We expect to commence billet production in October 2024.

Diversifying into production and sale of MS Pipes

We have diversified our operations to include production and sale of MS Pipes. In this regard, our Company have entered into a factory lease agreement with Hans Industries Private Limited on June 4, 2024, under which we have taken on lease a facility at Bhavnagar, Gujarat with an approximate installed capacity of 66,000 MT per annum. In July 2024, we had commenced with the trial phase of production of MS Pipes (IS 4923) and MS Pipes (IS 1161) with specification ranging from 0.5" to 3" with a thickness of 1 mm to 2 mm. Our Company has applied for BIS licenses for the MS Pipes (IS 4923) and MS Pipes (IS 1161) and upon receipt of the BIS license, our Company will initiate steps to commence the commercial production and, thereafter, will engage into sale of MS Pipes.

We procure MS sheets needed for MS Pipes production after cutting to the required size to reduce the cost of wastage.

We will market MS Pipes under the name "Kamdhenu" under a non-exclusive retail license agreement dated June 20, 2024, entered into between us and Kamdhenu Limited. We believe that there are important synergies between our TMT Bar market and the MS Pipe market. We intend to leverage our distribution network to sell MS Pipe products to our existing customers as well as identifying new customers.

Setting up a 15MW Solar Power Plant to reduce power expenses

For our production of TMT Bars and our production of billets from scrap, electric power is a key manufacturing expense. Our power requirements currently are sourced through the local state power grid.

The table below sets forth our power expenses for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Power Expenses*	1,483.28	1.74	1,396.53	1.59	606.31	1.25

**As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024*

Our power expenses have increased significantly in recent years primarily due to an increase in electricity prices, and further increases in power expenses may impact our margins if we are not able to pass these price increases to our customers. We expect our power requirements and power expenses to increase significantly upon the installation of our thirty-ton electric induction furnace as part of our backward integration project described above. This new furnace will increase our power requirement from 4 MW to 22 MW after our backward integration is completed.

To reduce our electricity expenses, we are planning to setup a 15 MW solar power plant in Gujarat for our captive consumption. We estimate that the cost of this solar power plant will be ₹ 4,640 lakhs, which we are financing from the Net proceeds. For further details, see "*Objects of the Issue*" on page 92. Through this initiative, we aim to reduce our Company's carbon footprint by shifting towards renewable energy sources, making the steel production process more eco-friendly. Since solar energy offers a cost-effective and sustainable alternative to traditional fossil fuels, enhancing energy efficiency while reducing long-term energy costs, hence by leveraging this technology, our Company positions itself as a one of the sustainable manufacturers of TMT bars, aligning with global trends and strengthening its competitive edge. This not only improves our company's brand image but also attracts environmentally conscious clients and opens opportunities for green certifications or government incentives.

Continued focus on cost optimization and improving operational efficiency

We believe that despite the standardized nature of processes in the TMT Bar manufacturing industry, we have been able to create an effective cost advantage through focus on cost optimization by investments in infrastructure, backward integration and operations.

Continued access to high-quality raw materials is crucial to our ability to produce high-quality TMT Bars. While we believe that our current procurement arrangements allow us to have access to high-quality raw materials at competitive prices, we intend to continue to focus on achieving raw material security by evaluating prospects that will provide us with access to high quality raw material in locations closer to our manufacturing facility.

Our operations from our TMT Bars manufacturing facility are integrated across the product cycle, and almost all our manufacturing processes are carried out in-house. This allows us to respond quickly and efficiently to any customer requirements or changes in global conditions without the need to depend on any external vendors. This helps us closely monitor product quality, production costs and delivery schedules.

We have adopted a number of initiatives to increase our operational efficiency, such as (i) improving production output by constantly improving productivity, (ii) inventory management, and (iii) optimising and streamlining manufacturing processes.

As part of our backward integration of billets production we will use hot billets manufactured by us directly in TMT Bar production (known as “hot-charging”), which avoids the cost of having to reheat billets purchased as raw material.

Further, we expect an inventory and supply cost reduction per ton of billets produced from our own scrap conversion process.

We continuously seek to attain improvement in our manufacturing process by having a control on production, ensuring premium quality of our products and consistent upgradation in our technology. We will continue to evaluate best practices in our industry and adopt the practices best suited to our Company.

Focus on sustainability

We intent to focus on sustainability by emphasizing quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our continued growth. Across our manufacturing facility, we have put in place quality systems that cover all areas of our business processes from manufacturing and supply chain to product delivery to ensure consistent quality, efficacy and safety of our products. Further, by commissioning 15 MW solar power plant as an additional captive renewable energy plant our electricity cost will reduce and will further reduce our dependence on fossil fuels.

Our Products

We are engaged in manufacturing of TMT Bars from iron billets manufactured through our reheating furnace and rolling mill. We have a retail licence agreement with Kamdhenu Limited dated November 7, 2022, which allows us to market our TMT Bars on mutually agreed terms within the State of Gujarat. We also sell iron billets and binding wire incidental to our TMT Bars business.

The table below sets out the break-out of our volume of products sold, as a percentage of revenue from operations, for the periods indicated.

Product	**Fiscal 2024**			**Fiscal 2023**			**Fiscal 2022**		
	Volume (MT)	**Amount (₹ lakhs)**	**% of total revenues from operation**	**Volume (MT)**	**Amount (₹ lakhs)**	**% of total revenues from operation**	**Volume (MT)**	**Amount (₹ lakhs)**	**% of total revenues from operation**
TMT Bars	1,61,902	82,110.69	94.06	1,51,795	85,420.37	96.85	88,410	47,329.99	95.86
Billets	127	54.96	0.06	101	47.33	0.05	469	217.62	0.44
Binding Wire	389	247.59	0.28	284	191.31	0.22	140	86.79	0.18
Scrap and others	20,769	4,882.53	5.59	9,109	2,542.34	2.88	5,306	1,738.10	3.52
Total		**87,295.77**	**100.00**		**88,201.35**	**100.00**		**49,372.50**	**100.00**

Note: As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024.

TMT Bars

TMT Bars are high-strength reinforcement steel used widely in construction industry due to their exceptional strength, ductility, and corrosion resistance. Manufactured through a process of quenching, self-tempering, and atmospheric cooling, TMT bars feature a tough outer surface and a ductile core, making them ideal for earthquake-resistant structures. They offer superior weldability and cost-effectiveness by reducing the amount of steel needed. Commonly used in building frameworks, infrastructure projects, and reinforced concrete structures, TMT bars come in various grades (like Fe-415D, Fe-500D, Fe- 550D, Fe-600D) and sizes (6mm to 50mm in diameter), catering to diverse construction requirements. *(Source: Dun & Bradstreet Report).*

For information about the production of TMT Bars, see *"Our Business - Manufacturing"* on page 160.

Grades of TMT Bars

The TMT Bars are graded on various compositions. The TMT bars are made of compositions to determine the various characteristics of TMT Bars. The following is the chemistry of the steel used to produce TMT bars:

TMT Grade	Product Feature
Fe 415D	Have Lower Strength and High Flexibility
Fe 500D	Moderately High Strength with High Flexibility /Elongation
Fe 550	Higher Strength with Low Flexibility/Elongation
Fe 600	Even Higher Strength with Very Low Flexibility/Elongation

(Source: Dun & Bradstreet Report)

Usage of TMT Bars

TMT Bars	
Section (mm)	**Usage**
8 MM	8 MM TMT Bar is mainly used in construction. It is used for making rings which are attached or fitted in pillar structure and linter structure. It helps in providing the support to pillar structure or Linter Structure in the process of construction.
10 MM & 12 MM	10 MM & 12 MM TMT Bars which are used for building up of roof top in RCC slab which is recommended for carrying heavy Loads in many RCC structure such as Columns, Beams, Slabs, Cantilever etc.
16 MM	16 MM TMT Bar is mainly used for construction that is Ground Floor plus one and above. For such type of construction, 16 Mm TMT bars are recommended to bear the load of upper floors.
20 MM, 25 MM and 32 MM	20MM, 25MM & 32 MM TMT bars are advised for bringing up the foundational work stronger, the thickness of such rods provides more grip that sustains the load of the upper floors. Such bars are taken up for construction of huge projects.

Billets

We currently buy billets to produce our TMT Bars; however, to enhance our backward integration of our production and increase raw material security, we have initiated a project to manufacture billets from scrap. The production of billets will be for our own captive consumption to manufacture TMT Bars. For information about our backward production of billets and hot-charging, see "*Our Business- Manufacturing*" on page 160.

We occasionally sell billets in the market when we have an excess inventory of the billets.

MS Pipes

In July 2024, we had commenced with the trial phase of production of MS Pipes (IS 4923) and MS Pipes (IS 1161) with specification ranging from 0.5" to 3" with a thickness of 1 mm to 2 mm. Our Company has applied for BIS licenses for the MS Pipes (IS 4923) and MS Pipes (IS 1161) and upon receipt of the BIS license, our Company will initiate steps to commence the commercial production and, thereafter, will engage into sale of MS Pipes.. For further details, see "*Our Strategies – Diversifying into production and sale of MS Pipes*" on page 160.

Our Customers

Our business is predominantly conducted in the State of Gujarat, and we derive our revenue from retail as well as institutional customers. We have a diverse customer base comprising of individual house builders, contractors, governmental authorities and industrial customers in a range of industries including roadways, engineering services, retailers and real estate.

We have a history of high customer retention. As of March 31, 2024, we enjoyed relationships in excess of three years with five of our top 10 customers. Our long-term relationships and ongoing active engagements with customers also allow us to enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base.

Geographic split of customers

Our customers and sales of TMT Bars are concentrated in the State of Gujarat where our retail license agreement with Kamdhenu Limited allows us to market our TMT Bars on mutually agreed terms within Gujarat). We sell scrap and binding wire in the State of Gujarat and other states. The table below sets forth the geographic state-wise split of our revenue from operations for periods indicated.

State	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Gujarat	86,232.42	98.78	86,820.66	98.43	48,974.26	99.19
Punjab	633.97	0.73	628.58	0.71	348.46	0.71
Maharashtra	284.62	0.33	313.28	0.36	-	-
Rajasthan	71.22	0.08	116.24	0.13	17.34	0.04
Andhra Pradesh	29.19	0.03	30.88	0.04	-	-
Haryana	23.93	0.03	141.31	0.16	-	-
Madhya Pradesh	20.42	0.02	96.99	0.11	-	-
West Bengal	-	-	33.14	0.04	-	-
Uttar Pradesh	-	-	20.28	0.02	32.44	0.07
Karnataka	-	-	-	-	0.01	0.00
Total	**87,295.77**	**100.00**	**88,201.35**	**100.00**	**49,372.51**	**100.00**

Concentration of customers

Our business is concentrated with our top 10 customers. The table below sets forth our revenue from our largest customer, top 3 customers, top 10 customers and top 20 customers and their contribution to our revenue from operations for the periods indicated:

Customers	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations
Top 1 customer	25,397.55	29.09	25,177.30	28.55	15,888.09	32.18
Top 3 Customers	70,048.06	80.24	70,113.44	79.49	31,540.72	63.88
Top 10 Customers	82,444.86	94.44	81,340.16	92.22	41,586.05	84.23
Top 20 Customers	84,448.74	96.74	84,158.64	95.42	45,291.24	92.34

The table below sets forth the revenue derived from our top six customers as of Fiscal 2024 and for the periods indicated:

Top 6 Customers	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**
Vinworth Steel Private Limited	25,397.55	29.09	25,177.30	28.55	1640.91	3.32
Gujarat Steel Corporation	23,289.39	26.68	24,698.38	28.00	1,588.09	32.18
Chintan Steels	21,361.12	24.47	20,237.76	22.94	12,505.03	25.33
Polymer Corporation	8,114.82	9.30	2,064.56	2.34	1,683.10	3.41
Mahalaxmi Steel & Tube Traders	1,735.02	1.99	-	-	-	-
Aarohi International	1,139.08	1.30	645.01	0.73	681.99	1.38

Customer contracts and pricing

We usually do not enter into long-term supply contracts with any of our customers and typically rely on periodic purchase orders. Prices are negotiated with customers for each purchase order. The terms and conditions are set forth in the purchase orders. We generally sell our TMT Bars on a F.O.R. basis, which means to our customer's door. The purchase orders are typically subject to delivery, quality conditions including, right of buyer to conduct inspection of the delivered products to ensure conformity with the specifications and compliance with Indian or international standards. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be able to shift the volume produced to other customers. We provide warranties to some customers, to the effect that the products will conform to the specifications and standards.

We determine the prices for our products, based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms. Our TMT Bar prices in Gujarat are disclosed daily at 11:00 am IST and are mutually decided by us and Kamdhenu Limited on the basis of market fluctuations. These prices are valid until the end of the day. See also, "*Our Business- Competition*" on page 160

Sales and Marketing

We market and sell our TMT Bars in Gujarat under the brand '***Kamdhenu NXT***'. We also sell scrap, mill scale and binding wires in Gujarat and other states. We sell our TMT Bars to retail and institutional customers through distribution network, on a non-exclusive basis, comprising of 3 distributors and 227 dealers as of August 31, 2024. Our focus for sales has been on Tier II and Tier III cities. We have divided the State of Gujarat into three zones with one distributor in each zone.

We do not have exclusive arrangements with our distributors or dealers. Our direct and frequent contact with our large dealer network helps us to stay up to date with changing preferences in the segment which also helps us to proactively provide product enhancements and react faster to changes in the end user segment.

Manufacturing

We manufacture our TMT Bars at our manufacturing facility in Bhayla Village near Ahmedabad, Gujarat, India. Our billet manufacturing will be at the same facility after our backward integration is complete.

In July 2024, we had commenced with the trial phase of production of MS Pipes (IS 4923) and MS Pipes (IS 1161) with specification ranging from 0.5" to 3" with a thickness of 1 mm to 2 mm. Our Company has applied for BIS licenses for the MS Pipes (IS 4923) and MS Pipes (IS 1161) and upon receipt of the BIS license, our Company will initiate steps to commence the commercial production and, thereafter, will engage into sale of MS Pipes.

The table below sets forth a brief description of our products being manufactured and produced including the key process:

Units/Facility	Number of Units	Commissioning year (1)	Sq. feet of production space	Headcount at Units(2)	Key Processes
TMT Bar (3)	1	2021	54,000	148	Roughing Mill ➡ Intermediate Mill Finishing Mill ➡ TMT Box Cooling Bed ➡ Self-Tempering ➡ TMT Bar Cutting
MS Pipe (4)	1	2024	18,000	22	Material Selection ➡ Forming Welding Sizing and ➡ Straightening ➡ Cutting End Finishing ➡ Surface Finishing

Note: As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024
1.Calendar year of commissioning of the unit.
2.Permanent employees as of September10, 2024.
3.Located at our manufacturing facility in Bhayla Village near Ahmedabad.
4.Pipe facility is commissioned at a leased factory in Bhavnagar, Gujarat.

TMT Bar Production

Key features of our TMT Bars manufacturing facility:

- Coal oxy automation to maintain proper flow of oxygen for optimum consumption of coal;
- Oil lubrication system at plant eliminating use of grease for better life cycle and lower breakdown;
- Automatic flying shearing, automatic bundling machine, bending machine and cooling bed with layer shifting for better handling;

- Use of tensile metal rolls for better shine, perfect size and higher roll life; and
- The entire mill is automated and synchronized via a unified control panel using a Programmable Logic Controller (PLC), ensuring efficient and consistent production.

Backward Integration – Production of billets

In accordance with our backward integration project, we will manufacture billets for our TMT Bar production. We have installed a thirty-ton induction furnace with installed capacity of 216,000 MT per annum and have also installed power substation having 22,000 kVAh. The production of billets will be for our own captive consumption to manufacture TMT Bars. The length of the billets can be customized as per the specification of TMT bars to be manufactured. In this regard, we have entered a factory lease agreement with Hans Industries Private Limited on June 4, 2024, under which have taken on lease a facility in Bhavnagar, Gujarat with an approximate installed capacity of 66,000 MT per annum.

Key features of our billets unit include:

- Both our billets unit and TMT Bar unit will be operated and controlled through unified control panel at single location.
- Cast billets will directly go into rolling which is the first stage of TMT Bar production. This will eliminate the reheating of billets, thereby burning loss will be saved.
- Our consumption of coal will be substantially reduced, and scrap melting will be done through the electric induction furnace which was installed in Fiscal 2024. Accordingly, our current price fluctuation risk in coal sourcing will be eliminated.

Capacity, Production and Capacity Utilization

The table below sets forth our installed capacity, actual production and utilization for our manufacturing facility as of, and for the years ended, March 31, 2024, March 31, 2023 and March 31, 2022.

Plant/Product	As of, and for year ended March 31,								
	2024			2023			2022		
	Annual Installed Capacity (in MT)	Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Installed Capacity (in MT)	Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Installed Capacity (in MT)	Annual Actual Production (in MT)	Capacity Utilization (%)
TMT Bars	200,000	160,321	80.16	200,000	161,807	80.90	200,000	72,121	61.82

Note: The information relating to the installed capacity of the manufacturing facility as of the dates included above are based on *various assumptions and estimates that have been taken into account for calculation of the installed capacity and is based on the certificate issued by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024.*

Manufacturing Process

Described below is our existing manufacturing process from billets to TMT Bars and our manufacturing process after completion of our backward integration from scrap to TMT Bars. In addition, described below is our manufacturing process for MS Pipes (IS 4923) and MS Pipes (IS 1161) with specification ranging from 0.5" to 3" with a thickness of 1 mm to 2 mm for which we had commenced with the trial phase of production.

Manufacturing Process (Existing - From Billets to TMT Bars)

We currently manufacture TMT Bars from purchased billets to produce TMT Bars as described below. Once our backward integration project is completed, we will produce our own billets for our TMT Bars production.

Roughing Mill

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

Intermediate Mill

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

Finishing Mill

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

TMT Box

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

Cooling Bed

After the self-tempering process, the bars are subjected to atmospheric cooling to equalize the temperature difference between the soft inner core and the hardened exterior.

Self-Tempering

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

TMT Bar Cutting

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

Manufacturing Process after backward integration (from Scrap to Billets)

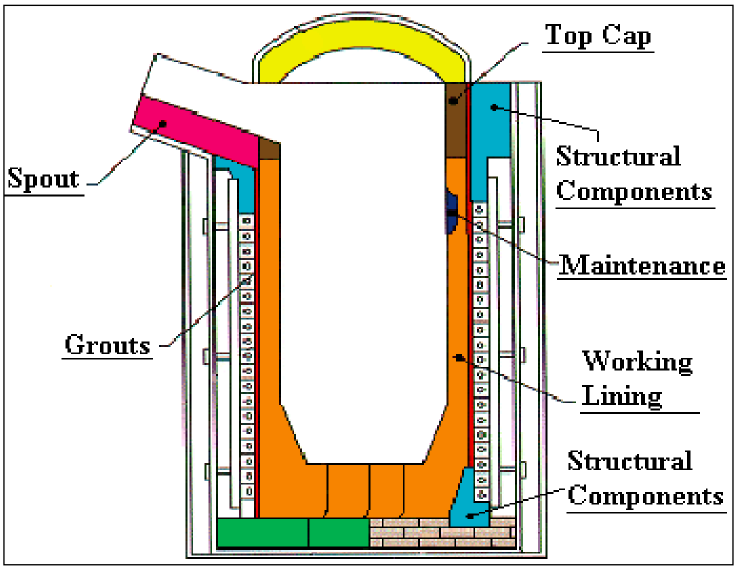
Set forth below is a description of the manufacturing process of producing billets from scrap in accordance with our backward integration project.

Raw Material

The ideal quality of raw material in case of induction furnace is clean, shredded scrap of low carbon content, sponge iron and melting.

Charging and Loading of Raw Material into Furnace

The induction furnace is prepared by lining its inside with ramming mass. The raw materials (stored near the furnace for ease of operation) are weighed in the right proportion and charged (loaded) into the furnace by using an electro magnet attached to an Electric Overhead Traveling Crane (called EOT crane), which ensures quick loading of sizable quantities of materials. The EOT crane increases operator safety and decreases the need and dependence on manpower. (Grab/magnet and Hydraulic trolley, Scrap bundling- 1 cubic meter around 700 kg).



Melting Process

The charge mix is melted in the Induction furnace. A solid-state generator converts A.C. Power into D.C. Power, which is converted to A.C. Power of higher frequency (250 to 500 Hz) using thyristors (electronic device). This high frequency (250 to 500 Hz) current is passed through capacitor rack (to achieve the desired constant voltage) through copper Bus Bar into molten bath having water-cooled copper coil, which transfers the heat energy into mixture and melts the charge mix at around 1550°C.

The components in the mixture are melted by heat generated by eddy currents induced by a magnetic field set up by a high frequency alternating current which passes round water-cooled coils surrounding the crucible. The eddy currents increase with the square of the frequency, and an input current between 250 to 500 hertz is employed. As the frequency increases, the eddy currents tend to travel nearer to the surface of a charge (skin effect). The heat developed in the charge depends on the cross-sectional area which carries current. Large furnaces use lower frequencies to get adequate current penetration. The temperature of the metal bath can be adjusted by changing the power input, thereby ensuring proper mixing of components in the melt. The current induced in the molten metal causes a rapid stirring action and helps in melting the rest of charge by washing molten metal against the solid scrap. Thus, the uniformity of mixing the charge is assured and necessity of any manual stirring is avoided. The reactive slag impurities such as silica also attains the same temperature and floats on top, preventing oxidation of the melt. As the charge melts, the level inside the furnace drops and additional charge is added only until the melt reaches 67% of the crucible height. We propose to install a radio remote controlled scrap poking system to push the scrap into the furnace during the melting operation. This will improve the productivity, efficiency and safety of operation. We also are installing a stationary crane on the furnace platform to improve scrap charging and to save power.

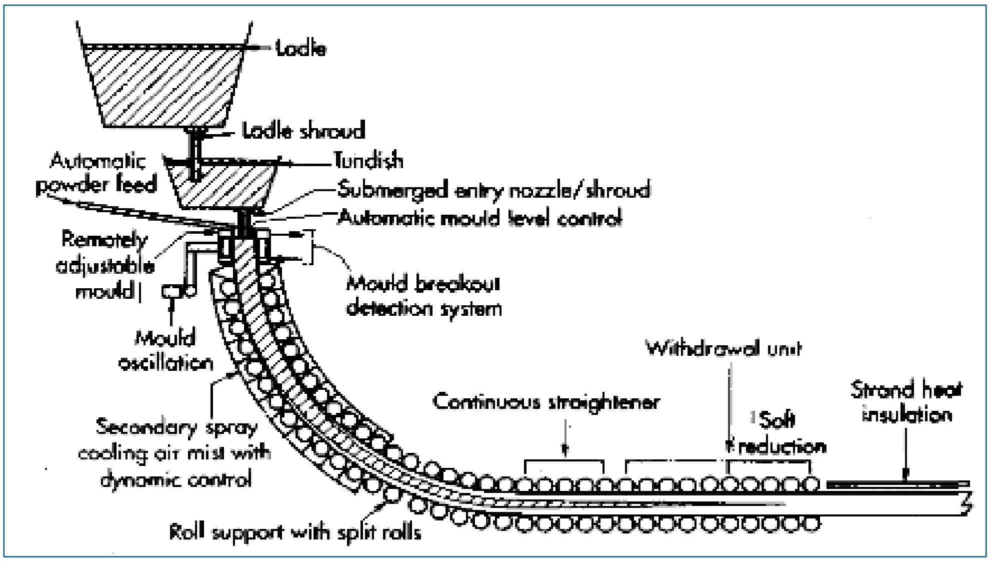
Heating is continued till the entire metal mass melts to liquid state. At this stage, a sample of the molten mixture (called “melt”) is sent to the laboratory for analysis. Based on the analysis report, ferro alloys and other materials are added in appropriate quantities and the carbon content is increased or decreased as needed. This process is repeated till the desired composition is achieved. The temperature of the molten metal is checked by immersion pyrometer, and it is transferred to ladles for pouring into billets or desired shapes by continuous casting process. As the level inside the furnace falls, additional mix is poured from top and the cycle repeated without break (to avoid metal solidification, after which the refractory brick lining will have to be replaced and there will be great heat loss). The molten metal is poured with the hydraulic system in the preheated ladle after adding certain fluxes so that the temperature is maintained at about 1600 degree Celsius.

Continuous Casting Process

In the continuous casting process, the melt is solidified into a "semi-finished" billet, bloom, or slab, which immediately goes for rolling to the finishing mills. Continuous casting results in improved yield, quality, productivity and cost efficiency by great saving in heating and storage costs. It also provides increased process control through automation.

To start the casting operation, a dummy bar is inserted into the mould’s outlet at the bottom to seal it. Pulling the dummy bar downward results in the withdrawal of the cast strand (flow of molten metal), which is collected in the ladle. Molten metal is tapped into the ladle from furnaces. After undergoing any ladle treatments (such as alloying and degassing), and checking the temperature, the ladle is transported to the top of the casting machine. Usually, the ladle sits in a slot on a rotating turret at the casting machine; one ladle is 'on cast' (feeding the casting machine) while the other is kept ready and moved to the casting position after the first ladle is filled and moved.

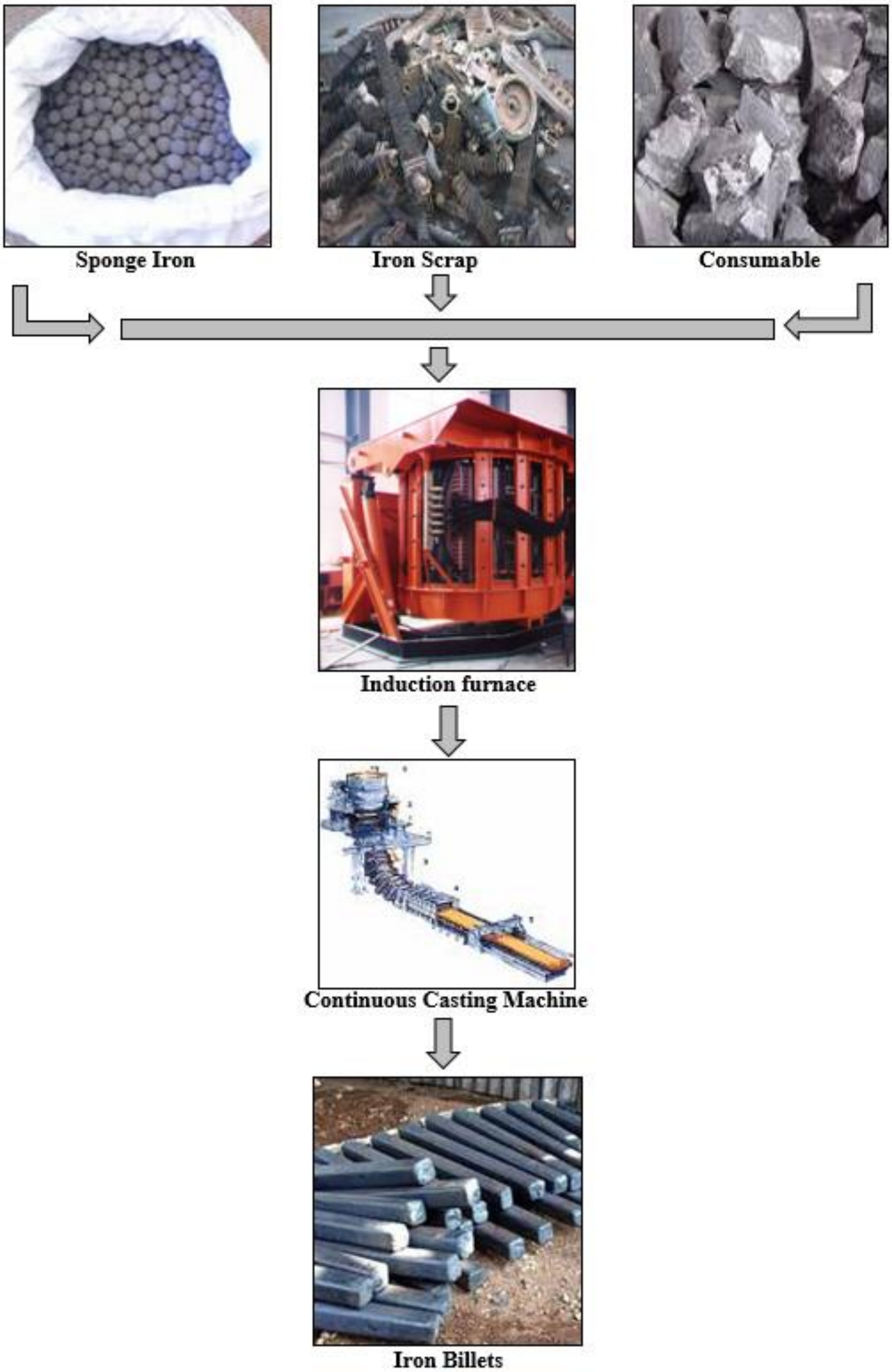
From the ladle, the melt is poured into moulds via the tundish, taking great care to prevent contact with the air (the tundish is the last metallurgical vessel through which molten metal flows before solidifying in the continuous casting mould). When molten metal moves through the tundish, it interacts with refractories, slag, and the atmosphere. Thus, proper tundish design and operation are important for delivering steel of strict composition and quality. The tundish allows a reservoir of metal to feed the casting machine while ladles are switched, thus acting as a buffer of hot metal, as well as smoothening out flow, regulating metal feed to the moulds and cleaning the metal. The tundish is mounted on tundish car which transfers the tundish from a parking station to casting position. Metal is drained from the tundish through another shroud into the top of an open-base water-cooled copper mould which oscillates vertically (or in a near vertical curved path) to prevent the metal sticking to the mould walls. A lubricant (powder or liquid) is also added to the metal in the mould to prevent sticking and to trap any remaining slag particles (including oxide particles or scale) and bring them to the top as a floating layer of slag.



The strand coming out of mould is immediately supported by closely spaced, water-cooled rollers; these support the walls of the strand against the ferro-static pressure of the still-solidifying liquid within the strand. To increase the rate of solidification, the strand is also passed through a spray-chamber and sprayed with large amounts of water. Final solidification of the strand (including core) takes place after the strand leaves the spray-chamber. In each strand, one hot billet shearing machine should preferably be installed to ensure that billet being cast are cut to the desire length by consuming minimum time and in line with the casting speed without causing any loss of metal and also without creating any distortion in the end of the billet so that, the ends of the billet do not cause any adverse impact at the entry of first pass.

After exiting the spray-chamber, the strand passes through straightening rolls and withdrawal rolls. There may be a hot rolling stand after withdrawal to pre-shape the final strand while the metal is still hot. Finally, the strand is cut into predetermined lengths by mechanical means, marked for identification and either taken to a stockpile or the next forming process. The CCM is likely to operate 24 hours whereas rolling mill will require at least 2 hours of maintenance time. Therefore, for accommodating the material cast during this rolling mill shutdown period; the cast billet should be conveyed to the cooling bed for which a sufficient length cooling bed should be provided. It is important to take into consideration the available melting facilities and re-rolling facilities capacity.

A flow chart showing the manufacture of billets is set forth below:



Manufacturing Process of MS Pipes

Presently, we had commenced with the trial phase of production of MS Pipes (IS 4923) and MS Pipes (IS 1161) with specification ranging from 0.5” to 3” with a thickness of 1 mm to 2 mm. Our Company has applied for BIS licenses for the MS Pipes (IS 4923) and MS Pipes (IS 1161) and upon receipt of the BIS license, our Company will initiate steps to commence the commercial production and, thereafter, will engage into sale of MS Pipes.

Step 1: Material Selection

Choose the appropriate grade and thickness of stainless-steel sheets based on the intended application of the MS Pipes and requirements of the customer. The same is procured after due cutting as per the requirement of the product to be manufactured.

Step 2: Forming

For Round MS Pipes:

- **Roll Forming:** Pass the strips through a series of rollers to gradually form them into a cylindrical shape. This is typically done in a roll forming machine.
- **Tack Welding:** Perform a preliminary weld along the seam to hold the shape of the cylinder.

For Square and Rectangular MS Pipes:

- **Shaping:** After forming a cylindrical shape, pass the cylindrical pipe through a series of rollers that gradually transform it into a square or rectangular cross-section. The rollers are specifically designed to shape the cylinder into the desired square or rectangular profile.

Step 3: Welding

- **Seam Welding:** Weld the seam using a suitable welding process, such as Tungsten Inert Gas (TIG), Metal Inert Gas (MIG), or laser welding, depending on the thickness and application of the pipe.
- **Annealing:** Heat treats the welded pipe to relieve stress and improve ductility.

Step 4: Sizing and Straightening

- **Sizing:** Pass the welded pipe through sizing rollers to achieve the precise diameter and roundness for round pipes or the exact dimensions for square and rectangular pipes.
- **Straightening:** Straighten the pipe to ensure it meets the required straightness specifications.

Step 5: Cutting

Cut the continuous MS Pipes into the desired lengths using a cutting machine.

Step 6: End Finishing

- **Deburring:** Remove any burrs or sharp edges from the cut ends of the MS Pipes.
- **End Forming:** Perform additional operations such as threading, flaring, or beading if required.

Step 7: Surface Finishing

- **Polishing:** Polish the surface of the MS Pipes to achieve the desired finish, which can range from a basic brushed finish to a mirror-like finish.
- **Pickling and Passivation:** Clean and treat the surface of the MS Pipes to remove any contaminants and enhance corrosion resistance.

Quality Control and Quality Assurance

Across our manufacturing, we have established a quality management system that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products.

We have a laboratory to ensure our TMT Bars adhere to customer quality requirements. Our products go through various quality checks at various stages including random sampling check and quality check internally. We are subject to strict quality requirement and regular quality inspections by Kamdhenu Limited, our brand licensor. Our products must also meet the standards set by the Bureau of Indian Standards.

Our Company maintains number of quality management system certificates in line with industry standards, including ISO 9001:2015 for quality management standards, ISO 45001:2018 for occupational health and safety management system standards and ISO 14001:2015 for environmental management system standards.

The table below sets forth our total returns and rejections and such returns and rejections as a percentage of revenue from operations for the periods indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of revenue from operations***	**Amount (₹ in lakhs)**	**% of revenue from operations***	**Amount (₹ in lakhs)**	**% of revenue from operations***
Returns and rejections	109.28	0.22	141.71	0.16	90.66	0.10

**Rounded off*

Raw Materials, Suppliers and Utilities

Our major raw materials for our manufacturing processes are mild steel scrap, sponge iron and coal. Prior to our backward integration project, our primary raw material for our TMT Bars was iron billets, which we primarily sourced locally in Gujarat.

Our business is significantly dependent on our supply chain management. We have strong supply chain relationships in Gujarat and certain other states. In Fiscal 2024, 63.89% of our raw material purchases were from suppliers in Gujarat. Purchase of raw materials locally saves us in transportation costs and time of delivery.

The table below sets forth our cost of materials consumed for periods indicated.

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**
Costs of materials consumed	75,023.48	85.94	84,699.73	96.03	37,027.17	75.00

The table below sets forth cost of materials purchased from our top supplier and top ten suppliers for the periods indicated.

Suppliers	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% costs of materials purchased**	**Amount (₹ in lakhs)**	**% costs of materials purchased**	**Amount (₹ in lakhs)**	**% costs of materials purchased**
Top 1 Supplier	6,672.07	8.63	9,493.50	11.08	9,909.42	20.48
Top 10 Suppliers	38,566.55	49.88	49,209.30	57.43	32,121.35	66.40

The table below sets forth state-wise percentage break up of our raw material purchases for the periods indicated:

(figures in %)

State	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Gujarat	63.89	77.65	93.16
Chhattisgarh	11.36	3.55	0.14
Maharashtra	11.09	8.50	0.86
Madhya Pradesh	7.10	4.19	3.15
Odisha	3.96	5.79	2.30
Rajasthan	1.40	0.07	0.31
Dadra & Nagar Haveli	0.66	0.24	0.09
Jharkhand	0.48	-	-
Delhi	0.07	-	-
West Bengal*	0.00*	0.00*	0.00*

State	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total raw material purchases	**100.00**	**100.00**	**100.00**

*Negligible

We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials on a purchase order basis. The terms and conditions of these purchase orders contain provisions related to the supplier's product quantity, pricing, payment and delivery terms. We typically purchase raw materials based on the projected levels of sales, actual sales orders on hand, and the anticipated production requirements, taking into consideration any expected fluctuation in raw material prices and lead time. The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer.

Coal and Gas

Carbon from coal is a major reducing agent and heat source to convert scrap to billets and in the production of TMT Bars. With our new electric induction furnace that was installed as part of our backward integration, we expect that our coal consumption will be substantially reduced.

Carbon from coal is a major reducing agent and heat source to convert scrap to billets and in the production of TMT Bars. In respect of coal, we sourced our requirements from two (2) suppliers in Fiscal 2024, six (6) suppliers in Fiscal 2023 and thirteen (13) suppliers in Fiscal 2022. Natural gas is used to cut billets during production. We source our natural gas locally from third parties in Gujarat.

The prices of our coal and gas are linked to the national and international prices and the variations increase our costs of manufacturing.

The table below sets forth our expenses for coal and gas consumption for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Coal and gas consumption	1,183.20	1.39	1,740.73	1.99	859.41	1.77

For our production of TMT Bars and our production of billets from scrap, we use oxygen, LPG, water, power to run our furnaces and equipment and in the production processes itself. Our power requirements are sourced through the local state power grid. We also consume water for our operations, which is sourced locally. We also procure natural gas, LPG and oxygen from local suppliers in the State of Gujarat.

The table below sets forth our expenses for (i) oxygen and LPG, (ii) water, and (iii) power, for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Oxygen and LPG expenses	9.37	0.01	7.72	0.01	9.41	0.02
Water charges	0.23	0.00	2.26	0.00	1.03	0.00
Power expenses*	1,483.28	1.74	1,396.53	1.59	606.31	1.25

As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated September 19, 2024

Our power expenses have increased significantly in recent years due primarily to an increase in electricity prices, and further increases in power expenses may impact our margins if we are not able to pass these price increases to our customers. We expect our power requirements and power expenses to increase significantly due to the installation of our thirty-ton electric induction furnace as part of our backward integration project.

As part of our strategy, we are planning to setup a 15 MW solar power plant near our manufacturing facility for our captive consumption to reduce our power expenses. For further details, see "*Our Business – Our Strategies – Setting up a 15MW solar power plant to reduce power expenses*" on page 160.

Logistics

We transport our finished equipment by road. We generally sell our TMT Bars on a F.O.R. basis, which means to our customer's door. In addition, we pay for transportation costs in relation to the delivery of raw materials and other inputs to our manufacturing facility. Our manufacturing facilities (including our new leased facility) and over 98% of our customers in Fiscal 2024 are located in Gujarat. For further details, see "*Our Business - Our Customers*" on page 160.

We do not own any vehicles for the transportation of our products but use a fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products. We also use third party transportation providers for the delivery of raw materials. We do not have any contractual arrangements with any such third-party transportation and logistics providers.

We keep our inventory of products and raw materials at our manufacturing facility.

The following table sets forth our freight and cartage on sales charges and such charges as a percentage of total expenses in the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Freight and cartage on sales	1,502.20	1.76	1,350.54	1.54	719.51	1.48

Inventory Management

We maintain high inventory levels of raw material requirements for the manufacture of our TMT Bars, and, prior to our backward integration, iron billets was used to manufacture TMT Bars. The inventory of finished products is typically based on a combination of confirmed and expected orders. Our Company maintains sufficient level of inventories for finished goods to ensure the customer demand and timely delivery of TMT Bars to such customers. The inventory for finished goods is of approximately 45 days as the products are manufactured based on the orders received. Our working capital management is done considering all these factors.

The table below sets forth our inventory, average inventory and inventory turnover ratio as at, or for the periods, indicated:

(*₹ in lakhs, except ratio*)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventories	10,936.62	10,586.34	4,343.12
Average Inventory	10,154.06	6,997.90	3,767.60
Inventory turnover ratio	8.60	12.60	(13.10)

For further information, see "*Risk Factors - Our financial performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory levels*" on page 25.

Health, Safety and Environment

We are subject to national, regional and state laws and government regulations in India relating to safety, health and environmental protection. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health.

We are committed to maintaining high standards of workplace health and safety. While there have an instance of an accident in the past, however, we aim to become a zero-accident organisation. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. In addition to creating initiatives to improve workplace employee safety, we also implement initiatives to reduce the environmental impact of our operations. As on the date of this Draft Red Herring Prospectus, our manufacturing facility at Bhayla are certified ISO 45001:2018 for occupational health and safety management system standards and ISO 14001:2015 for environmental management system standards.

Information Technology (IT)

Our IT systems are important to our business. We utilize Tally, an enterprise resource planning software, for basic business functions and use programmable logic controller (PLC) to manage our business processes, sensors and movement of inventory and enterprise resource planning ("**ERP**") solutions to cover key areas of our operations and accounting. For information on the risk to our IT systems, see *"Risk Factors - We do not have an information security and disaster recovery system in place. Further any failure or disruption of our IT systems may adversely affect our business, results of operations and financial condition"* on page 25.

Insurance

Our operations are subject to risks inherent as TMT Bar and iron billet manufacturer, which include liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. In addition, we maintain commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, and personal and accidental injury. We, however, have not taken insurance to protect against all risk and liabilities. For example, we do not have key man insurance, and we do not take insurance for potential product liability claims.

The table below sets forth particulars of our insurance coverage on a restated basis as at the dates indicated.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Insured Assets (₹ lakhs)	6, 289.77	6,355.04	5,999.71
Insured Assets as % of fixed assets (gross block less land cost)	78.23%	80.49%	83.91%

For further information, see "*Risk Factors – We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, not covered in our insurance policies, which could adversely affect business, results of operations and financial condition*" on page 25.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed.

Human Resources

We place importance on developing our human resources. As of September 10, 2024, our workforce comprised 170 employees. Combinations of full-time employees gives us flexibility to run our business efficiently.

The table below sets forth the number of our employees as of September 10, 2024:

Departments / Teams	Number of employees as at September 10, 2024
TMT Division	
Management and administration	4
Production/manufacturing	92
Quality Control	13
Finance and accounts	9
Environmental, health and safety	1
IT	1
Others	28
MS Pipe Division	
Finance and accounts	2
Management and administration	1
Production/manufacturing	19
Total	**170**

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We are committed to provide safe and healthy working conditions. We currently do not have any registered trade unions.

The table below set forth the attrition rate for our employees for the periods indicated:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Attrition Rate (%)	20.65%	Nil	Nil

We offer formal and informal training as well as on-the-job learning. Our training is carried out at our manufacturing facility to help turn unskilled labour into semi-skilled labour, and semi-skilled labour into skilled labour, thus increasing productivity.

In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, pension, retirement and other benefits, as applicable) and are covered by group personnel accident.

Competition

TMT Bars is a capital intensive industry and there exists competition in our business which is based on pricing, extent and efficiency of the distribution network, relationships with customers particularly in the construction industry, product quality, and compliance with government regulation including environmental regulation. We face pricing pressures from companies, principally subsidiaries of 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. Accordingly, to remain competitive in our market, our Company must continuously strive to reduce our operating costs and improve our operating efficiencies. Further, our Company believes that our well recognized brands also help us in competing effectively in the TMT Bars. For further details on our competition and the TMT Bar industry, see "*Industry Overview*" on page 120.

Intellectual Property Rights

We have entered into a retail licence agreement with Kamdhenu Limited dated November 7, 2022, which allows us to market our TMT Bars under the brand name "*Kamdhenu NXT*" and a retail license agreement dated June 20, 2024 which allows us to market MS Pipes under the brand "*Kamdhenu*" on mutually agreed terms within the State of Gujarat. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we paid Kamdhenu Limited a royalty of ₹ 610.66 lakhs, ₹ 535.45 lakhs and ₹ 300.76 lakhs, respectively, representing 0.88%, 0.76% and 0.79% of our total revenue from operation for the same respective periods. Our retail licence agreements dated November 7, 2022 and June 20, 2024 are terminable by Kamdhenu Limited by giving one-month advance notice to us without any reason.

We have a pending trademark application for our corporate logo pending with the Trademark Registry on May 30, 2024.

We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in our businesses, including know-how and trade secrets related to proprietary technologies and patents, trademarks, know-how and trade secrets. Our know-how and trade secrets in our businesses may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality products to our customers. See "*Risk Factors – We have a trademark application pending for our corporate logo. We also rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected*" on page 25.

Properties

As on the date of this Draft Red Herring Prospectus, we have the properties as listed below:

Sr. No.	Location	Primary Purpose	Ownership Status	Tenure of Lease
1.	Survey No 214 Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Registered and Corporate Office and our Manufacturing facility for TMT Bars	Owned	-
2.	Survey No. 236, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Manufacturing facility for TMT Bars	Owned	-
3.	Survey No. 235, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Power sub station	Owned	-
4.	Survey No. 231/2, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Manufacturing facility for CCM	Owned	-
5.	Survey No. 213, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Parking and Labour Colony	Owned	-
6.	Survey No. 215, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India	Material storage	Leased	Lease of 9 years from January 01, 2024 till January 01, 2033
7.	Survey No. 107/8/9, Sihor Ghanghali Road, Ghanghali, Sihor, Bhavnagar-364240, Gujarat, India	Manufacturing facility for MS Pipes	Leased	Lease of 5 years from July 01, 2024 till June 30, 2029
8.	Bunglow No.1, Devbhumi Society, Ghuma, Ahmedabad-380058, Gujarat, India	Guest House	Rented	Rented for 11 months from December 25, 2023 till November 24, 2024
9.	808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015, Gujarat, India	Administrative office space	Leased	Leased for 2 years from April 01, 2024 till March 31, 2026

Legal Proceedings

For details on any outstanding litigation against our Company, our Directors and our Promoters, see "*Outstanding Litigation and other Material Developments*" beginning on page 287.

Corporate Social Responsibilities

As per provision of Section 135 of the Companies Act, 2013, we are required to spend at least 2% of the average profits of the preceding three fiscal years towards Corporate Social Responsibility ("**CSR**"). Accordingly, our Board of Directors has constituted a CSR Committee for carrying out the CSR activities.

In Fiscal 2024, we contributed to the UMIYA Education Charitable Trust and in Fiscal 2023 we contributed to the Arya Foundation for the improvement of women's lifestyle and children's development and education.

The table below sets forth the amounts we spent on CSR for periods indicated.

(₹ in lakhs)

Particular	Fiscal 2024	Fiscal 2023	Fiscal 2022
CSR Expenses	10.45	7.01	0.00

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company The information detailed in this section has been obtained from publications available in the public domain. The regulations set forth may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The information detailed in this section is based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Given below is an indicative summary of certain relevant laws and regulations applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Key Acts, Regulations & Policies applicable to our Company

GENERAL

Industry Specific Laws

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service confirms to an Indian Standard.

Bureau of Indian Standards Rules, 2018

The Bureau of India Standards Rules, 2018 (the "Bureau of Indian Standards Rules") have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

National Steel Policy, 2017 ("NSP 2017")

The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to creating environment for attaining (i) Self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, CPSEs and encourage adequate capacity additions; (ii) Development of globally competitive steel manufacturing capabilities; (iii) Cost-efficient production and domestic availability of iron ore, coking coal and natural gas; (iv) Facilitate investment in overseas asset acquisitions of raw materials; and (v) Enhance domestic steel demand. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

Factories Act, 1948 ("Factories Act")

The Factories Act defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power. Each state government has rules in respect of the prior submission of plans and their approval for the establishment of factories, as well as for licensing of factories. The Factories Act provides that an occupier of a factory i.e., the person who has ultimate control over the affairs of the factory, and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

The Gujarat Factories Rules, 1963 (the "**Rules**") seek to regulate labour employed in factories in the State of Gujarat and makes provisions for the safety, health and welfare of the workers. The Rules also mandate maintenance of certain statutory registers in the factory.

Legal Metrology Act, 2009 ("LM Act")

The LM Act aims 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 and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in inter alia a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Policy for Providing Preference to Domestically Manufactured Iron and Steel Products in Government Procurement, 2019

The Policy for Providing Preference to Domestically Manufactured Iron and Steel Products in Government Procurement, 2019 ("**Policy**") notified in 2017 and subsequently revised in 2019 and 2021 aims at providing preference to domestically manufactured iron and steel products in government procurement. The Policy mandates to provide preference to Domestically Manufactured iron & Steel Products (DMI&SP) with a minimum of 15%-50% value addition in Government Procurement. The Policy is applicable to supply of iron and steel products having aggregated estimate value of ₹ 5 lakhs or more. The Policy also provides for provisions for waivers to all such procurements, where specific grades of steel are not manufactured in the country, or the quantities as per the demand of the project cannot be met through domestic sources. Apart from promoting the use of domestically-manufactured steel in government projects, the Policy also encourages local manufacturing. The policy is envisaged to promote growth and development of domestic steel.

Steel and Steel Products (Quality Control) Order, 2020

The Steel and Steel Products (Quality Control) Order, 2020, as amended (the "Quality Control Order 2020"), was notified by the Ministry of Steel, Government of India, to bring 120 steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply to the Bureau of Indian Standards for certification and ensure compliance with the Quality Control Order, 2020. The Quality Control Order, 2020 further provides that every steel and steel products stated therein shall bear the standard mark under a license from Bureau of Indian Standards as provided in Bureau of Indian Standards (Conformity Assessment) Regulations, 2018.

Steel Scrap Recycling Policy, 2019

The Ministry of Steel, Government of India has introduced the Steel Scrap Recycling Policy, 2019 ("**Policy**") which envisages a framework to facilitate and promote establishment of metal scrapping centers in India. The policy aims to ensure scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe and environmentally sound manner. The policy aims to achieve the following objectives –(i) to promote circular economy in the steel sector, (ii) to promote a formal and scientific collection dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap; (iii) processing and recycling of products in an organized, safe and environment friendly manner; (iv) to evolve a responsive ecosystem by involving all stakeholders; (v) to produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports; (vi) To decongest the Indian cities from ELVs and reuse of ferrous scrap; (vii) to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous & Other Wastes (Management & Transboundary Movement) Rules , 2016 issued by MoEF & CC; and (viii) to promote 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including nonferrous scraps, through authorized centers / facility.

The Electricity Act, 2003, ("Electricity Act") and The Electricity Rules, 2005 ("Electricity Rules")

The Electricity Act regulates and governs the generation, transmission and distribution of electricity in India, including by specification of safety standards in relation to the same. The Electricity Act also controls the transmission and use of electricity, including through specifying action to be taken in relation to any electric line or appliance under the control of a consumer, for the purpose of eliminating or reducing the risk of personal injury and damage to property. Pursuant to the Electricity Act, every licensee must supply electricity only through the installation of a correct meter in accordance with the regulations as prescribed by the Central Electricity Authority. The Central and state Electricity Regulatory Commissions are empowered to adjudicate upon matters relating to any non-compliance in this regard. Additionally, the Electricity Act levies penalties, including imprisonment, for tampering with electricity meters and for the use of unauthorized electricity meters.

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.

Legislations Related to Environment

The Environment (Protection) Act, 1986, as amended ("EPA") and the Environment (Protection) Rules, 1986

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the GoI is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment in its various aspects, laying down standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution among others. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities and agencies in certain cases, establishment of environmental laboratories and appointment of Government analysts.

The Environmental Impact Assessment Notification, 2006

The Environmental Impact Assessment (EIA) Notification, 2006, is a significant notification issued by the Ministry of Environment and Forests, India. It mandates obtaining prior environmental clearance for the construction of new projects or the expansion or modernization of existing projects based on their potential environmental impacts. This applies to various sectors, including mining, thermal power plants, infrastructure, and industries. The notification aims to ensure that all projects are undertaken in accordance with the objectives of the National Environment Policy[1]. It has been revised several times since its introduction in 1994 to address evolving environmental concerns.

The Air (Prevention and Control of Pollution) Act, 1981, as amended and in force from time to time ("Air Act")

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding State Pollution Control Boards. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State

Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The Water (Prevention and Control of Pollution) Act, 1974, as amended ("Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines, or imprisonment, or both.

The Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016, ("Hazardous Wastes Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Foreign Investment Laws

Foreign Exchange Management Act, 1999 (the "FEMA")

Foreign investment in India is primarily governed by the provisions of FEMA. Pursuant to FEMA, the GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India.

FEMA Rules

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 ("FEMA Rules") to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment ("FDI") under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules 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 Act, 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; and (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. FTA read with the Indian Foreign Trade Policy 2015 –2020 (extended up to September 30, 2021) provides that no export or import can be made by a company without an Importer-Exporter Code ("IEC") unless such person or 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. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Legislations related to Labour

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Industrial Disputes Act, 1947, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Trade Unions Act, 1926 the Payment of Bonus Act, 1965, Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013, Employees Compensation Act, 1923, Child Labour (Prohibition and Regulation) Act, 1986, Apprentices Act, 1961 and the Maternity Benefit Act, 1961, Unorganised Workers Social Security Act, 2008, Industrial Employment Standing Order Act,1946, and Inter - State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

a. Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

b. Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

c. Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act ,1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the employee's provident fund and the employee's state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others.

d. Occupational Safety, Health and Working Conditions Code, 2020, which amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various enactments including, among others, the Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

While certain portions of the Code on Wages, 2019, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes shall become effective on the day that the Government shall notify for this purpose.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations 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. All industries have to be registered under the shops an establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Legislation related to Intellectual Property

The Trade Marks Act, 1999, ("Trade Marks Act")

The Trade Marks Act, which came into force on December 30, 1999, along with the rules and regulations made thereunder, govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically, which distinguishes goods or services of one person from those of others, and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours, or any combination thereof. In India, trademarks enjoy protection under both statutory and common law. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and prevents the fraudulent use of marks in India.

The Trade Marks Act permits the registration of trade marks for goods and services. Certification trademarks and collective marks can also be registered under the Trade Marks Act. The Registrar of Trade Marks is the authority responsible for, among other things, the registration of trademarks, settling opposition proceedings and rectification of the register of trade marks. The Trade Marks (Amendment) Act, 2010, has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trade marks in other countries. The Trade Marks (Amendment) Rules, 2013, were enacted to give effect to the Trade Mark (Amendment) Act, 2010

Other Laws

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, the Central Government levies GST on the inter-state supply of goods or services. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act, or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

Through, Central Excise Act, 1944, Excise duty is levied on production of goods, but the liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production.

The Customs Act, 1962 as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, Provisions of the Indian Stamp Act, 1899, Transfer of Property Act 1882, Sale of Goods Act, 1930, Indian Contract Act, 1872, Competition Act, 2002, Specific Relief Act, 1963, Standards of Weights and Measures Act, 1976, Depositories Act, 1996, Consumer Protection Act, 2019, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

For further details, see "Our Business" on page 160. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws.

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HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of Our Company

Our Company was incorporated as 'VMS TMT Private Limited' a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, Gujarat at Dadar Nagar and Haveli on April 9, 2013. The name of our Company was subsequently changed to 'VMS TMT Limited', upon conversion into a public company, pursuant to a board resolution dated October 16, 2023, and a shareholder resolution dated November 10, 2023, and a fresh certificate of change of name was issued on December 1, 2023, by the RoC.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since incorporation:

Date of change of registered office	Details of change	Reasons for change
June 03, 2024	The company had updated the address of the registered office of the Company. The company has added "Near Water Tank" in the address line to the existing registered office address.	To improve clarity and accuracy of address
March 15, 2023	The registered office of our Company was changed from 808/C, Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad – 380015, Gujarat, India to Survey No 214, Bhayla Village, Bhayla, Near Water Tank Bavla, Bhayla, Ahmedabad, Gujarat 382220, India.	For administrative and operational convenience

Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *To carry the business of manufacturing, trading, producing, altering, converting, cylinder engineering, factory plat electroplate, processing, treating, improving, plating of roller, manipulating, extruding, milling, slitting, cutting, casting, forging, rolling and rerolling of all shapes, sizes, varieties, specifications, dimensions, descriptions and strength of iron and steel, products including bars, rods, structures, profiles, pipes, sheets, castings, wires, rolling metals, girders, channels, angles, rolls, ingots, flats, slabs, torsteels, bright bars, shafting's, beams, rounds, squares, hexagons, octagons, foils, joints, deformed bars, their products, TMT bar, by-products and other allied materials, goods, articles and things made of all grades of iron and steels including mild steel, carbon steel, stainless steel, electrical steel, alloy steel, special steel or any combination thereof with any other ferrous or non-ferrous materials and to act as agent, broker, distributor, stockiest, importer, exporter, buyer, seller, job worker, convertor consultant, supplier, vendor or otherwise to deal in all goods, articles or things, manufacturers, processors, converters, finishers, importers, exporters, buyers, sellers, and dealers, in all kinds and forms of furnace, muffle furnace, high temperature furnace, furnace that includes industrial furnace, melting furnace, induction melting furnace, brass induction melting furnace, small induction melting furnace, medium frequency induction melting furnace, gas heated furnace, laboratory furnace, muffle furnace, single phase muffle furnace, electrical muffle furnace and light weight muffle furnace, buy ship/ Vessel, sell Ship/ Vessels, ship / vessel Scrap, buy old factory for demolition and sell or used it's scrap for production of various in furnace, ship-breakers, shipping agents, ship managers, tug owners, loading brokers, freight contractors, barge owners, lighter- men, dredgers and forwarding agents, engineers, ship store merchants, ship husbands, stevedores, salvors, ship builders and ship repairers and to carry on business of breaking, cutting, dismantling of ship, streamers, trailers, stream launches, ocean going vessels, plying on water either by company itself or through other arrangements whether on contract or job work basis.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association since incorporation of our Company:

Date of Shareholders' resolution	Nature of amendment
March 3, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹5,00,00,000 (Rupees Five Hundred Lakhs Only) divided into 50,00,000 equity shares of ₹10 (Rupees Ten only) each to ₹6,00,00,000 (Rupees Six Hundred Lakhs Only) divided into 60,00,000 equity shares of ₹ 10 (Rupees Ten only) each
March 25, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹6,00,00,000 (Rupees Six Hundred Lakhs Only) divided into 60,00,000 equity shares of ₹10 (Rupees Ten only) each to ₹6,50,00,000 (Rupees Six Hundred and Fifty Lakhs Only) divided into 65,00,000 equity shares of ₹ 10 (Rupees Ten only) each
May 1, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹6,50,00,000 (Rupees Six Hundred and Fifty Lakhs Only) divided into 65,00,000 equity shares of ₹10 (Rupees Ten only) each to ₹8,50,00,000 (Rupees Eight Hundred and Fifty Lakhs Only) divided into 85,00,000 equity shares of ₹ 10 (Rupees Ten only) each
January 18, 2021	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹8,50,00,000 (Rupees Eight Hundred and Fifty Lakhs Only) divided into 85,00,000 equity shares of ₹10 (Rupees Ten only) each to ₹10,00,00,000 (Rupees One Thousand Lakhs Only) divided into 1,00,00,000 equity shares of ₹ 10 (Rupees Ten only) each
March 15, 2023	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹10,00,00,000 (Rupees One Thousand Lakhs Only) divided into 1,00,00,000 equity shares of ₹ 10 (Rupees Ten only) each to ₹20,00,00,000 (Rupees Two Thousand Lakhs Only) divided into 2,00,00,000 equity shares of ₹ 10 (Rupees Ten only) each
November 10, 2023	Clause I of the Memorandum of Association was substituted to reflect the change in the name of our Company from 'VMS TMT Private Limited' to 'VMS TMT Limited' pursuant to conversion of our Company from a private limited company into a public limited company
May 11, 2024	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹20,00,00,000 (Rupees Two Thousand Lakhs Only) divided into 2,00,00,000 equity shares of ₹ 10 (Rupees Ten only) each to ₹35,00,00,000 (Rupees Three Thousand Five Hundred Lakhs Only) divided into 3,50,00,000 equity shares of ₹ 10 (Rupees Ten only) each
July 15, 2024	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹35,00,00,000 (Rupees Three Thousand Five Hundred Lakhs Only) divided into 3,50,00,000 equity shares of ₹ 10 (Rupees Ten only) each to ₹51,00,00,000 (Rupees Fifty One Hundred Lakhs Only) divided into 5,10,00,000 equity shares of ₹ 10 (Rupees Ten only) each

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Year	Particulars
2013	Incorporation of VMS TMT Private Limited
2019	The Company crossed turnover of Rs.100 crores
2021	Setting up of a factory at Bhayla Village, Ahmedabad, Gujarat for manufacturing TMT Bars
2023	The Company crossed turnover of Rs.500 crores
2023	Conversion from VMS TMT Private Limited to VMS TMT Limited
2023	Initiated setting up of CCM plant
2024	Entered into a factory lease agreement for facility at Bhavnagar, Gujarat for production of MS Pipes

Key Awards, Accreditations and Recognition

The table below sets forth the key awards, accreditations and recognition of our Company:

Certificate	Issued on	Valid Till	Particulars
Bureau of Indian Standards bearing	July 26,	August	License provided for high strength deformed steel

license no. CM/L-7200212792 IS-1786: 2008	2024	18, 2025	bars and wires for concrete reinforcement*
ISO Certification 45001:2018 having certificate number C545661	October 26, 2022	October 25, 2025	The occupational health and safety management system standard of our Company has been assessed and approved by DNV for manufacturing of TMT (thermos mechanically treated) bars*
ISO Certification 9001:2015 having certificate number C545660	October 26, 2022	October 25, 2025	The quality management system of our Company has been assessed and approved by DNV for manufacturing of TMT (thermos mechanically treated) bars*
ISO Certification 14001:2015 having certificate number C545662	October 26, 2022	October 25, 2025	The environmental management system standard of our Company has been assessed and approved by DNV for manufacturing of TMT (thermos mechanically treated) bars*

**The certifications are in the name of "VMS TMT Private Limited". The Company has applied for them in the name of VMS TMT Limited*

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years

Our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Time and cost over-runs

There have been no material time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults on repayment of any loan availed from any banks or financial institutions. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Lock-out and strikes

As on the date of this Draft Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

Significant financial and strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Material Agreements in relation to business operations of our Company

1. ***Memorandum of Understanding dated May 16, 2024, entered between our Company and Aditya Ultra Steel Limited ("MOU")***

Our Company and Aditya Ultra Steel Limited, our Group Company are both engaged in the manufacturing of TMT bars from billets through reheating furnace and rolling under the kamdhenu group brand in the state of Gujarat.

Pursuant to this MOU, Aditya Ultra Steel Limited has agreed to focus its business operations in the Saurashtra and Kutch region of Gujarat and not to sell, deal, distribute, or supply TMT bars and allied products outside these areas. Similarly, our Company has agreed to concentrate its business operations in regions other than Saurashtra and Kutch, selling, dealing, distributing, and supplying TMT bars and allied products beyond Saurashtra and Kutch in the state of Gujarat.

2. ***Retail license agreement dated June 20, 2024 entered between our Company and Kamdhenu Limited for trademark 'Kamdhenu' ("Retail License Agreement dated June 20, 2024")***

Our Company and Kamdhenu Limited ("**Licensor**") have entered into a Retail License Agreement dated June 20, 2024 for Kamdhenu formative trademarks, copyrights wherein the Company will have a non-assignable and non-exclusive license to use the trademark "**Kamdhenu**" for the purposes of manufacture and trade of the MS Pipes only in the areas and territories as mentioned in the License Agreement.

Under the said Retail License Agreement dated June 20, 2024, license is granted for a period of five years from the date of execution unless terminated earlier by our Company or the licensor. Further, our Company shall pay a monthly royalty of ₹ 200 PMT plus applicable taxes by the 5th day of every english calender month for the previous month's sales, with a minimum royalty of ₹ 2,00,000 per month plus applicable taxes. Additionally, an annual non-refundable signing amount of ₹ 11,00,000 plus applicable taxes is required to be paid by our Company to the Licensor. The royalty amount is reviewable after one year from the date of License Agreement dated June 20, 2024 with mutual consent and the Licensor will support in marketing and dealer networking, and our Company will conduct sales and publicity in accordance with the Licensor's policies.

3. ***Retail license agreement dated November 07, 2022 entered between our Company and Kamdhenu Limited for trademark 'Kamdhenu NXT' ("Retail License Agreement dated November 07, 2022")***

Our Company and Kamdhenu Limited ("**Licensor**") have entered into a Retail License Agreement dated November 07, 2022 for Kamdhenu formative trademark, copyrights wherein the Company will have a non-assignable and non-exclusive license to use the trademark **(**"**Kamdhenu NXT**") with the double rib design only for the manufacture and trade of the TMT Bars and shall sell the TMT Bars only in the areas and territories as mentioned in the License Agreement.

Under the said Retail License Agreement dated November 07, 2022, license is granted a for a period of five years from the date of execution unless terminated earlier by our Company or the Licensor. Further, our Company shall pay a monthly royalty of ₹ 600 PMT plus applicable taxes and a royalty of ₹ 400 for the project sales plus applicable taxes by the 5th day of each month for the previous month's sales, with a minimum royalty of ₹ 10,00,000 per month plus applicable taxes. The royalty amount is reviewable after one year and the Licensor will support in marketing and dealer networking, and our Company will conduct sales and publicity in accordance with the Licensor's policies.

The License Agreement dated November 07, 2022 was in supersession of all the earlier Retail License Agreement dated August 19, 2019, August 01, 2021, and September 01, 2021 signed between our Company and the Licensor to that respect.

4. Memorandum of Understanding entered into between the Company and Prozeal Green Energy Limited dated August 22, 2024 ("MOU")

Our Company and Prozeal Green Energy Limited ("**Prozeal**"), a company incorporated under the provisions of Companies Act, 1956 have entered into a MOU pursuant to which Prozeal will provide its services and land admeasuring 74 acres bearing survey numbers 82, 81, 63, 64, 61,49,40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha - 385565 District, Gujarat to set up a 15 MW solar project ("**Project**") at the said land. Prozeal shall provide VMS TMT with access to the land for the purpose of conducting site assessments, surveys, and other preparatory work necessary for the Project. The consideration for the use of the land shall be ₹ 50,000/ - per acre - per annum which may be further amended by both the parties after mutual agreement.

5. Factory Lease Rental Agreement entered into between the Company and Hans Industries Private Limited dated June 04, 2024 ("Lease Rent Agreement")

Our Company and Hans Industries Private Limited ("**Hans**"), incorporated under the Companies Act, 1956, have entered into a Lease Rent Agreement dated June 4, 2024. Hans will lease to VMS TMT Limited its pipe manufacturing facility located at Survey No. 107/8/9, Sihor Ghanghali Road, Bhavnagar-364240, Gujarat. The lease includes land, buildings, machinery, and equipment for pipe manufacturing, with an installed capacity of 5,500 MT per month.

The lease term commences on July 01 2024, for an initial period of five years, with renewal every 11 months and 29 days. The Company will pay a rent of ₹ 4,50,000 per month plus GST, covering use of the plant, machinery, and associated utilities. The Company is responsible for maintenance and repair of the machinery and may conduct production activities using the premises and the Company may use the premises for legal purposes, including installation of additional machinery. Utilities such as electricity and water will be managed with separate metering, and the Company will bear the associated costs.

Details of subsisting shareholders agreements

Except as discussed below, on the date of this Draft Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements;

1. Share Subscription and Shareholders' Agreement dated July 17, 2024 between our Company and Kamdhenu Limited ("Kamdhenu SSHA")

Pursuant to the Kamdhenu SSHA, our Company had allotted 2,11,000 issued equity shares, each fully issued, subscribed and paid up by the Company at the rate of ₹ 230 (including premium of ₹ 220/- per equity share) per equity share on a preferential basis to Kamdhenu Limited, a Company engaged in the business of manufacturing of TMT bars, and for an aggregate of ₹ 4,85,30,000/- (Indian Rupees Four Crore Eighty-Five lakh and Thirty Thousand only).

Under the Kamdhenu SSHA both the Company and Kamdhenu Limited have mutually agreed upon the price based on the valuation report obtained from the registered valuer and Kamdhenu Limited will have the voting rights corresponding to the number of equity shares subscribed. Kamdhenu Limited will not have any special rights or any nomination rights in the Company.

2. Share Subscription and shareholders' agreement dated July 27, 2024, between our Company and Chanakya Opportunities Fund I ("Chanakya SSHA")

Pursuant to the Chanakya SSHA, our Company had allotted 5,43,500 issued equity shares, each fully issued, subscribed and paid up by the Company at the rate of ₹ 92 (including a premium of ₹ 82/- per share) per equity share on a preferential basis to Chanakya Opportunities Fund I, a scheme of Chanakya Fund Trust which is a category II Alternate Investment Fund registered with SEBI under the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012 for an aggregate of ₹ 5,00,02,000/- (Indian Rupees Five Crore two thousand only).

Under the Chanakya SSHA both the Company and Chanakya Opportunities Fund I have mutually agreed upon the price based on the valuation report obtained from the registered valuer and Chanakya Opportunities Fund I will have the voting rights corresponding to the number of equity shares subscribed. Chanakya Opportunities Fund I will not have any special rights or any nomination rights in the Company.

Other material agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company.

Except as disclosed in "*History and Certain Corporate Matters-Details of subsisting shareholders agreements*" on page 192, there are no other agreements/arrangements entered into by our Company or clauses/covenants applicable to our Company which are material and which are required to be disclosed in this Draft red Herring Prospectus, or non-disclosure of which may have a bearing on the investment decision of prospective investors in the Issue.

As on date of this Draft Red Herring prospectus, no special rights are available to the Promoter/ Shareholders as per the Article of Associations of our Company.

There is no material clause of Article of Association which have been left out from disclosure having any bearing on the IPO/disclosure.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products or services launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants, please see "*Our Business*" on page 160.

Agreements with Key Managerial Personnel, Senior Management, Promoters, Director or any other employee

Except as disclosed in this Draft Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel, Senior Management, Promoters or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company. For details see "*Our Management*" on page 198.

Details of guarantees given to third parties by promoters offering Equity Shares in the Issue

Considering that this Issue consists of a fresh issue of Equity Shares only, our Promoters are not offering any Equity Shares in the Issue.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have subsidiaries.

Associate Company

As on date of this Draft Red Herring Prospectus, our Company does not have any associate companies.

Joint Venture

As on date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors, including two Executive Directors (Including our Whole-time Director and Managing Director), one Non-Executive Director and three Independent Directors (including one Independent Woman Director). Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

S. No.	Name, designation, date of birth, address, occupation, period and term and DIN	Age (years)	Directorships in other companies
1.	**Varun Manojkumar Jain** **Designation:** Chairman & Managing Director **Date of birth:** May 8, 1989* **Address:** 404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad-380015, Gujarat, India **Occupation**: Business **Current term:** Three years commencing from May 3, 2024, liable to retire by rotation **Period of directorship:** Director since April 1, 2022 **DIN:** 03502561	35	*Indian Companies* Aditya Ultra Steel Limited; *Foreign Companies* Nil
2.	**Rishabh Sunil Singhi** **Designation:** Whole-Time Director **Date of birth:** September 23, 1998 **Address:** 201, Safal Flora, Nr Jay Kishan Building, Nr. Govt. Godown, Shahibaug, Ahmedabad 380004 Gujarat, India **Occupation:** Business **Current term:** Three years commencing from May 3, 2024, liable to retire by rotation **Period of directorship:** Director since October 09, 2021 **DIN:** 09342922	26	*Indian Companies* Nil *Foreign Companies* Nil
3.	**Manojkumar Jain** **Designation:** Non-Executive Director **Date of birth:** December 18, 1961** **Address:** 404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad 380015, Gujarat, India	62	*Indian Companies* a. Luxierge Media Private Limited; b. VMS Autolink Private Limited; c. VMS Industries Limited.

S. No.	Name, designation, date of birth, address, occupation, period and term and DIN	Age (years)	Directorships in other companies
	Occupation: Business **Current term:** Liable to retire by rotation **Period of directorship:** Director since May 25, 2014 **DIN:** 02190018		*Foreign Companies* Nil
4.	**Jasmin Jaykumar Doshi** **Designation:** Independent Director **Date of birth:** January 10, 1989 **Address:** A-206, Sukomal Appartment, Ramdevnagar, Satellite, Ahmedabad 380015, Gujarat, India **Occupation:** Professional **Current term:** Five years commencing from May 3, 2024 **Period of directorship:** Director since May 3, 2024 **DIN:** 08686876	35	*Indian Companies* 1. TGB Banquets and Hotels Limited 2. Innovative Tyres & Tubes Limited 3. ITALIA Ceramics Ltd *Foreign Companies* Nil
5.	**Vinodkumar Bhanwer Singh** **Designation:** Independent Director **Date of birth:** November 16, 1963 **Address:** 8, Luvkush 2 Bunglows, Near Sangath Bliss Flats, Opp Goga Mandir, Nava Koba Gandhinagar 382007, Gujarat, India **Occupation:** Business **Current term:** Five years commencing from May 3, 2024 **Period of directorship:** Director since May 3, 2024 **DIN:** 10454743	60	*Indian Companies* Jindal Worldwide Limited *Foreign Companies* Nil
6.	**Vivek Dinesh Nathwani** **Designation:** Independent Director **Date of birth:** July 09, 1988 **Address:** Flat No – 202, Mangal Kiran Apartment, Ramdham Plots, Kalavad Road, Rajkot 360005, Gujarat, India **Occupation:** Business **Current term:** Five years commencing from May 3, 2024 **Period of directorship:** Director since May 3, 2024 **DIN:** 09791683	36	*Indian Companies* Solarium Green Energy Limited *Foreign Companies* Nil

**The date of birth of Varun Manojkumar Jain mentioned in his passport is June 8, 1989, however in PAN and Aadhar the correct date of birth i.e. May 8, 1989 is mentioned.*

***The date of birth of Manojkumar Jain mentioned in his passport is November 15, 1961, however in PAN and Aadhar the correct date of birth i.e. December 18, 1961 is mentioned.*

Brief biographies of our Directors

Varun Manojkumar Jain, aged about 35 (thirty-five) years is the Promoter, Chairman and Managing Director of our Company. He holds the directorship in our Company since April 1, 2022. He holds degree in Bachelor of Commerce from Gujarat University and has done Management Programme for family business from Indian School of Business (ISB), Hyderabad. He has also passed the Professional Competence Examination from ICAI. He has more than 8 (Eight) years of experience in the steel sector. Presently, he is also a Director in Aditya Ultra Steel Limited, one of our Group Companies and is also a partner in Yohaan Enterprises and Entrepot B Developers.

Rishabh Sunil Singhi, aged about 26 (twenty-six) years is the Promoter and Whole-time Director of our Company. He has been associated with our Company since October 9, 2021. He holds a degree in Bachelor of Technology in Civil Engineering from Pandit Deendayal Energy University. He has more than 2 (two) years of experience in the steel sector.

Manojkumar Jain, aged about 62 (sixty-two) years is the Promoter and Non-Executive Director of our Company. He has been associated with our Company since May 25, 2014. He is a commerce graduate from Kanpur University and a qualified Chartered Accountant. He has 22 (twenty-two) years of experience in diverse sectors like ship breaking and recycling, TMT bar manufacturing, offshore activities, automobiles and finance. Presently, he is also a director in VMS Industries Limited, Luxierge Media Private Limited and VMS Autolink Private Limited. He is also a partner in Entrepot B Developers, Yohaan Enterprises and Eternal Automobiles.

Jasmin Jaykumar Doshi, aged about 35 (thirty-five) years is an Independent Director of our Company. She has been associated with our Company since May 3, 2024. She is a member of Institute of Company Secretary of India. She holds a bachelor's degree in commerce and a master's degree in commerce from Gujarat University. She has more than 10 (ten) years of experience in Company Law, SEBI Laws, Insolvency Laws and Corporate Laws etc. Presently, she is associated with Prime Fresh Limited as Company Secretary and is also associated as Director in TGB Banquets and Hotels Limited, Innovative Tyres & Tubes Limited and ITALIA Ceramics Limited.

Vinodkumar Bhanwer Singh, aged about 60 (sixty) years is an Independent Director of our Company. He has been associated with our Company since May 3, 2024. He has cleared the examination for master's in commerce from University of Rajasthan. Previously, he was associated with State Bank of India as General Manager. Additionally, he holds Moody's Analytics Certificate in Commercial Credit. He has more than 30 years of experience as a Banking Professional. Presently, he is also a director in Jindal Worldwide Limited.

Vivek Dinesh Nathwani, aged about 36 (thirty-six) years is an Independent Director of our Company. He has been associated with our Company since May 3, 2024. He holds a master's degree in commerce from University of Mumbai. He has done Emerging Leaders Program of 3 TP from IIM Ahmedabad. He is a practicing Chartered Accountant and a member of Institute of Chartered Accountants of India. He has more than 10 (ten) years of experience in finance & accounts operations, strategic financial planning, controls & risk management, financial & transactional advisory, cost management, audits & assurance, reporting & documentation, fund / cash management and team building & leadership. Presently, he is also a director in Solarium Green Energy Limited.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed to our Board pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service contract with Directors

Except as disclosed in *"Our Management - Terms of appointment of our Executive Directors"* on page 198, none of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Details of directorships in companies suspended or delisted

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

Confirmations

None of our Directors have given any guarantees to any third party, with respect to the Equity Shares, as of the date of this Draft Red Herring Prospectus.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors has been identified as Wilful Defaulters or Fraudulent Borrower as defined under the SEBI ICDR Regulations.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

None of our Directors is prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Relationships between our Directors, Key Managerial Personnel and Senior Management Personnel

Sr. No.	Name of Director	Relative	Relationship
1.	Varun Manojkumar Jain	Manojkumar Jain	Son
2.	Manojkumar Jain	Varun Manojkumar Jain	Father

Except as disclosed above, none of our Directors are related to each other or to any of our Key Managerial Personnel the Senior Management Personnel.

Terms of appointment of our Executive Directors

Varun Manojkumar Jain, Chairman and Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on May 3, 2024 and a resolution passed by the Shareholders at the EGM held on May 11, 2024, Varun Manojkumar Jain was appointed as the Chairman and Managing Director of our Company for a period of three years with effect from May 3, 2024, and the terms of remuneration, including his salary, allowances and perquisites were approved in accordance with the provisions of Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. Our Company has entered into an agreement dated May 28, 2024 with Varun Manojkumar Jain with respect to the terms and conditions of his appointment.

The terms of remuneration of Varun Manojkumar Jain have been summarized below:

1. Salary at the rate of upto ₹ 10,00,000 (Rupees Ten Lakhs Only) per month.

2. Perquisites and allowances shall include:

a. **Telephone and car:** The Company will reimburse Mr. Varun Manojkumar Jain for expenses incurred by him for travelling and other expense in connection with the business of the Company. Personal long-distance call and use of car for private purpose shall be billed by the Company to the Managing Director.

b. **Medical reimbursement / allowance:** Reimbursement of medical expenses actually incurred for self and family, subject to the ceiling of one month salary in a year with the right to carry forward.

c. **Leave travel concession / allowance:** Leave and travel concession for self and family shall be paid once in three years. Earned privilege leaves on full pay and allowance as per the rules of the Company. Subject to the conditions that leave accumulated but not availed shall not be allowed to be en-cashed.

Perquisites as per Section IV of Schedule V of the Act as provided below:

A. contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961);

B. gratuity payable at a rate not exceeding half a month's salary or each completed year of service; and

C. encashment of leave at the end of the tenure.

Rishabh Sunil Singhi

Rishabh Sunil Singhi, Whole-time Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on May 3, 2024 and a resolution passed by the Shareholders at the EGM held on May 11, 2024, Rishabh Sunil Singhi was appointed as the Whole-time Director of our Company for a period of three years with effect from May 3, 2024, and the terms of remuneration, including his salary, allowances and perquisites were approved in accordance with the provisions of Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. Our Company has entered into an agreement dated May 28, 2024 with Rishabh Sunil Singhi with respect to the terms and conditions of his appointment.

The terms of remuneration of Rishabh Sunil Singhi have been summarized below:

1. Salary at the rate of upto ₹ 10,00,000 (Rupees Ten Lakhs Only) per month.

2. Perquisites and allowances shall include:

a. **Telephone and car:** The Company will reimburse Mr. Rishabh Sunil Singhi for expenses incurred by him for travelling and other expense in connection with the business of the Company. Personal long-distance call and use of car for private purpose shall be billed by the Company to the Whole-time Director.

b. **Medical reimbursement / allowance:** Reimbursement of medical expenses actually incurred for self and family, subject to the ceiling of one month salary in a year with the right to carry forward.

c. **Leave travel concession / allowance:** Leave and travel concession for self and family shall be paid once in three years. Earned privilege leaves on full pay and allowance as per the rules of the Company. Subject to the conditions that leave accumulated but not availed shall not be allowed to be en-cashed.

Perquisites as per Section IV of Schedule V of the Act as provided below:

A. contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961);

B. gratuity payable at a rate not exceeding half a month's salary or each completed year of service; and

C. encashment of leave at the end of the tenure.

Sitting fees of Non – Executive Directors and Independent Directors:

Pursuant to the Board resolution dated May 03, 2024, each Non-Executive Director and each Non-Executive Independent Director, is entitled to receive sitting fees of ₹ 5,000 per meeting for attending meetings of the Board, ₹ 5,000 per meeting for attending meetings of the committees of the Board.

Details of the remuneration paid to the Directors of our Company for the Financial Year 2024 are as follows:

(₹ in lakhs)

Name	For the year ended March 31, 2024

Varun Manojkumar Jain	Nil
Manojkumar Jain	76.80
Rishabh Sunil Singhi	43.20

Details of the remuneration paid to the Independent Directors of our Company for the Financial Year 2024 are as follows:

All our existing Independent Directors are appointed in Financial Year 2025. Hence, no sitting fees or commission was paid by our Company to any Independent Directors in Financial Year 2024.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

Name of Director	Number of Equity Shares held
Varun Manojkumar Jain	85,00,000
Rishabh Sunil Singhi	1,20,14,760
Manojkumar Jain	1,02,81,250

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation which accrued to our Directors for Fiscal 2024, which does not form part of their remuneration for such period.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Additionally, Manojkumar Jain is being paid remuneration by the company and may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to him. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*Our Management – Remuneration to Executive Directors*" on page 198.

The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Other confirmations

None of our directors have any conflict of interest with the suppliers of raw materials, third party service providers or lessors of immovable properties, crucial to our business and operations of our Company.

None of our directors have any interest, direct or indirect, in the property acquired or proposed to be acquired by our Company. Furthermore, no director has any interest in the promotion or formation of the issuer.

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Except as stated below, there has been no change in the Board in the three preceding years:

Name	Date of change	Reason for change
Varun Manojkumar Jain	April 1, 2022	Appointment

Name	Date of change	Reason for change
Rishabh Sunil Singhi	October 9, 2021	Appointment
Sangeeta Jain	April 2, 2022	Resignation
Jasmin Jaykumar Doshi	May 3, 2024	Appointment
Vinodkumar Bhanwer Singh	May 3, 2024	Appointment
Vivek Dinesh Nathwani	May 3, 2024	Appointment

Note: This table does not include details of regularisations of additional Directors and changes in designation.

Borrowing powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the special resolution dated November 25, 2023 passed by the Shareholders, the Board may borrow money from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall, outstanding at any time, not at any time exceed ₹ 100,000 lakhs.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of the Board of directors:

(a) Audit Committee;
(b) Nomination and Remuneration Committee
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) IPO Committee

(a) Audit Committee

The Audit committee was constituted by a resolution of our Board dated May 3, 2024. The current constitution of the Audit Committee is as follows:

Name of Members	Position in the Committee	Designation
Vivek Dinesh Nathwani	Chairperson	Independent Director
Vinodkumar Bhanwer Singh	Member	Independent Director
Jasmin Jaykumar Doshi	Member	Independent Director
Manojkumar Jain	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

The constitution, scope and function of the Audit Committee are in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations.

The terms of reference of the Audit Committee include:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee of the Company;
3. to obtain outside legal or other professional advice; and

4. to secure attendance of outsiders with relevant expertise, if it considers necessary.
5. such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements 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, 2013;
   b) changes, if any, in accounting policies and practices and reasons for the same;
   c) major accounting entries involving estimates based on the exercise of judgment by management;
   d) significant adjustments made in the financial statements arising out of audit findings;
   e) compliance with listing and other legal requirements relating to financial statements;
   f) disclosure of any related party transactions; and
   g) modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification 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 the conditions as may be prescribed;

   Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013;

9. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

10. Scrutiny of inter-corporate loans and investments;

11. Valuation of undertakings or assets of the Company, wherever it is necessary;

12. Appointment of Registered Valuer under Section 247 of the Companies Act, 2013 as and when required.

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. 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;

16. Discussion with internal auditors of any significant findings and follow up thereon;

17. 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;

18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. To review the functioning of the whistle blower mechanism;

21. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

22. Carrying out any other function as is mentioned in the terms of reference of the audit committee; and

23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

24. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

26. the Audit Committee shall review compliance with the provisions of the SEBI Insider Trading,

27. Review at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;

28. to consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders; , and

29. carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws and carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Management letters/letters of internal control weaknesses issued by the statutory auditors;

3. Internal audit reports relating to internal control weaknesses; and

4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

5. Statement of deviations:

- 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 Listing Regulations; and
- annual statement of funds utilised for purposes other than those stated in the Issue document/prospectus/notice in

terms of Regulation 32(7) of the SEBI Listing Regulations; and

6. the financial statements, in particular, the investments made by any unlisted subsidiary; and such information as may be prescribed under the Companies Act and SEBI Listing Regulation.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated May 3, 2024. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of the Member	Position in the Committee	Designation
Jasmin Jaykumar Doshi	Chairperson	Independent Director
Vivek Dinesh Nathwani	Member	Independent Director
Manojkumar Jain	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

The constitution, scope and function of the Nomination and Remuneration Committee are in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

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 every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a) use the services of an external agencies, if required;
    b) consider candidates from a wide range of backgrounds, having due regard to diversity;
    c) consider the time commitments of the candidates;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. Formulating criteria for evaluation of performance of independent directors and the Board;
4. Devising a policy on diversity of Board;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommending to the board, all remuneration, in whatever form, payable to senior management;
8. Analysing, monitoring and reviewing various human resource policy and compensation matters, including the compensation strategy;
9. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

10. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
13. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas
14. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;

(c) Stakeholders Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated May 3, 2024. The current constitution of the Stakeholders Relationship Committee is as follows:

Name of the Member	Position in the Committee	Designation
Vinodkumar Bhanwer Singh	Chairperson	Independent Director
Jasmin Jaykumar Doshi	Member	Independent Director
Rishabh Sunil Singhi	Member	Whole-time Director
Varun Manojkumar Jain	Member	Chairman & Managing Director

The constitution, scope and function of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations.

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

The terms of reference of the Stakeholders' Relationship Committee include:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialization and re-materialization of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

2. Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

3. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

4. Review of measures taken for effective exercise of voting rights by shareholders;

5. Reviewing the adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;

6. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

7. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board at its meeting held on May 3, 2024 in accordance with Section 135 of the Companies Act. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Member	Position in the Committee	Designation
Varun Manojkumar Jain	Chairperson	Chairman & Managing Director
Rishabh Sunil Singhi	Member	Whole-time Director
Vinodkumar Bhanwer Singh	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in in area or subject specified in Schedule VII ;

2. To review and recommend the amount of expenditure to be incurred on the activities referred to in (a) and amount to be incurred for such expenditure shall be as per the applicable law;

3. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

4. To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

5. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

6. To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

7. To do such other acts, deeds and things as may be required to comply with the applicable laws; and;

8. To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.

9. The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

- the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
- the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company;

10. To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

(e) IPO Committee

The IPO Committee was constituted by a resolution of our Board dated July 27, 2024. The current constitution of the IPO Committee is as follows:

Name of the Member	Position in the Committee	Designation
Manojkumar Jain	Chairperson	Non-Executive Director
Rishabh Sunil Singhi	Member	Whole-time Director
Jasmin Jaykumar Doshi	Member	Independent Director

The terms of reference of the IPO Committee include the following:

1. To and decide on other matters in connection with or incidental to the Issue, timing, pricing and terms of the Equity Shares, the Issue price, the price band, the size and all other terms and conditions of the Issue including the number of Equity Shares to be offered and transferred in the Issue, the bid/Issue opening and bid/Issue closing date, discount

(if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including to make any amendments, modifications, variations or alterations in relation to the Issue and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;

2. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Issue and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus (the "DRHP"), the red herring prospectus (the "RHP") and the Prospectus as applicable;

3. To finalize, settle, approve, adopt and file in consultation with the BRLM where applicable, the DRHP, the RHP the Prospectus, and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

4. To approve the relevant restated financial statements to be issued in connection with the Issue;

5. To appoint and enter into and terminate arrangements with the BRLM, and appoint and enter into and terminate arrangement in consultation with the BRLM with underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrars, public issue account bankers to the Issue, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Issue, depositories, custodians, grading agency, monitoring agency, industry expert, credit rating agencies, printers, and any other agencies or persons or intermediaries whose appointment in relation to the Issue including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLM and negotiation, finalization, execution and, if required, amendment or termination of the Issue agreement with the BRLM;

6. To decide the total number of equity shares to be reserved for allocation to eligible categories of investors, if any;

7. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Issue agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), BRLM and any other agencies/intermediaries in connection with the Issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Issue;

8. To authorise the maintenance of a register of holders of the Equity Shares;

9. To seek, if required, the consent and/or waiver from the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Issue or any actions connected therewith;

10. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

11. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

12. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

13. To accept and appropriate the proceeds of the Issue in accordance with the Applicable Laws;

14. To approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

15. To implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

16. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Issue to sign all or any of the aforestated documents;

17. To authorize and approve notices, advertisements in relation to the Issue, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Issue;

18. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLM;

19. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

20. To make applications for listing of the Equity Shares in one or more stock exchanges for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements;

21. To settle all questions, difficulties or doubts that may arise in regard to the Issue, including such issues or allotment, terms of the Issue, utilisation of the Issue proceeds and matters incidental thereto as it may deem fit;

22. To authorize any concerned person on behalf of the Company to give such declarations, affidavits, undertakings, certificates, consents and authorities as may be required from time to time in relation to the Issue or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;

23. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board any other committee thereof may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;

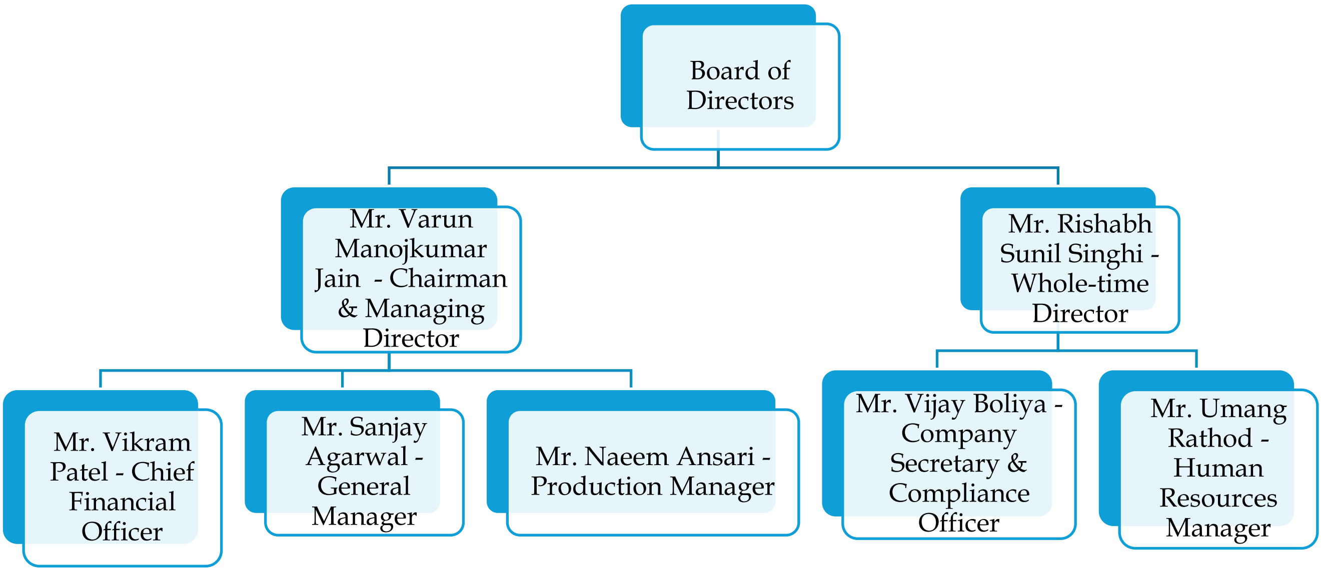
24. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

25. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

26. To withdraw the DRHP or the RHP or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLM; and

27. To delegate any of its powers set out under (1) to (26) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

Management Organisation Chart



Key Managerial Personnel

In addition to Varun Manojkumar Jain, our Chairman & Managing Director, and Rishabh Sunil Singhi, our Whole-time Director, whose details are provided in *"Brief biographies of our Directors"* on page 198, the details of the Key Managerial Personnel of our Company are as follows:

Vikram Babubhai Patel is the Chief Financial Officer of our Company. He has been associated with our Company since July 16, 2022 and has been designated as the Chief Financial Officer of our Company with effect from May 3, 2024. He holds a bachelor's degree and master's degree in commerce from Gujarat University. . He has more than sixteen (16) years of experience in finance, accounts and management. Prior to joining our Company, he was associated with Texel Industries Limited.

Boliya Vijay Amrabhai is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company from May 3, 2024. He holds the degree of bachelors of business administration from Saurashtra University. He is a member of the Institute of Company Secretaries of India. He has more than two (2) years' experience in corporate affairs and compliances. Prior to joining our Company, he was associated with Archit Organosys Limited.

Senior Management Personnel

In addition to Vikram Babubhai Patel, the Chief Financial Officer of our Company and Boliya Vijay Amrabhai, the Company Secretary and Compliance Officer of our Company, whose details are provided in "*Key Managerial Personnel of our Company*" on page 198, the details of our Senior Management Personnel are as follows:

Sanjay Agrawal is the General Manger of our Company. He holds a master's of science degree in mathematics from Ranchi University. He is associated with our company since April 01, 2024. He is responsible for, *inter alia* mill operation, maintenance, production, quality and raw material (billet & coal) at the furnace, CCM, & Rolling Mill Plant. He handles all operations of production as well as related departments.

Umang Bhai Amitbhai Rathod is the Human Resource Manager of our Company. He holds a bachelor's degree in commerce from Gujarat University. He is associated with our company since July 03, 2023. He is responsible for, *inter alia* human resources operations by implementing new processes.

Naeem Ahmad Ansari is the Production Manager of our Company. He is associated with our company since February 06, 2021. He is responsible for, *inter-alia* managing and supervising staff. He is responsible for co-ordinating and supervising the work of all site operatives, ensuring that all work is delivered safely on time and within budget along with managing equipment and materials required .

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Management Personnel and Directors

Except as disclosed in "*Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel*" on page 198, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel and Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Other than as disclosed under "*Capital Structure – Details of Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel in our Company*" on page 77. None of our Key Managerial Personnel or Senior Management Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service contracts with Key Managerial Personnel and Senior Management Personnel

Except as disclosed in *"Our Management - Terms of appointment of our Directors"* on page 25, none of our Key Managerial Personnel or Senior Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management Personnel for Fiscal 2024, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

None of the Key Managerial Personnel or Senior Management Personnel is party to any bonus or profit-sharing plan of our Company. The management may from time to time decide to give performance bonus to its employees.

Payment of non-salary related benefits to officers of the Company

None of the Key Managerial Personnel or Senior Management Personnel is party to any non-salary related benefits of our Company.

Other confirmations

None of our Key Managerial Personnel and Senior Management Personnel have any conflict of interest with the suppliers of raw materials, third party service providers or lessors of immovable properties, crucial to our business and operations of our Company.

Remuneration paid to Key Managerial Personnel and Senior Management Personnel for financial year 2023-2024

(₹ in lakhs)

Particulars	Name of Key Managerial Personnel/ Senior Management Personnel	For the year ended March 31, 2024
Key Managerial Personnel	Varun Manojkumar Jain	Nil
	Rishabh Sunil Singhi	43.20
	Vikram Babubhai Patel	8.53
	Boliya Vijay Amrabhai	Nil
Senior Management Personnel	Sanjay Agrawal	Nil
	Umang Bhai Amitbhai Rathod	4.21

	Naeem Ahmad Ansari	8.19

Interest of our Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Our Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

For further details please see the section titled "*Our Management – Interest of Directors*" on page 198.

Changes in the Key Managerial Personnel and Senior Management Personnel in last three years

Other than as disclosed under "*Changes in the Board in the last three years*" on page 198, the details of the changes in the Key Managerial Personnel and Senior Management Personnel of our Company in the last three (3) years are as follows:

Name	Designation	Date of change	Reason of change
Naeem Ahmad Ansari	Production Manager	February 06, 2021	Appointment
Umangbhai Amitbhai Rathod	Human Resource Manager	July 03, 2023	Appointment
Sanjay Agrawal	General Manager	April 01, 2024	Appointment
Vikram Babubhai Patel	Chief Financial Officer	May 03, 2024	Appointment
Boliya Vijay Amrabhai	Company Secretary and Compliance Officer	May 03, 2024	Appointment

Employee stock option plan

Our Company does not have any employee stock option scheme as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain and Sangeeta Jain.

As on date of this Draft Red Herring Prospectus, our Promoters, hold an aggregate of, 3,33,42,285 equity shares of face value of ₹ 10 each in our Company, representing 96.27% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details on shareholding of our Promoters and the members of the Promoters Group in our Company, see *"Capital Structure"* on page 77. Further, for details on the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Shareholding of our Promoter and members of Promoter Group in our Company*" on page 77.

Details of our Promoters:

<table>
<tr><td></td><td>Varun Manojkumar Jain

Varun Manojkumar Jain, aged 35 years, is one of our Promoters and is also the Chairman and Managing Director of our Company.

Date of Birth: May 08, 1989

Address: 404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad 380015, Gujarat, India

For a complete profile of Varun Manojkumar Jain along with the details of, his educational qualifications, professional experience, positions / posts held in the past and other directorships, other ventures, interest in other entities, special achievements, business and financial activities, see "Our Management" on page 198.

His permanent account number is AIFPJ2196R.</td></tr>
<tr><td></td><td>Rishabh Sunil Singhi

Rishabh Sunil Singhi, aged 26 years, is one of our Promoters and is also a Whole-time Director of our Company.

Date of Birth: September 23, 1998

Address: 201, Safal Flora, Near Jay Kishan Building, Near Govt. Godown, Shahibaug, Ahmedabad City, Ahmedabad, Gujarat, India – 380004

For a complete profile of Rishabh Sunil Singhi along with the details of, his educational qualifications, professional experience, positions and posts held in the past and other directorships, other ventures interest in other entities, special achievements, business and financial activities, see "Our Management" on page 198.

His permanent account number is HPVPS7631A</td></tr>
</table>

<table>
<tr><td></td><td>Manojkumar Jain

Manojkumar Jain, aged 62 years, is one of our Promoters and is also a Non-Executive Director of our Company.

Date of Birth: December 18, 1961

Address: 404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad 380015, Gujarat, India

For a complete profile of Manojkumar Jain along with the details of, his educational qualifications, professional experience, positions and posts held in the past and other directorships, other ventures, interest in other entities, special achievements, business and financial activities, see “Our Management” on page 198.

His permanent account number is ABUPJ3093R.</td></tr>
<tr><td></td><td>Sangeeta Jain

Sangeeta Jain, aged 56 years, is one of our Promoters of our Company

Date of Birth: January 22, 1968

Address: 404-B, Ashwari Tower, Behind Fun Republic, Satellite, Manekbag, Ahmedabad 380015, Gujarat, India

Sangeeta Jain is a promoter of our Company. She has completed the Master’s in arts from C.S.J.M. University, Kanpur. She has more than 30 (thirty) years of experience in administration. In the past she has held the position of Director of our Company and resigned on April 2, 2022. Presently, she is a director at VMS Industries Limited and VMS Autolink Private Limited. She is also a partner in Entrepot Developers Yohaan Enterprises, and Eternal Automobiles.

Her permanent account number is ADBPJ6532G.</td></tr>
</table>

Our Company confirms that the permanent account number, bank account number(s), the passport number, Aadhaar card number and driving license number of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in “*Our Promoters and Promoter Group– Entities forming part of our Promoter Group*” below and in section “*Our Management – Other Directorships*” on page 198, our Promoters are not involved in any other ventures.

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding and the shareholding of the members of the Promoter Group in our Company, directly and indirectly, the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, directly or indirectly, from time to time. For details of the shareholding of our Promoters in our Company, please refer to the section entitled “*Capital Structure*” and “*Our Management – Interests of Directors*” on page 77 and 198 respectively. Certain of our Promoters and the members of the Promoter Group have provided personal guarantees and have created mortgage on their properties in favour of the lenders for certain borrowings availed by our Company. For details, see “*Financial Indebtedness*”, on page 284.

Except as mentioned below, our Company has not entered into any contract, agreements or arrangements during the 2 (two) years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payment have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made:

Our Company has entered into an inter corporate deposit agreement dated August 14, 2024 with VMS Auto Link Limited wherein our Promoter Sangeeta Jain is a Director and our Company has entered into a rent agreement dated April 1, 2024 with VMS Industries Limited wherein Sangeeta Jain and Manojkumar Jain are directors.

Our Promoters, who are also Directors of our Company with the exception of Sangeeta Jain, may be deemed to be interested to the extent of their remuneration/fees and reimbursement of expenses, payable to them, if any. For further details, please see the section entitled "*Our Management – Payment or benefit to the Directors of our Company"* and *"Restated Financial Information"* on page 198 and 224 respectively.

Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters do not have any direct or indirect interest in the properties that our Company has taken on lease.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to our Promoters or members of our Promoter Group

Except in the ordinary course of business and as disclosed in the sections entitled "*Other Financial Information - Related Party Disclosures*" and "*Financial Information –Notes to Restated Financial Information - Note 33(B) – Related party Disclosures*" on pages 259 and 224, respectively and remuneration/fees and reimbursement of expenses paid to our Directors and Key Managerial Personnel, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Draft Red Herring Prospectus**.**

Material guarantees to third parties with respect to Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares of the Company as on the date of this Draft Red Herring Prospectus.

Common Pursuits

Except for Aditya Ultra Steel Limited, which operates in the same business as our Company, none of our Group Companies share similar business activities. On May 16, 2024, our Company entered into a Memorandum of Understanding with Aditya Ultra Steel Limited to allocate specific regions within the state of Gujarat for the supply of TMT Bars they manufacture. Aditya Ultra Steel Limited will concentrate on the Kutch and Saurashtra district, whereas our Company will serve the rest of Gujarat.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have never been a promoter or director of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the companies our Promoters are associated with or companies promoted by any of them, have been delisted or suspended in the past.

There is no conflict of interest between our Promoters or members of our Promoter Group and the suppliers of raw materials and third-party service providers of our Company, which are crucial for the operations of our Company. There is no conflict of interest between our Promoters or members of our Promoter Group and lessors of the immovable properties of our Company, which are crucial for the operations of our Company.

Experience in the business of our Company

Our Promoters, Varun Manojkumar Jain has eight (8) years of experience, Rishabh Sunil Singhi has more than two (2) years of experience Manojkumar Jain has twenty-two (22) years of experience and Sangeeta Jain has six (6) years of experience in the TMT business. For further details, please refer to *"Our Management"* on page 198 and *"Our Promoter and Promoter Group"* on page 215.

Litigations involving our Promoters

Except as disclosed under *"Outstanding Litigations and Material Developments"* on Page 287, there are no litigations or legal and regulatory proceedings involving our Promoters as on the date of this Draft Red Herring Prospectus.

Change in the management and control of our Company

Except as mentioned below, there has been no change in control of our Company in the last five (5) years immediately preceding the date of this Draft Red Herring Prospectus:

In the meeting held on July 27, 2024, Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain and Sangeeta Jain were identified as the Promoters of our Company.

In Fiscal 2022 Varun Manojkumar Jain and Rishabh Sunil Singhi were appointed on our Board. Varun Manojkumar Jain has been designated as the Chairman & Managing Director and Rishabh Sunil Singhi has been designated as the Whole time Director pursuant to the board resolution dated May 3, 2024 and vide the resolutions dated May 11, 2024 passed by the shareholders. On April 2, 2022, Sangeeta Jain resigned as Director from our Company. .

Promoter Group

In addition to our Promoters, the individuals and entities that constitute the Promoter Group of our Company in terms Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

Individuals forming part of the Promoter Group

The individuals forming a part of our Promoter Group are as follows:

Members of the Promoter Group	Relationship with the Promoter
Varun Manojkumar Jain	
Varuna Jain	Spouse
Manojkumar Jain	Father
Sangeeta Jain	Mother
Vaibhav M Jain	Brother
Yohaan Varun Jain	Son
Rysa Varun Jain	Daughter
Bimal Dugar	Father of Spouse
Nirmala Devi Dugar	Mother of Spouse
Rishabh Dugar	Brother of Spouse
Manojkumar Jain	
Sangeeta Jain	Spouse

Members of the Promoter Group	Relationship with the Promoter
Subodhkumar Ajitkumar Jain	Brother
Naveenkumar Jain	Brother
Ritu Agarwal	Sister
Varun Manojkumar Jain	Son
Vaibhav M Jain	Son
Meera Agarwal	Mother of Spouse
Sanjay Agarwal	Brother of Spouse
Sailesh Agarwal	Brother of Spouse
Vineeta Bansal	Sister of Spouse
Rishabh Sunil Singhi	
Sunil Jeevrajji Singhi	Father
Purnima Sunil Singhi	Mother
Sunny Sunil Singhi	Brother
Sangeeta Jain	
Manojkumar Jain	Spouse
Meera Agarwal	Mother
Sanjay Agarwal	Brother
Sailesh Agarwal	Brother
Vineeta Bansal	Sister
Varun Manojkumar Jain	Son
Vaibhav M Jain	Son
Subodhkumar Ajitkumar Jain	Brother of Spouse
Naveenkumar Jain	Brother of Spouse
Ritu Agarwal	Sister of Spouse

Entities forming part of the Promoter Group

Entities forming part of our Promoter Group are as follows**:**

1. VMS Industries Limited
2. VMS Autolink Private Limited
3. Luxierge Media Private Limited
4. Nebula Civil Tech LLP
5. Hubilo Technologies Inc.
6. Dugar Consumer Products Private Limited
7. Bohagi Projects Private Limited
8. NBR Mines and Minerals Private Limited
9. Hubilo Softech Private Limited
10. Yohaan Enterprises
11. Entrepot Developers
12. Entrepot A Developers
13. Entrepot B Developers
14. Eternal Automobiles
15. Sunny Singhi (HUF)
16. Nishchay Consultancy
17. Manojkumar Jain HUF
18. Eternal Motors Private Limited*
19. Tanishq Ship Recycling Private Limited
20. Nidheeshwaramm Ship Recyclers LLP
21. Aditya Ultra Steel Limited
22. Bhajan Ship Recycling Private Limited**
23. NR Agro Private Limited**
24. Dugar S Meghalaya Dairy & Farms Products Private Limited**
25. Dugars Tasty Food Meghalaya Private Limited**

**The entity has been under Liquidation;*
***These have been struck off by the relevant registrar of companies.*

OUR GROUP COMPANIES

In accordance with SEBI ICDR Regulations, the term "group companies", includes:

(i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the Issue document, as covered under applicable accounting standards, and

(ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (except subsidiaries) with which the Company had related party transactions during the period covered in the Restated Financial Information included in the Issue document, as covered under the applicable accounting standards, shall be considered as 'group companies' of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy adopted at the Board Meeting held on August 12, 2024, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Information included in the Issue document) shall be considered "material" and will be disclosed as a 'group company' in the Issue documents, if it is a member of the Promoter Group companies (other than the Promoters, in case the Promoters are companies) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last completed fiscal year (or relevant stub period, if applicable), which individually or cumulatively in value exceeds 10% of the profit after tax of the Company for the last Annual Audited Financial Statements, shall also be classified as group companies.

Accordingly, based on the parameters for (i) and (ii) as outlined above, the following companies have been identified as our group companies ("**Group Companies**"), as on the date of this Draft Red Herring Prospectus. The details are set forth below::

1. VMS Industries Limited;
2. Aditya Ultra Steel Limited; and
3. Tanishq Ship Recycling Private Limited

Details of our Group Company

VMS Industries Limited

Registered Office

The registered office of VMS Industries Limited is situated at 808/C, Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad, Gujarat 380015, India.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revalidation reserves), (ii) sales; (iii) profit/loss)after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to VMS Industries Limited for the last 3 (three) financial years, extracted from its audited financial statements is available at the website at https://www.vmsil.in/uploads/2/8/8/8/28880383/finacial_performance.pdf

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. It is clarified that such details available on the websites of our Company do not form part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Company, would be doing so at their own risk.

Aditya Ultra Steel Limited

Registered Office

The registered office of Aditya Ultra Steel Limited is situated at Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revalidation reserves), (ii) sales; (iii) profit/loss) after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Aditya Ultra Steel Limited for the last 3 (three) financial years, extracted from its audited financial statements is available at the website at https://www.aditya-ultra-steel.com/others.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. It is clarified that such details available on the websites of our Company do not form part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Company, would be doing so at their own risk.

Tanishq Ship Recycling Private Limited

Registered Office

The registered office of Tanishq Ship Recycling Private Limited is situated at Plot No. 2231/A-3 Waghawadi Road, Bhavnagar, Gujarat – 364003, India.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revalidation reserves), (ii) sales; (iii) profit/loss) after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Tanishq Ship Recycling Private Limited for the last 3 (three) financial years, extracted from its audited financial statements is available at the website at https://search.app/gDxLtBo7j8VFWvXd9.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. It is clarified that such details available on the websites of our Company do not form part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Company, would be doing so at their own risk.

Litigation which has a material impact on our Company

Except as disclosed in "*Outstanding Litigation and Other Material Developments*" on page 287 there is no pending litigation involving our Group Companies which has or will have a material impact on our Company.

Nature and extent of interest of Group Company

Interest in the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

Interest in the properties acquired by our Company in the preceding three years before filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Our Group Companies are not interested in the properties acquired by our Company in the three preceding years before the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

Except, our Group Company, Aditya Ultra Steel Limited that operates in the similar business as of our Company, none of our group companies share similar business activities.

On May 16, 2024, our Company entered into a Memorandum of Understanding ("**MoU**") with Aditya Ultra Steel Limited to allocate specific regions within the state of Gujarat for the supply of TMT Bars. As per the MoU, Aditya Ultra Steel Limited will concentrate on the Kutch and Saurashtra district, while our company will serve the rest of Gujarat.

In addition, some of our Directors are also directors on the board of our Group Company Aditya Ultra Steel Limited.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Financial Information –Note 33(B) – Related Party Disclosures*" on page 224, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except in the ordinary course of business and as disclosed in section "*Financial Information – Note 33(B) – Related Party Disclosures*"*) – Related Party Disclosures"* on page 224, our Group Companies do not have any business interest in our Company.

Other Confirmations

The shares of VMS Industries Limited are listed on BSE Limited.

Our Group Companies has not made any public and/or rights issue of securities in the preceding three (3) years except as disclosed below:

Aditya Ultra Steel Limited, one of our Group Company, had offered 74,00,000 shares of face value of ₹10 per Equity Share to the public through an Initial Public Offering. The issue got opened on September 09, 2024 and closed on September 11, 2024. Aditya Ultra Steel Limited got listed on National Stock Exchange Emerge Platform ("**NSE EMERGE**") on September 16, 2024.

VMS Industries Limited, one of our Group Company, listed on BSE Limited, had allotted 80,00,000 equity shares on rights basis on May 22, 2024, for cash price of ₹35 per equity shares. The issue was opened for subscription on May 02, 2024, and closed on May 16, 2024. The equity shares of VMS Industries Limited issued on rights basis were admitted for trading on w.e.f. May 30, 2024.

None of the securities of our Group Companies have been refused listing by any stock exchange in India or abroad during the last ten years, nor have our Group Companies failed to meet the listing requirements of any stock exchange in India our abroad.

There are no material existing or anticipated transactions in relation to the utilization of the Issue Proceeds with our Group Companies.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of the Company) and any of the Group Companies and its directors.

There is no conflict of interest between the lessors of the immovable properties (crucial for the operations of the Company) and any of the Group Companies and its directors.

DIVIDEND POLICY

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on August 12, 2024 ("**Dividend Policy**"). In terms of the Dividend Policy, the declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Article of Association and other applicable law, including the Companies Act read with the rules notified thereunder, each as amended.

In terms of our Dividend Policy, our Board shall consider, inter alia, the following internal and external parameters while declaring or recommending dividends to our Shareholders: (i) profits of the Company; (ii) past dividend pattern;(iii) major capital expenditure to be incurred by the Company; (iv) cash flow requirements of the Company; (v) debt-equity ratio of the Company (vi) cost of borrowing of the Company, keeping in view the growth opportunities; (vii) debt obligations of the Company ; (viii) investments in new business; (ix) provisioning for financial implications arising out of unforeseen events and/or contingencies; (x) reputation of the Company; (xi) restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company; (xii) regulatory requirements; (xiii) economic environment; (xiv) political/geographical situations; (xv) inflation rate; and (xvi) industry outlook for future years. In addition, our ability to pay dividends may be impacted by a number of other factors, including any tax and regulatory changes in the jurisdiction in which our Company operates which significantly affects the business, taxation and other regulatory changes and restrictive covenants the loan or financing arrangements our Company is currently availing of or may enter into finance our fund requirements for our business activities from time to time. For details in relation to risks involved in this regard, see *"Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future"* on page 25

Our Company has not paid any dividend during the Fiscals 2024, 2023 and 2022. Further, our Company has not declared any dividend since April 1, 2024, until the date of filing of this Draft Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION

Sr. No.	Particulars
1.	Independent Auditors Examination Report on Restated Financial Information
2.	Restated Financial Information

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SURESH CHANDRA & ASSOCIATES
CHARTERED ACCOUNTANTS
Branch : 303, Investment House, 3rd Floor, Opp. Gandhigram Railway Station, Ellisbridge, Ahmedabad-380 006.
Contact No. : 9974534855 Email : cassnanwal@gmail.com

INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To
The Board of Directors
VMS TMT Limited
Survey No 214, Bhayla Village,
Near Water Tank Bavla,
Bhayla, Ahmedabad
Gujarat, India – 382220

Dear Sirs/Madam,

1) We have examined the attached Restated Financial Statement of VMS TMT Limited, (the "**Company**" or the "**Issuer**"), comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31,2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Changes in Equity and Restated Statement of Cash Flows for the period ended March 31, 2024, March 31, 2023 and March 31, 2022, and the Summary 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 September 19, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "**Act**");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("**ICAI**"), (the "**Guidance Note**").

Management's Responsibility for the Restated Financial Information

2) The preparation of the Restated financial Information, which are to be included in the DRHP to be filed with SEBI and the Stock Exchanges in connection with the proposed IPO is the responsibility of the Management of the Company. The Restated Financial Information have been prepared by the Management of the Company on the basis of preparation, as stated in Note 2 to the Restated Financial Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3) We have examined such Restated Financial Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated August 12, 2024, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;

b) The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI.

c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Financial Statements; 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 Offer.

Restated Financial Statements

4) These Restated Financial Information have been compiled by the management from the Audited Ind AS financial statements of the company as at and for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 18, 2024, August 21, 2023 and May 19, 2022 respectively.

5) For the purpose of our examination, we have relied on:

   a) Auditor's Report issued by us, dated July 18, 2024 on the Ind AS financial statements of the company for the financial year ended March 31, 2024.

   b) Auditor's Report issued by the previous auditors, M/s. Sunil Poddar & Co on the Ind AS financial statements for the financial years ended March 31, 2023 and March 31, 2022 dated August 21, 2023 and May 19, 2022 respectively.

6) Based on our examination and according to the information and explanations given to us, we report that Restated financial Statements of the Company:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.

   b) does not contain any qualification requiring adjustments.

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note

7) These Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates for the Audited Financial Statements mentioned in the paragraph 4 above.

8) 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.

9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10) We confirm that pursuant to a peer review process conducted by Institute of Chartered Accountants of India ("ICAI"), we hold a valid Peer Review certificate, bearing certificate number 014609, issued by the peer review board of the ICAI and are eligible to certify the financial information as per the requirements of the ICDR Regulations. The validity of the peer review certificate is September 30, 2025.

11) Our report is intended solely for the use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock Exchanges in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose. 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.

M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Registration No: **001359N**

CA Shyamsunder Nanwal
Partner
Membership No. **128896**

UDIN: 24128896BKBOYB3177
Date: September 19, 2024
Place: Ahmedabad

Annexure - I Restated Statement of Assets and Liabilities

(All amount are ₹ in Lacs unless otherwise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2a	7,341.01	7,535.83	7,116.77
(b) Right of Use Assets	2b	33.78	38.14	-
(c) Capital Work-In-Progress	2c	5,168.42	361.35	-
(d) Other Intangible Assets	2d	0.81	1.05	1.21
(e) Financial Assets				
(i) Other Financial Assets	3	506.12	106.97	51.63
(f) Other Non-Current Assets	4	1,175.52	1,503.95	34.73
Total Non-Current Assets		**14,225.67**	**9,547.28**	**7,204.33**
Current Assets				
(a) Inventories	5	10,936.62	10,586.34	4,343.12
(b) Financial Assets				
(i) Trade Receivables	6	1,572.78	903.06	3,180.43
(ii) Cash and Cash Equivalents	7	808.77	220.49	1.35
(iii) Other Financial Assets	8	50.00	-	-
(c) Current Tax Assets (Net)	9	-	80.91	13.99
(d) Other Current Assets	10	829.16	1,390.19	1,009.96
Total Current Assets		**14,197.33**	**13,180.98**	**8,548.86**
Total Assets		**28,423.00**	**22,728.27**	**15,753.19**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	1,333.71	1,261.29	989.54
(b) Other Equity	12	3,317.55	1,823.23	879.86
Total Equity		**4,651.27**	**3,084.52**	**1,869.40**
Liabilities				
Non-Current Liabilities				
(a) **Financial Liabilities**				
(i) Borrowings	13	10,452.95	9,343.90	7,091.85
(ia) Lease liabilities	14	32.80	35.82	-
(b) Provisions	15	23.97	18.51	11.45
(c) Deferred Tax Liabilities (Net)	16	527.56	328.58	197.26
Total Non-Current Liabilities		**11,037.28**	**9,726.82**	**7,300.56**
Current Liabilities				
(a) **Financial Liabilities**				
(i) Borrowings	17	9,333.05	6,925.77	4,671.21
(ia) Lease liabilities	14	3.02	2.76	-
(ii) Trade Payables	18			
- Total outstanding dues of micro enterprises and small enterprises		237.55	345.85	77.45
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,122.11	2,444.55	641.02
(iii) Other Financial Liabilities	19	913.27	30.45	145.13
(b) Other Current Liabilities	20	832.23	167.21	1,048.21
(c) Provisions	15	0.64	0.35	0.22
(d) Current Tax Liabilities (Net)	9	292.58	-	-
Total Current Liabilities		**12,734.46**	**9,916.93**	**6,583.23**
Total Liabilities		**23,771.73**	**19,643.75**	**13,883.78**
Total Equity and Liabilities		**28,423.00**	**22,728.27**	**15,753.19**
Summary of Material accounting policies	A			

See accompanying notes forming part of the Restated Financial Information.

As per our report attached of even date
M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N

For and on behalf of the Board of Directors
VMS TMT LIMITED (Formely known as VMS TMT Private Limited)

CA Shyamsunder Nanwal
Partner
Membership No: 128896

Varun Jain
Managing Director
DIN:- 02190018

Rishabh Singhi
Whole time Director
DIN:- 09342922

Vikram Patel
Chief Financial Officer

Vijay Boliya
Company Secretary

Place : Ahmedabad
Date : September 19 , 2024

Place : Ahmedabad
Date : September 19 , 2024

Annexure II -Restated Statement of Profit and Loss for the year ended

(All amount are ₹ in Lacs unless otherwise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Income				
Revenue from Operations	21	87,295.77	88,201.35	49,372.50
Other Income	22	21.09	4.26	2.14
Total Income		**87,316.86**	**88,205.61**	**49,374.63**
Expenses				
Cost of Materials Consumed	23	75,023.48	84,699.73	37,027.17
Purchase of traded goods	24	2,200.87	1,311.89	10,597.23
Changes In Inventories	25	(411.99)	(6,480.42)	(3,103.45)
Employee Benefit Expenses	26	1,005.31	918.64	493.91
Finance Costs	27	1,818.36	1,282.70	561.67
Depreciation and Amortisation Expenses	28	393.28	357.61	143.98
Other Expenses	29	5,357.80	5,560.73	2,754.03
Total Expenses		**85,387.12**	**87,650.88**	**48,474.55**
Profit/Loss before exceptional items and tax		**1,929.74**	**554.73**	**900.09**
Exceptional items		-	-	-
Profit/(Loss) before tax for the year		**1,929.74**	**554.73**	**900.09**
Tax Expense				
Current Tax	30	383.92	3.88	30.63
Deferred Tax		198.98	131.33	181.50
Total Tax Expense		**582.90**	**135.20**	**212.14**
Profit/(Loss) after tax for the year	**Total A**	**1,346.84**	**419.53**	**687.95**
Other Comprehensive Income				
Items that will not be reclassified to Profit or Loss				
- Remeasurement of the Defined Benefit Plans		9.88	7.51	1.22
Tax relating to items that will not be reclassified to Profit or Loss		-	-	-
Total Other Comprehensive Income for the year (Net of Tax)	**Total B**	**9.88**	**7.51**	**1.22**
Total Comprehensive Income for the year	**Total (A+B)**	**1,356.72**	**427.04**	**689.17**
Earnings Per Share (EPS) (in₹)	31			
(Face Value₹ 10 Per Share)				
Basic Earnings per Share		4.01	1.39	2.28
Diluted Earnings per Share		4.01	1.39	2.28
Summary of Material accounting policies	1.1			

See accompanying notes forming part of the Restated Financial Information.

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N

For and on behalf of the Board of Directors
VMS TMT LIMITED (Formely known as VMS TMT Private Limited)

CA Shyamsunder Nanwal
Partner
Membership No: 128896

Varun Jain
Managing Director
DIN:- 02190018

Rishabh Singhi
Whole time Director
DIN:- 09342922

Vikram Patel
Chief Financial Officer

Vijay Boliya
Company Secretary

Place : Ahmedabad
Date : September 19 , 2024

Place : Ahmedabad
Date : September 19 , 2024

VMS TMT LIMITED (Formely known as VMS TMT Private Limited)

Restated Statement of Changes in Equity For the year ended 31st March, 2024 , 2023 and 2022

Annexure - III

(All amount are ₹ in Lacs unless otherwise stated)

A. Equity Share Capital (Refer Note No. 11)

Particulars	No. of Shares	Amount
Balance as at 1st April, 2022	98,95,386	989.54
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the 01st April, 2022	98,95,386	989.54
Changes in equity share capital during the year :		
Issue of shares during the year	27,17,500	271.75
Balance as at 31st March, 2023	**1,26,12,886**	**1,261.29**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the 01st April, 2023	1,26,12,886	1,261.29
Changes in equity share capital during the year :		
Issue of shares during the year	7,24,238	72.42
Balance as at 31st March, 2024	**1,33,37,124**	**1,333.71**

B. Other Equity (Refer Note No. 12)

Particulars	Reserves and Surplus		Other comprehensive	Total
	Securities Premium	Retained Earning	income Remeasurement	
Balance as at 1st April, 2021	-	190.69	-	190.69
Restated Profit for the year	-	687.95	-	687.95
Other comprehensive income for the year	-	-	1.22	1.22
Balance as at 31st March, 2022	**-**	**878.64**	**1.22**	**879.86**
Balance as at 1st April, 2022	-	878.64	1.22	879.86
Restated Profit for the year	-	419.53	-	419.53
Other comprehensive income for the year	-	-	7.51	7.51
Securities premium on fresh issue of shares	516.33	-	-	516.33
Balance as at 31st March, 2023	**516.33**	**1,298.17**	**8.73**	**1,823.23**
Balance as at 1st April, 2023	516.33	1,298.17	8.73	1,823.23
Restated Profit for the year	-	1,346.84	-	1,346.84
Other comprehensive income for the year	-	-	9.88	9.88
Securities premium on fresh issue of shares	137.61	-	-	137.61
Balance as at 31st March, 2024	**653.93**	**2,645.01**	**18.61**	**3,317.55**

See accompanying notes forming part of the Restated Financial Information.

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N

CA Shyamsunder Nanwal
Partner
Membership No: 128896

Place : Ahmedabad
Date : September 19 , 2024

For and on behalf of the Board of Directors
VMS TMT LIMITED (Formely known as VMS TMT Private Limited)

Varun Jain	**Rishabh Singhi**	**Vikram Patel**	**Vijay Boliya**
Managing Director	Whole time Director	Chief Financial Officer	Company Secretary
DIN:- 02190018	DIN:- 09342922		

Place : Ahmedabad
Date : September 19 , 2024

Annexure - IV

Restated Statement of Cash Flows for the year ended 31st March, 2024, 2023 and 2022
(All amount are ₹ in Lacs unless otherwise stated)

	Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
A.	**Cash flow from operating activities**			
	Profit/(Loss) before tax	1,929.74	554.73	900.09
	Adjustments for:			
	Depreciation / Amortisation	393.28	357.61	143.98
	Change in Reserves	9.88	7.51	1.22
	Finance Cost	1,818.36	1,282.70	561.67
	Preliminary Expenses Written Off	0.75	0.38	0.38
	Operating profit before working capital changes	**4,152.01**	**2,202.93**	**1,607.33**
	Changes in Working Capital:			
	(Increase) / Decrease in Assets :			
	Trade Receivables	(669.71)	2,277.37	(1,445.09)
	Other financial assets	(50.00)	-	-
	Other Assets	561.02	(461.13)	(435.39)
	Inventories	(350.28)	(6,243.22)	(4,239.17)
	Increase / (Decrease) in Liabilities :			
	Other Financial Liabilities	882.81	(114.67)	(234.79)
	Other liabilities	665.03	(881.00)	1,001.85
	Trade Payables	(1,430.73)	2,071.92	701.86
	Provisions	5.75	7.20	(20.39)
	Cash generated/(used) from operations	**3,765.89**	**(1,140.61)**	**(3,063.78)**
	Income taxes paid (Net of Refund)	(10.44)	10.11	(30.83)
	Net cash generated/(used) from operating activities (A)	**3,755.45**	**(1,130.49)**	**(3,094.61)**
B.	**Cash flow from investing activities**			
	Purchase of Property, Plant and Equipment (including CWIP)	(5,000.93)	(1,176.01)	(1,815.93)
	Bank Deposit / Margin Money Placed with bank (Net)	(399.15)	(55.34)	(40.00)
	Changes In Non- Current Loans and Advances (including Capex Advance)	376.56	(1,469.60)	10.99
	Net cash generated/(used) in investing activities (B)	**(5,023.53)**	**(2,700.95)**	**(1,844.95)**
C.	**Cash flow from financing activities**			
	Proceeds from Issue of Equity Shares	210.03	788.08	-
	Proceeds from Current Borrowings (Net)	1,038.43	1,118.70	1,956.91
	Proceeds from Non-Current Borrowings	15,341.80	6,780.37	12,659.64
	Repayment of Non-Current Borrowings	(12,863.90)	(3,353.22)	(9,114.88)
	Payment of Lease Liability	(6.12)	(1.53)	-
	Prepaid IPO Expenses	(48.88)	-	-
	Finance Cost	(1,815.00)	(1,281.82)	(561.67)
	Net cash generated/(used) in financing activities (C)	**1,856.35**	**4,050.57**	**4,940.00**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**588.28**	**219.14**	**0.44**
	Cash and cash equivalents at the beginning of the year	**220.49**	**1.35**	**0.91**
	Cash & Cash Equivalents as at End of the Year	**808.77**	**220.49**	**1.35**
	Cash balance acquired on account of Merger	**-**	**-**	
	Cash and Cash Equivalent Includes	`		
	Cash in hand	9.83	29.03	1.35
	Balances with Banks			
	-In Current Accounts	798.94	7.02	-
	Fixed Deposits (with original maturity less than three months)	-	184.44	-
	Total Cash and Cash Equivalents	**808.77**	**220.49**	**1.35**

Annexure - IV

Restated Statement of Cash Flows for the year ended 31st March, 2024, 2023 and 2022
(All amount are ₹ in Lacs unless otherwise stated)

Notes to Cash Flow Statement:

1. Disclosure as per Ind AS 7 Statement of Cash Flows:
The Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes

Particulars	As at 1st April, 2023	Cash Flows	Others	As at 31st March, 2024
Long-term Borrowings Including Current Maturities	9,343.90	15,341.80	-	10,452.95
Lease Liability	35.82	(6.12)	3.10	32.80
Total	**9,379.72**	**15,335.68**	**3.10**	**10,485.75**

(All amount are₹ in Lacs unless otherwise stated)

Particulars	As at 1st April, 2022	Cash Flows	Others	As at 31st March, 2023
Long-term Borrowings Including Current Maturities	7,091.85	6,780.37	(4,528.32)	9,343.90
Lease Liability	-	(1.53)	37.35	35.82
Total	**7,091.85**	**6,778.84**	**(4,490.97)**	**9,379.72**

2. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 001359N

For and on behalf of the Board of Directors of
VMS TMT LIMITED (Formely known as VMS TMT Private Limited)

CA Shyamsunder Nanwal
Partner
Membership No: 128896

Varun Jain
Managing Director
DIN:- 02190018

Rishabh Singhi
Whole time Director
DIN:- 09342922

Vikram Patel
Chief Financial Officer

Vijay Boliya
Company Secretary

Place : Ahmedabad
Date : September 19 , 2024

Place : Ahmedabad
Date : September 19 , 2024

A Significant Accounting Policies

1 Corporate information

VMS TMT Limited (formerly known as VMS TMT Private Limited) is a Public Limited Company, incorporated in India under the provisions of the Companies Act, 1956, having its registered office at Survey No 214 Bhayla Village Bhayla, Near Water Tank Bavla, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220. We are engaged in manufacturing of Thermo Mechanically Treated Bars ("TMT Bars") at our manufacturing facility in Bhayla Village near Ahmedabad, Gujarat, India. We have a retail licence agreement dated November 7, 2022, with Kamdhenu Limited which allows us to market our TMT Bars.

1.1 Material accounting policies:

Basis of preparation

(i) Statement of compliance

We have examined the attached Restated Financial Statement of VMS TMT Limited, (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31,2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Changes in Equity and Restated Statement of Cash Flows for the period ended March 31, 2024, March 31, 2023 and March 31, 2022, and the Summary 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 September 19, 2024 the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

(ii) Basis of Measurement

These financial statements prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by IND AS. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All values are rounded off to the nearest rupees, unless otherwise indicated.

1.2 Classification of Assets, current and non-current.

The assets or liability is classified as current, if it satisfies the any of the following condition.

(i) The assets / Liability expected to be realised or paid in the company's normal operating cycle.
(ii) The assets are intended for sales or consumption.
(iii) The assets / liability held for the purpose of trade or business
(iv) The Assets / liability is expected to be realised/ settled within 12 months after reporting period.
(v) The assets are cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

(vi) In case of liability, the company does not have an unconditional right to deter settlement of the liability for at least 12 months after the reporting date.

All other assets or liabilities are classified as non-current. Deferred Assets and Deferred Liability are classified as current assets or liability respectively.
For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on nature of the business and the time between the acquisition of assets or inventories for processing and their realisation in cash or cash equivalents.

1.3 Summary of significant accounting policies

1. Property, Plant and Equipment.

Recognition and measurement:

Freehold land is carried at cost.
Property, plant and equipment held for use in the production or/and supply of goods are stated in the balance sheet at cost, less any accumulated depreciation and sale or disposal (if any).

Cost of an item of Property, plant and equipment acquired comprises its purchase price after deducting any trade discounts and rebates and further includes any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognised in the Statements of Profit and Loss.

Subsequent measurement:
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Intangible Assets
Recognition and measurement:
Intangible asset purchased are measured at cost less accumulated amortization and accumulated impairment, if any and are amortized as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.

Subsequent measurement:
Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the company.

Depreciation methods, estimated useful lives and residual value
Depreciation is provided using straight line method (SLM) as specified schedule II of the companies Act 2013. Depreciation on assets acquired / disposed-off during the year if any, is provided on pro-rata basis with reference to the date of addition / disposal. The estimated useful lives of assets are as under:

Class of assets	Useful Life
Freehold Land	Non Depreciable
Building	30 Years
Plant & Machinery	20 Years
Electrification	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Vehicles	8 Years
Computers	3 Years
Intangible Asset	6 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Capital work in process - Unallocated expense
Unallocated expenditures in Capital Work in Progress (CWIP) refer to costs incurred during the construction or development of an asset that are not yet assigned to a specific asset. Such expenditures may include overheads, indirect expenses, or preliminary project costs. Unallocated expenditures in CWIP are treated as part of the cost of an asset until it is ready for intended use. Costs that cannot be directly attributed to specific assets are accumulated in CWIP and allocated when the assets are completed and become operational.

2. Inventories
Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower' except for Waste / Scrap which are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out. 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

3. Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company has only single business segment hence the detailed disclosure related to segment reporting is not required to be made upto March 31, 2024. However, in July 2024 company has diversified its production to MS Pipe manufacturing at a leased factory in Bhavnagar, Gujarat. Hence, Segment reporting will be applicable from FY 24-25.

4. Borrowings
Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

5. Borrowing costs
Borrowing cost directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use, capitalised as part of cost of asset. The borrowing costs includes interest and transaction cost that a company incurs in connection with the borrowing of the funds. Other interest and borrowing costs are charged to Statement of Profit and Loss.

6. Provisions and contingent liabilities
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting

Contingent liability is disclosed in the case of:
1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

7. Revenue recognition

The specific recognition criteria from various steam of revenue are described as under:

(i) Sales of Goods:
The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:
• Step 1: Identify the contract with the customer
• Step 2: Identify the performance obligations in the contract
• Step 3: Determine the transaction price
• Step 4: Allocate the transaction price to the performance obligations
• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products and which coincides with the dispatch of goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any. Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the company . Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns. The contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. This is determined basis when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the company is entitled to payment.

(ii) Other Income:
Interest income is accrued on a time basis, by reference to the principal outstanding amount and at the effective interest rate applicable, the future cash receipt through the expected life of the financial asset to that asset's carrying amount on initial recognition.

8. Employee benefits

a) Defined Contribution Plans
Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

b) Defined Benefit Plans
Defined benefit plan
The company's liability towards gratuity to past employees is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the period. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities.

Defined Contribution Plan
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

9. Income tax
Current Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred Tax
Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

10. Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

11. Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Companies accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

Financial assets (except for trade receivables) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

(A) Financial assets

Initial Recognition and measurement :

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement :

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification and measurement of financial assets

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if both of the following criteria are met
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit & loss (FVTPL)

All financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated profit or loss. The net gain or loss recognised in Consolidated profit or loss incorporates any dividend or interest earned on the financial asset.

ii) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

• the right to receive cash flows from the asset have expired, or
• the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

(B) Financial liabilities and equity instruments

i) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans, trade credits and borrowings (including bonds) are subsequently measured at amortised cost using effective interest rate method.

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss

iii) Derecognition of Financial Liability

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

12. Use of estimates & Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

• Useful lives of property, plant & equipment;
• Valuation of inventories;
• Evaluation of recoverability of deferred tax assets / liability (Net); and
• Provisions and Contingencies

13. Earnings per share

Basic earnings per share are calculated by dividing the net profit (PAT) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding at the end of the year post bonus. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax (if any) thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, Right Shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

14. Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirements of Schedule III, unless otherwise stated.

B Notes to Accounts Restated Financial Statement

1 Reconciliation of Restated Profits:

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated statement of profit and loss have been given as under:

(All amount are ₹ in Lacs unless otherwise stated)

Particulars	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
I. Net profit/(Loss) after Tax as per Audited Profit & Loss Account	**1,327.69**	**434.15**	**688.47**
II. Adjustments for:			
Tax Provision	(4.28)	11.27	(30.63)
Reversal of Earlier year Tax Adjustment	(7.69)	-	-
Reversal of Earlier year Depreciation	-	-	40.45
Interest on Lease obligation	0.88	(0.88)	-
Amortization on ROU	1.09	(1.09)	-
Reversal and Apportionment of Expense	14.63	(11.13)	(0.38)
Deferred tax	(4.34)	1.92	2.93
Provision for Gratuity	18.86	(14.71)	(12.88)
III. Net Profit/ (Loss) After Tax as Restated	**1,346.84**	**419.53**	**687.95**

1. The Company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per Restated Financial Statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.

2. **Provision for Taxation-**
We have reworked Income Tax Liability for all the periods considering effects of the above restatements and the same has been provided in the Restated Financial Statements.
(See Annexure – Statement of Tax Shelters for reference of Income Tax Liability)

3. **Adjustment for Deferred Tax-**

4. Provision for Gratuity has been worked out for all the periods on the basis of Actuarial Certification and effects of the same has been provided in the Restated

RECONCILIATION OF RESTATED EQUITY AND RESERVES:

(All amount are ₹ in Lacs unless otherwise stated)

Particulars	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
I. Reserve & Surplus as per audited Balance Sheet	**3,317.65**	**1,842.47**	**880.21**
II. Adjustments for:			
Opening adjustment as per restated reserves	(19.24)	(0.35)	
Tax Provision	(4.28)	11.27	(30.63)
Tax Provision	(7.69)	-	-
Reversal of Earlier year Depreciation	-	-	40.45
Interest on Lease obligation	0.88	(0.88)	-
Amortization on ROU	1.09	(1.09)	-
Reversal and Apportionment of Expense	14.63	(11.13)	(0.38)
Deferred tax	(4.34)	1.92	2.93
Provision for Gratuity	18.86	(14.71)	(12.88)
Prior period errors	-	(11.78)	(1.04)
Adjustment of other comprehensive income	-	7.51	1.22
III. Reserve & Surplus as per Restated Balance Sheet	**3,317.55**	**1,823.23**	**879.86**

2 **Material regroupings:**

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended March 31, 2024, prepared in accordance with Revised schedule III to the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

Note - AA - CAPITALISATION STATEMENT

(All amount are ₹ in Lacs unless otherwise stated)

Sr. No.	Particulars	Pre-Issue as at March 31, 2024	As adjusted for the Issue
	Total Borrowings		
	Non - Current Borrowings	10,452.95	[●]
	Current Borrowings (including current maturities)	9,333.05	[●]
A	**Total Debt**	**19,786.00**	[●]
	Equity Shareholders Funds		
	Equity Share Capital	1,333.71	[●]
	Other Equity	3,317.55	[●]
	Less: Misc. Expenditure	-	[●]
B	**Total Equity**	**4,651.27**	[●]
	Debt Equity Ratio	4.25	[●]
	Ratio: Non-Current Borrowing/ Total Equity	2.25	[●]
	Ratio: Current Borrowing/ Total Equity	2.01	[●]
As on 19.06.2024 the company had allotted 2,11,000 shares on preferential basis for cash price of Rs. 230 per equity share including premium of Rs. 220 per equity share amounting to cash consideration of Rs. 485.30 Lacs			
As on 22.06.2024 the company has issued bonus equity shares of 3 equity shares for every 2 equity shares held out of its securities premium account and Reserves and surplus created out of profit resulting in increase in equity shares by 2,03,22,186 equity shares having face value of Rs. 2032.22 Lakhs.			
As on 22.07.2024 the company had allotted 7,60,900 equity shares on preferential basis for cash price of Rs. 92 per equity share including premium of Rs. 82 per			

NOTE AB - RESTATED MANDATORY ACCOUNTING RATIOS

(Rs. in lakhs, except per share data)

Ratios	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
Restated PAT as per P& L Account	1,346.84	419.53	687.95
Weighted Average Number of Equity Shares at the end of the year (Pre Bonus)	1,32,73,803	99,02,831	98,95,386
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus)	3,35,95,989	3,02,25,017	3,02,17,572
No. of Shares outstanding at the year end	1,33,37,124	1,26,12,886	98,95,386
Net Worth as Restated	4651.27	3083.77	1868.28
Current Assets (A)	14,197.33	13,180.98	8,548.86
Current Liabilities (B)	12,734.46	9,916.93	6,583.23
Basic & Diluted Earnings per Equity Share as Restated Pre Bonus	10.15	4.24	6.95
Basic & Diluted Earnings per Equity Share as Restated Post Bonus	4.01	1.39	2.28
EBITDA	4120.29	2190.77	1603.60
Return on Net Worth %	28.96%	13.60%	36.82%
Bonus Shares Issued in FY 2024-25 (IN Numbers)	2,03,22,186	2,03,22,186	2,03,22,186
Net Asset Value Per Share (Rs)- Pre Bonus Issue	34.87	24.45	18.88
Net Asset Value Per Share (Rs)- Post Bonus Issue	13.84	10.20	6.18
Current Ratio (A/B)	1.11	1.33	1.30
Nominal Value per Equity Share (₹)	10.00	10.00	10.00

NOTE AC - Restaed STATEMENT OF TAX SHELTER

(Rs. in lakhs)

Particulars	**For the Year ended March, 31 2024**	**For the Year ended March, 31 2023**	**For the Year ended March, 31 2022**
Restated Profit before tax as per books (A)	1,929.74	554.73	900.09
Tax Rates			
Income Tax Rate (%)	25.17%	25.17%	25.17%
Timing Difference			
Add: Depreciation as per Books	388.92	356.52	143.98
Add: Depreciation as per Books - ROU	4.36	1.09	-
Add: Interest on Lease	3.36	0.88	-
Add: CSR Expense	10.45	7.01	-
Add: Gratuity	15.63	14.71	12.88
Add: Prior Period Expenses	-	0.05	-
Add: Amt. u/s 36 - provident fund	-	0.01	0.22
Add: Amt. u/s 37 - penalty	-	0.92	3.18
Less: Depreciation As per Income Tax	(826.97)	(917.44)	(943.57)
Less: Exempted share income	-	-	(0.58)
Less: Preliminary exp u/s 35D	-	-	(2.67)
Total Timing Differences (B)	(404.25)	(536.25)	(786.57)
Net Adjustments (B)	**(404.25)**	**(536.25)**	**(786.57)**
Tax expense / (saving) thereon (B* Tax Rate%)	**(101.74)**	**(134.96)**	**(197.96)**
Taxable Income/ (Loss) (C) = (A+B)	**1,525.49**	**18.48**	**113.52**
Income Tax on above (C * Tax rate %)	**383.94**	**4.65**	**28.57**
Less/Add : Earlier year Adjustment	**(0.01)**	**(0.77)**	**2.06**
Net Tax Payable	**383.92**	**3.88**	**30.63**
Tax Expense			
Current Tax Rounded	383.92	3.88	30.63
TOTAL	**383.92**	**3.88**	**30.63**

(All amount are ₹ in Lacs unless otherwise stated)

2a PROPERTY, PLANT AND EQUIPMENT

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Land	193.28	48.70	-	241.98	-	-	-	-	241.98	193.28
Building	2,035.87	-	-	2,035.87	108.91	64.65	-	173.56	1,862.31	1,926.95
Plant and Machinery	5,128.82	121.88	-	5,250.70	340.12	248.16	-	588.27	4,662.43	4,788.70
Furniture & Fixtures	23.72	0.17	-	23.89	3.29	2.27	-	5.57	18.32	20.43
Vehicle	91.07	18.81	-	109.89	8.16	12.14	-	20.30	89.58	82.91
Office Equipemnts	8.53	3.44	-	11.96	0.87	1.95	-	2.82	9.14	7.65
Computers	10.29	0.86	-	11.16	4.52	3.22	-	7.74	3.42	5.77
Electrification	586.60	-	-	586.60	80.72	55.88	-	136.60	450.00	505.88
Borewell	3.57	-	-	3.57	3.39	-	-	3.39	0.18	0.18
Weight Bridge	6.58	-	-	6.58	2.50	0.42	-	2.92	3.66	4.08
Total	**8,088.32**	**193.87**	**-**	**8,282.18**	**552.49**	**388.68**	**-**	**941.17**	**7,341.01**	**7,535.83**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Land	163.11	30.16		193.28	-	-		-	193.28	163.11
Building	2,020.76	15.10		2,035.87	44.65	64.26		108.91	1,926.95	1,976.11
Plant and Machinery	4,514.05	614.77		5,128.82	114.34	225.78		340.12	4,788.70	4,399.71
Furniture & Fixtures	23.72	-		23.72	1.04	2.25		3.29	20.43	22.68
Vehicle	33.64	57.43		91.07	1.91	6.26		8.16	82.91	31.73
Office Equipements	0.25	8.28		8.53	0.02	0.85		0.87	7.65	0.22
Computers	7.92	2.37		10.29	1.51	3.02		4.52	5.77	6.42
Electrification	539.36	47.24		586.60	27.25	53.47		80.72	505.88	512.10
Borewell	3.57	-		3.57	3.39	-		3.39	0.18	0.18
Weight Bridge	6.58	-		6.58	2.08	0.42		2.50	4.08	4.50
Total	**7,312.96**	**775.36**	**-**	**8,088.32**	**196.20**	**356.29**	**-**	**552.49**	**7,535.83**	**7,116.77**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2022	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Land	163.11	-	-	163.11	-	-	-	-	163.11	163.11
Building	374.54	1,646.22	-	2,020.76	47.48	37.36	(40.19)	44.65	1,976.11	327.06
Plant and Machinery	0.25	4,513.80	-	4,514.05	0.06	114.34	(0.06)	114.34	4,399.71	0.19
Furniture & Fixtures	0.41	23.31	-	23.72	0.13	0.99	(0.08)	1.04	22.68	0.28
Vehicle	-	33.64	-	33.64	-	1.91	-	1.91	31.73	-
Office Equipemnts	0.02	0.23	-	0.25	0.00	0.02	(0.00)	0.02	0.22	0.02
Computers	1.13	6.79	-	7.92	0.19	1.32	(0.01)	1.51	6.42	0.94
Electrification	0.67	538.68	-	539.36	0.17	27.21	(0.12)	27.25	512.10	0.50
Borewell	3.57	-	-	3.57	2.71	0.68	-	3.39	0.18	0.86
Weight Bridge	6.58	-	-	6.58	1.67	0.42	-	2.08	4.50	4.91
Total	**550.29**	**6,762.67**	**-**	**7,312.96**	**52.41**	**184.24**	**(40.46)**	**196.20**	**7,116.77**	**497.88**

2b Right of Use Assets

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Leasehold Land	39.23	-	-	39.23	1.09	4.36	-	5.45	33.78	38.14
Total	**39.23**	**-**	**-**	**39.23**	**1.09**	**4.36**	**-**	**5.45**	**33.78**	**38.14**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Leasehold Land	-	39.23	-	39.23	-	1.09	-	1.09	38.14	-
Total	**-**	**39.23**	**-**	**39.23**	**-**	**1.09**	**-**	**1.09**	**38.14**	**-**

2c Capital Work-in-Progress

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Plant & Machinery - CCM Division	257.12	4,279.56	-	4,536.68	-	-	-	-	4,536.68	257.12
Unallocated Expenses	104.23	527.51	-	631.74	-	-	-	-	631.74	104.23
Total	**361.35**	**4,807.07**	**-**	**5,168.42**	**-**	**-**	**-**	**-**	**5,168.42**	**361.35**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Plant & Machinery - CCM Division	-	257.12	-	257.12	-	-	-	-	257.12	-
Unallocated Expenses	-	104.23	-	104.23	-	-	-	-	104.23	-
Total	**-**	**361.35**	**-**	**361.35**	**-**	**-**	**-**	**-**	**361.35**	**-**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2023	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Plant & Machinery - TMT Division	4,700.88		4,700.88	-	-	-	-	-	-	4,700.88
Unallocated Expenses	246.40		246.40	-	-	-	-	-	-	246.40
Total	**4,947.27**	**-**	**4,947.27**	**-**	**-**	**-**	**-**	**-**	**-**	**4,947.27**

Ageing Schedule of capital work-in-progress as at 31st March 2024

Particulars	Amount in CWIP for period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Project in progress	4,807.07	361.35	-	-	**5,168.42**

Ageing Schedule of capital work-in-progress as at 31st March 2023

Particulars	Amount in CWIP for period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Project in progress	361.35	-	-	-	**361.35**

There are no capital work in progress where completion is over due against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March 2024 and 31st March 2023.

Notes to Restated financial Information for the year ended on 31st March, 2024, 2023 and 2022
(All amount are ₹ in Lacs unless otherwise stated)

2d Intangible Assets

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 1st April, 2023	Additions	Deductions	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Accounting Software	1.50	-	-	1.50	0.46	0.95	0.71	0.69	0.81	1.05
Total	**1.50**	**-**	**-**	**1.50**	**0.46**	**0.95**	**0.71**	**0.69**	**0.81**	**1.05**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Accounting Software	1.43	0.08	-	1.50	0.22	0.46	-	0.46	1.05	1.21
Total	**1.43**	**0.08**	**-**	**1.50**	**0.22**	**0.46**	**-**	**0.46**	**1.05**	**1.21**

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2022	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Accounting Software	0.89	0.54	-	1.43	0.03	0.19	-	0.22	1.21	0.86
Total	**0.89**	**0.54**	**-**	**1.43**	**0.03**	**0.19**	**-**	**0.22**	**1.21**	**0.86**

Notes to Restated financial Information for the year ended on 31st March, 2024, 2023 and 2022
(All amount are₹ in Lacs unless otherwise stated)

Note: 3 Other Financial Assets - Non Current

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	39.76	53.95	10.64
Balance Held as Margin Money#	464.52	51.93	40.00
Interest Receivable and Due	1.85	1.09	0.99
Total	**506.12**	**106.97**	**51.63**

Balance Held as Margin Money of ₹ 464. 52 Lacs under the head of Other financial assets (non-current) represented by deposit of ₹ 344.30 Lacs provided to HDFC Bank as Margin money for Bank Guarantee issued to UGVCL and as a Cash Collateral to secure credit facilities. Further, Deposit of ₹ 120.22 Lacs provided to ICICI Bank as cash collateral to secure credit facilities sanctioned to us on account of non-availability equivalent Collateral coverage.

Note: 4 Other Non - Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Capital Advances	1,126.64	1,503.20	33.60
Preliminary Expenses	-	0.75	1.13
Prepaid Expenses	48.88	-	-
Total	**1,175.52**	**1,503.95**	**34.73**

Note: 5 Inventories (Valued at lower of Cost and Net Realisable Value)

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	139.06	420.74	752.11
Finished Goods	9,867.43	9,159.17	2,873.56
Stores and Spare parts	752.74	462.10	471.56
Purchase in stock - Traded Goods	10.47	288.17	1.41
Mill Scale /Waste / Scrap (valued at net realisable value)	117.95	136.54	228.49
Coal	48.96	119.62	16.00
Total	**10,936.62**	**10,586.34**	**4,343.12**

Note: 6 Trade Receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Trade receivable considered good- Unsecured	1,572.78	903.06	3,180.43
Credit Impaired	-	-	-
Total	**1,572.78**	**903.06**	**3,180.43**
Less : Provision for doubtful Trade Receivables	-	-	-
Total	**1,572.78**	**903.06**	**3,180.43**

6.1 Trade Receivables ageing Schedule for the year ended March 31,2024

Particulars	Outstanding for following periods from due date of receipt					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2024						
(i) Undisputed Trade receivables – considered good	1,572.78	-	-	-	-	**1,572.78**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
Total	**1,572.78**	**-**	**-**	**-**	**-**	**1,572.78**
As at 31st March, 2023						
(i) Undisputed Trade receivables – considered good	903.06	-	-	-	-	**903.06**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
Total	**903.06**	**-**	**-**	**-**	**-**	**903.06**
As at 31st March, 2022						
(i) Undisputed Trade receivables – considered good	3180.43	-	-	-	-	**3,180.43**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
Total	**3,180.43**	**-**	**-**	**-**	**-**	**3,180.43**

* The credit terms offered to trade receivables differ among parties, typically ranging from 6 to 15 days.

6.2 Expected Credit Loss (ECL)

The company is engaged in supply of TMT Bars, where the company is generally receiving its sales proceeds from customers with in 6 months.
However, the company has implemented an Expected Credit Loss (ECL) policy to create provisions for credit losses on overdue debtors. According to this policy, no provision is required to be made for debtors outstanding for less than 12 months. Consequently, the company has not made any provisions for expected credit losses as all the outstanding debtors are outstanding for less than 6 months.

Note: 7 Cash and Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Balances with banks			
In current account	798.94	7.02	-
Cash In Hand	9.83	29.03	1.35
Others			
Margin Money*	-	184.44	-
Total	**808.77**	**220.49**	**1.35**

*Balance Held as Margin Money under the head of Other financial assets (non-current) represented by Fixed Deposit provided to HDFC Bank as Margin money for Bank Guarantee issued to UGVCL.

Notes to Restated financial Information for the year ended on 31st March, 2024, 2023 and 2022
(All amount are₹ in Lacs unless otherwise stated)

Note: 8 Other Financial Assets - Current

Particulars		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Security Deposits		50.00	-	-
	Total	50.00	-	-

Note: 9 Current Tax Asset

Particulars		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax (Net)		91.35	85.56	42.56
Less: Provision for Income tax		(383.94)	(4.65)	(28.57)
	Total	(292.58)	80.91	13.99
Current Tax Assets		-	80.91	13.99
Current Tax Liabilities		292.58	-	-

Note: 10 Other Current Assets

Particulars		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Advance to Suppliers		316.00	69.05	21.46
GST Receivables		472.80	1,299.39	983.15
Prepaid Expenses		36.22	19.92	5.36
Advance to Employees		4.15	1.82	-
	Total	829.16	1,390.19	1,009.96

Note: 11 Equity Share Capital

Particulars		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Authorised Share Capital (1)				
2,00,00,000 Equity Shares of₹ 10/- each		2,000.00	2,000.00	1,000.00
(2,00,00,000 - FY 2022-2023 and 1,00,00,000 - FY 2021-2022) Equity Shares of '10/- each	Total	2,000.00	2,000.00	1,000.00
Issued, Subscribed and Paid-up Share Capital (2)				
1,33,37,124 (As at 31st March 2023 - 1,26,12,886) Equity Shares of₹ 10/- each		1,333.71	1,261.29	989.54
(1,26,12,886 - FY 2022-2023 and 98,95,386 - FY 2021-2022) Equity shares of '10/- each				
	Total	1,333.71	1,261.29	989.54

(1) The company has increased its authorised share capital after 31st March, 2024 from 2,000 Lakhs to 3,500 Lakhs on 11th May, 2024 and further increased it to Rs. 5,100 Lakhs on 26.07.2024.
(2) As on 19.06.2024 the company had allotted 2,11,000 shares on preferential basis for cash price of Rs. 230 per equity share including premium of Rs. 220 per equity share amounting to cash consideration of Rs. 485.30 Lacs.
(3) As on 22.06.2024 the company has issued bonus equity shares of 3 equity shares for every 2 equity shares held out of its securities premium account and Reserves and surplus created out of profit resulting in increase in equity shares by 2,03,22,186 equity shares having face value of Rs. 2032.22 Lakhs.
(4) As on 22.07.2024 the company had allotted 7,60,900 equity shares on preferential basis for cash price of Rs. 92 per equity share including premium of Rs. 82 per equity share amounting to cash consideration of Rs. 700.03 Lacs

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	No. Shares	Amount	No. Shares	Amount	No. Shares	Amount
				-		-
At the beginning of the Year	1,26,12,886	1,261.29	98,95,386	989.54	98,95,386	989.54
Add : Issued During the Year	7,24,238	72.42	27,17,500	271.75	-	-
Outstanding at the end of the year	1,33,37,124	1,333.71	1,26,12,886	1,261.29	98,95,386	989.54

(1) During the financial year 2023-2024 the company had made right issue of 7,24,238 equity shares for cash consideration of Rs. 29 per equity share including premium of Rs. 19 per equity share for total cah consideration of Rs.210.03 Lacs.

(2) During the financial year 2022-2023 the company had made right issue of 27,17,500 equity shares for cash consideration of Rs. 29 per equity share including premium of Rs. 19 per equity share for total cash consideration of Rs.788.08 Lacs

b. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having par value of₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the 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 share holders.

c. Details of Shareholders holding more than 5% shares in the Company

	As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	No. Shares	% holding in the class	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity Shares of₹ 10 each fully paid						
Manojkumar Jain	41,12,500	30.83%	41,12,510	32.61%	41,12,510	41.56%
Sangeeta Jain	10,18,510	7.64%	10,18,510	8.08%	10,18,510	10.29%
Rishabh Sunil Singhi	48,05,904	36.03%	40,81,866	32.36%	35,64,366	36.02%
Varun Jain	34,00,000	25.49%	34,00,000	26.96%	-	-
VMS Industries Limited	-	-	-	-	12,00,000	12.13%
	1,33,36,914	100.00%	1,26,12,886	100.00%	98,95,386	100.00%

e. As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

f. Details of Shareholding of Promoters

Equity Shares of₹ 10 each fully paid	No. of shares	% of total shares	% Change during the year
As at 31st March, 2024			
Manojkumar Jain	41,12,500	30.83%	-1.77%
Sangeeta Jain	10,18,510	7.64%	-0.44%
Rishabh Sunil Singhi	48,05,904	36.03%	3.67%
Varun Jain	34,00,000	25.49%	-1.46%
As at 31st March, 2023			
Manojkumar Jain	41,12,510	32.61%	-8.95%
Sangeeta Jain	10,18,510	8.08%	-2.22%
Rishabh Sunil Singhi	40,81,866	32.36%	-3.66%
Varun Jain	34,00,000	26.96%	26.96%
As at 31st March, 2022			
Manojkumar Jain	41,12,510	41.56%	-
Sangeeta Jain	10,18,510	10.29%	-
Rishabh Sunil Singhi	35,64,366	36.02%	-
	86,95,386	87.87%	

Note: 12 Other Equity

Particulars		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings (Refer Note (i) below)				
Opening Balance		1,298.17	878.64	190.69
Add/Less : Profit / (Loss) for the year after tax		1,346.84	419.53	687.95
	Total	**2,645.01**	**1,298.17**	**878.64**
Securities Premium				
Opening Balance		516.33	-	-
Add: During the year		137.61	516.33	-
Closing Balance		**653.93**	**516.33**	**-**
Other Items of other comprehensive income				
Opening Balance		8.73	1.22	-
Add: During the year		9.88	7.51	1.22
Closing Balance		**18.62**	**8.73**	**1.22**
	Total	**3,317.55**	**1,823.23**	**879.86**

Note:
1. Retained Earnings : Retained earnings (in the event of availability of profits) represents the amount that can be distributed by the company as dividends considering the requirements of the Companies' Act, 2013.

Note: 13 Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Secured - At Amortised Cost			
From Bank			
Rupee Term Loan	6,883.92	4,955.48	4,242.56
Total	**6,883.92**	**4,955.48**	**4,242.56**
Less : Unamortised Borrowing Cost	(15.70)	-	-
Lees : Amount disclosed under the head "current borrowing" (Refer Note : 17)	(1,347.90)	(566.07)	(528.20)
Total (a)	**5,520.32**	**4,389.41**	**3,714.36**
Unsecured - At Amortised Cost			
From Other	2,483.21	1,826.28	1,666.21
Less: Current maturities (Refer Note: 17)	(344.02)	-	-
	2,139.19	1,826.28	1,666.21
From Related Parties	2,793.44	3,128.22	1,711.28
Total (b)	**4,932.63**	**4,954.50**	**3,377.49**
Total (a+b)	**10,452.95**	**9,343.90**	**7,091.85**

Borrowings	Secured/ Unsecured	Terms of Security
Rupee term loan	Secured by first charge on receivables and on immovable and movable assets of project on paripassu basis	i) Facility: Term Loan from HDFC - Bank Pari Passu Charge over hypothecation of existing as well as proposed plant & Machinery of the company along with Commercial Property, Commercial Shop, Fixed Deposit For Term Loan Exclusive Charge, Industrial Property.......block No 214, 236, Open Plot and Residential Property. ii) Facility: Term Loan from SVC - BankPari Passu Charge over hypothecation of existing as well as proposed plant & Machinery of the company along with Commercial Property, Commercial Shop, Fixed Deposit For Term Loan Exclusive Charge, Industrial Property.......block No 214, 236, Open Plot and Residential Property. iii) Facility: Vehicle Loan - Hypothecation of Vehicle purchased. iv) Facility: Term Loan from ICICI Bank - Pari Passu Charge over hypothecation of existing as well as proposed plant & Machinery of the company along with Commercial Property, Commercial Shop, Fixed Deposit For Term Loan Exclusive Charge, Industrial Property.......block No 214, 236, Open Plot and Residential Property.
Inter- Corporate Loan	Unsecured	NIL

The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below:

Name of Bank	Aggregate working capital limits sanctioned (Rs. In Lakhs)	Nature of current assets offered as securities	Quarter ended	Particulars	Amount disclosed as per quarterly returns/statements (Rs. In Lakhs)	Amount as per books of account (Rs. In Lakh)	Difference (Rs. In Lakh)	Reasons for difference
HDFC Bank, ICICI Bank & SVC Bank	6600.00	Pari Passu charge on stocks and receivables	June 30, 2023	Stock	8,521	8,521	-	-
				Debtors(1)	1,823	1,823	-	-
				Creditors(2)	1,386	1,386	-	-
				Sales	25,289	25,289	-	-
HDFC Bank, ICICI Bank & SVC Bank	6600.00	Pari Passu charge on stocks and receivables	September 30, 2023	Stock	9,933	9,933	-	-
				Debtors(1)	1,060	1,060	-	-
				Creditors(2)	1,965	1,965	-	-
				Sales	17,009	17,009	-	-
HDFC Bank, ICICI Bank & SVC Bank	6600.00	Pari Passu charge on stocks and receivables	December 31, 2023	Stock	9,655	9,655	-	-
				Debtors(1)	1,168	1,168	-	-
				Creditors(2)	781	781	-	-
				Sales	18,770	18,767	3.00	*
HDFC Bank, ICICI Bank & SVC Bank	6600.00	Pari Passu charge on stocks and receivables	March 31, 2024	Stock	9,334	10,937	(1,603.00)	*
				Debtors(1)	1,090	1,090	-	-
				Creditors(2)	809	811	(2.00)	*
				Sales	26,601	26,230	371.00	*

(1) Debtors have been reduced by the amount of credit balance in the debtors group i.e. by the advance received from debtors, and includes the balance of advance given to suppliers of goods.
(2) Creditors refers to creditors for goods.

Reasons for variance: * The company had inadvertently considered wrong rate for valuation of inventory while submiting the stock statement for March 2024. However, while preparing the audited financial statements , the error was rectified by the company and was valued as per the applicable accouting standards. Accordingly , there remained difference in value of inventory of Rs. 16.03 crores as per audited balance sheet and stock statement for March 2024.

Note: 14 Lease Liability

Particulars		Non-Current			Current		
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities (Refer Note 40)		32.80	35.82	-	3.02	2.76	-
	Total	**32.80**	**35.82**	**-**	**3.02**	**2.76**	**-**

Note: 15 Provisions

Particulars		Non-Current			Current		
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Employee Defined Benefit Liabilities							
Provision for Leave Encashment (Refer Note : 35)*		-	-	-	-	-	-
Provision for Gratuity (Refer Note : 35)**		23.97	18.51	11.45	0.64	0.35	0.22
	Total	**23.97**	**18.51**	**11.45**	**0.64**	**0.35**	**0.22**

Note: *The company has adopted policy for not allowing carry forwarding of Outstanding leaves as on the closure of financial year. Accordingly, the company has not made provision for leave encashment.
** The company has made the provision of Gratuity. However, the same has not been funded.

(All amount are₹ in Lacs unless otherwise stated)

Note : 16 Deffered Tax Asset (Net)

Particular	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities			
Opening Balance	(333.44)	(200.19)	(15.76)
Fixed Assets : Impact of tax depreciation and depreciation / amortisation charged in the financial reporting	(200.83)	(133.25)	(184.43)
Gross deferred tax liabilities	**(534.27)**	**(333.44)**	**(200.19)**
Deferred tax asset			
Opening Balance	4.86	2.93	-
Effect of expenditure debited to profit & loss account in the current year, but allowable for tax purposes in the following years :			
a. Effect of Provision for gratuity in the financial reporting period	1.45	1.81	2.93
b. Effect of Right of Use Assets	0.40	0.11	-
Gross deferred tax Assets	**6.71**	**4.86**	**2.93**
Net deferred tax (liabilities) / assets	**(527.56)**	**(328.58)**	**(197.26)**

(a) Movement in Deferred Tax Assets/(Liabilities) (Net) for the Financial Year 2023-24

Particulars	Opening Balance as at 1st April, 2023	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2024
Tax effect of items constituting deferred tax liabilities:				
Difference between carrying amount and tax base of property, plant and equipment	(333.44)	(200.83)	-	(534.27)
Total	**(333.44)**	**(200.83)**	**-**	**(534.27)**
Tax effect of items constituting deferred tax assets:				-
Difference arising on account of creation pf provision for gratuity	4.75	1.45	-	6.19
Difference arising on account Right of Use Assets	0.11	0.40		0.51
Total	**4.86**	**1.85**	**-**	**6.71**
Net Deferred Tax Asset/ (Liability)	**(328.58)**	**(198.98)**	**-**	**(527.56)**

Particulars	Opening Balance as at 1st April, 2022	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2023
Tax effect of items constituting deferred tax liabilities:				
Difference between carrying amount and tax base of property, plant and equipment	(200.19)	(133.25)	-	(333.44)
M2M gain on Mutual Funds	-	-	-	-
Total	**(200.19)**	**(133.25)**	**-**	**(333.44)**
Tax effect of items constituting deferred tax assets:				-
Difference arising on account of creation pf provision for gratuity	2.93	1.81	-	4.75
Difference arising on account Right of Use Assets	-	0.11		0.11
Total	**2.93**	**1.92**	**-**	**4.86**
Net Deferred Tax Asset/ (Liability)	**(197.26)**	**(131.33)**	**-**	**(328.58)**

Particulars	Opening Balance as at 1st April, 2021	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2022
Tax effect of items constituting deferred tax liabilities:				
Difference between carrying amount and tax base of property, plant and equipment	(15.76)	(184.43)	-	(200.19)
M2M gain on Mutual Funds	-	-	-	-
Total	**(15.76)**	**(184.43)**	**-**	**(200.19)**
Tax effect of items constituting deferred tax assets:				-
Difference arising on account of creation pf provision for gratuity	-	2.93	-	2.93
Difference arising on account Right of Use Assets	-	-		-
Total	**-**	**2.93**	**-**	**2.93**
Net Deferred Tax Asset/ (Liability)	**(15.76)**	**(181.50)**	**-**	**(197.26)**

Note : 17 Current Financial Liabilities - Borrowings

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Secured Borrowings - At mortised Cost				
Current maturities of long-term borrowings		1,347.90	566.07	528.20
Cash Credit From Banks		7,093.18	5,491.70	3,133.02
	Total	**8,441.08**	**6,057.77**	**3,661.22**
Unsecured Borrowings				
Current maturities of long-term borrowings		344.02	-	-
From Others		547.95	868.00	1,009.99
	Total (B)	**891.97**	**868.00**	**1,009.99**
	Total (A+B)	**9,333.05**	**6,925.77**	**4,671.21**

Note : 18 Trade Payables

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Trade Payables				
Total outstanding dues of creditor micro enterprise and small enterprise		237.55	345.85	77.45
Total outstanding dues of creditor other than micro enterprise and small enterprise		1,122.11	2,444.55	641.02
	Total	**1,359.66**	**2,790.39**	**718.47**

Disclosure as per MSME Act 2006

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	237.55	345.85	77.45
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	-	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

Note ii: Trade Payables ageing schedule for the year ended at

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 year	1-2years	2-3 years	>3 years	
31st March, 2024	-		-	-	-	-
(a) MSME	-	237.55			-	237.55
(b) Others	-	1,122.11	-	-	-	1,122.11
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	-	1,359.66	-	-	-	1,359.66
31st March, 2023						
(a) MSME	-	345.85	-	-	-	345.85
(b) Others	-	2,444.55		-	-	2,444.55
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	-	2,790.39	-	-	-	2,790.39
31st March, 2022						
(a) MSME	-	77.45	-	-	-	77.45
(b) Others	-	641.02		-	-	641.02
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	-	718.47	-	-	-	718.47

(All amount are₹ in Lacs unless otherwise stated)

Note : 19 Other Financial Liabilities - Current

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on borrowings		20.44	22.63	20.60
Retention Money		-	-	-
Payable for Property, Plant and Equipment		892.82	7.82	124.53
	Total	913.27	30.45	145.13

Note : 20 Other Current Liabilities

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Statutory Liabilities		109.21	62.56	58.35
Salary Payable		36.50	-	-
Advance from Customer		686.52	104.65	989.86
	Total	832.23	167.21	1,048.21

Note : 21 Revenue From Operations

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Revenue from Contract with customers				
Sale of Good				
- Domestic Sales		87,264.31	87,303.94	48,126.61
- Export Sales - SEZ		31.46	897.41	1,245.88
	Total	87,295.77	88,201.35	49,372.50

Note : 22 Other Income

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Interest Income From Bank		17.61	3.63	1.11
Interest Income from others		3.48	0.64	0.45
Share in Profit of firm		-	-	0.58
	Total	21.09	4.26	2.14

Note : 23 Cost of Materials Consumed

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Opening Stock		420.74	752.11	-
Raw Material Purchase		74,741.80	84,368.36	37,779.28
Less: Closing Stock		(139.06)	(420.74)	(752.11)
	Total	75,023.48	84,699.73	37,027.17

Note : 24 Purchase of Stock -in-Trade

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Purchase of Trading goods		2,200.87	1,311.89	10,597.23
	Total	2,200.87	1,311.89	10,597.23

Note : 25 Change in Inventories

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Opening Inventories	Purchase in stock - Traded Goods	288.17	1.41	-
	Finished Goods	9,159.17	2,873.56	-
	Mill Scale /Waste / Scrap (valued at net realisable value)	136.54	228.49	-
		9,583.87	3,103.45	-
Less: Closing Inventory	Purchase in stock - Traded Goods	(10.47)	(288.17)	(1.41)
	Finished Goods	(9,867.43)	(9,159.17)	(2,873.56)
	Mill Scale /Waste / Scrap (valued at net realisable value)	(117.95)	(136.54)	(228.49)
		(9,995.86)	(9,583.87)	(3,103.45)
	Total	(411.99)	(6,480.42)	(3,103.45)

Note : 26 Employee Benefits Expenses

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Salaries, Wages and Bonus		923.10	860.22	434.59
Contribution to Provident and Other Funds		3.48	2.81	1.03
Gratuity Expenses		15.63	14.71	12.88
Staff welfare expenses		63.10	40.90	45.41
	Total	1,005.31	918.64	493.91

Note : 27 Finance Costs

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
(a) Interest Expenses on :				
Interest Expenses on Bank Loan		994.85	835.95	343.76
Interest Expenses on Unsecured Loan		796.92	423.29	189.26
Interest on Lease Obligation		3.36	0.88	-
Interest Expenses on Trade Credits & Others		-	2.65	17.40
		1,795.13	1,262.77	550.42
(b) Other borrowing costs :				
Processing Fees		23.23	19.93	11.25
		23.23	19.93	11.25
	Total	1,818.36	1,282.70	561.67

Notes to Restated financial Information for the year ended on 31st March, 2024, 2023 and 2022
(All amount are₹ in Lacs unless otherwise stated)

Note : 28 Depreciation and Amortisation Expenses

Particular	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Depreciation on PPE	387.97	356.07	143.98
Amortisation on ROU	4.36	1.09	-
Amortisation on Intangible Assets	0.95	0.46	-
Total	**393.28**	**357.61**	**143.98**

Note : 29 Other Expenses

Particular	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Manufacturing Expenses			
Coal and Gas Consumption	1,183.20	1,740.73	859.41
Store and spares consumables	179.25	120.37	50.05
Repairs - Others	5.72	2.08	0.98
Repairs - Plant & Machinery	12.95	16.04	0.45
Factory Expenses	29.32	6.58	33.91
Oxygen and LPG Expenses	9.37	7.72	9.41
Repairs - Factory Shed & Building	3.05	1.92	7.66
Testing Expenses	1.46	1.73	0.94
Water Charges	0.23	2.26	1.03
Power expenses	1,483.28	1,396.53	606.31
Insurance expenses	4.59	4.03	3.42
Administration, Selling and Distribution Expenses			
Computer, Internet & Software Expenses	1.53	1.47	1.20
Bank Charges & Other banking Costs	28.26	10.07	0.18
Postage & Telegram/Communications	0.87	0.52	0.27
Fees & Subscription Expenses	5.16	5.26	3.04
Stationery & Printing	4.67	4.06	1.50
Conveyance Expenses	3.29	1.64	1.97
Traveling, Conveyance & Vehicle Expenses	4.75	3.84	4.25
Office Expenses	0.82	1.36	0.85
Legal & Professional Charges	31.54	37.02	25.26
Rates & Taxes	1.99	3.53	0.25
Rent	10.91	11.48	8.30
CSR Expense	10.45	7.01	-
Auditor's Remuneration	-	-	-
a) Statutory Audit Fees	1.50	1.10	0.90
b) Tax Audit Fees	-	-	-
Insurance Expenses	6.65	6.95	0.48
Kasar & Vatav Expenses	3.27	30.85	0.61
Selling & Distribution Expenses			
Advertisement Expenses	0.52	-	0.24
Commission On Sales	1.70	2.76	7.02
Loading Charge	0.06	0.19	-
Miscellaneous expense	767.92	670.31	387.58
Freight & Cartage On Sales	1,502.20	1,350.54	719.51
Preliminary Expenses Written Off	0.75	0.38	0.38
Distribution Expense	34.26	82.84	-
Travelling Expenses	22.30	27.58	16.65
Total	**5,357.80**	**5,560.73**	**2,754.03**

	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Note i -Payment to auditors -			
Statutory Audit Fees	1.50	1.10	0.90
Total	**1.50**	**1.10**	**0.90**

Note : 30 Income Tax

Income Tax Expense :	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Current Tax:			
In respect of Current year	383.92	3.88	30.63
Deffered Tax			
In respect of Current year	198.98	131.33	181.50
	582.90	**135.20**	**212.14**

The income tax expense for the year can be reconciled to the accounting profit as follows :

	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Accounting profit / (loss) before tax	1,929.74	554.73	900.09
Income tax using the company's domestic tax rate @ 25.17%	485.68	139.61	226.53
Tax Effect of :			
i) Permanent Disallowances	2.63	1.76	-
ii) Expense not allowed as deduction for tax purposes	103.76	94.17	40.33
iii) Additional allowable for tax purposes	(208.13)	(230.90)	(238.29)
(iv) Income tax in respect to previous year	(0.01)	(0.77)	2.06
iv) Deffered Tax for the reporting period	198.98	131.33	181.50
Total Tax Expense for the year	**582.90**	**135.20**	**212.14**
Tax Provision:			
Current tax for the year	383.92	3.88	30.63
Income tax in respect to previous year	-	-	-
Deferred Tax (Including adjustments for earlier years)	198.98	131.33	181.50
Total Tax Expense for the year	**582.90**	**135.20**	**212.14**

(All amount are₹ in Lacs unless otherwise stated)

Note : 31 Earning Per Share

Particular		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Basic and Diluted EPS				
Profit/ (Loss) attributable to Equity Shareholders		1,346.84	419.53	687.95
No of Equity Shares Outstanding at the beginning	Number	1,26,12,886	98,95,386	98,95,386
Share issue during the year	Number	7,24,238	27,17,500	-
No of Equity Shares Outstanding at the end	Number	1,33,37,124	1,26,12,886	98,95,386
Weighted Average Number of Equity Shares Outstanding during the year	Number	1,32,73,803	99,02,831	98,95,386
Nominal Value of Equity Share	`	10.00	10.00	10.00
Basic EPS		10.15	4.24	6.95
Diluted EPS	`	10.15	4.24	6.95
Earning Per Share After considering the Bonus Effect				
Basic and Diluted EPS				
Profit/ (Loss) attributable to Equity Shareholders		1,346.84	419.53	687.95
No of Equity Shares Outstanding at the beginning	Number	3,29,35,072	3,02,17,572	3,02,17,572
Share issue during the year	Number	7,24,238	27,17,500	-
No of Equity Shares Outstanding at the end	Number	3,36,59,310	3,29,35,072	3,02,17,572
Weighted Average Number of Equity Shares Outstanding during the year	Number	3,35,95,989	3,02,25,017	3,02,17,572
Nominal Value of Equity Share		10.00	10.00	10.00
Basic EPS		4.01	1.39	2.28
Diluted EPS		4.01	1.39	2.28

(All amount are₹ in Lacs unless otherwise stated)

32 Contingent liabilities and Capital Commitments :

	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
(i) Contingent liabilities :			
Guarantees issued by the Company's Bankers on behalf of the Company	1,660.13	248.61	248.61
GST Claim against the company	53.37	-	-
	1,713.50	**248.61**	**248.61**
(ii) Commitments :			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,897.97	7,135.45	-
Total	**1,897.97**	**7,135.45**	**-**

*Notes
(i) Contingent Liabilities :
The company has executed a Deed of corporate guarantee in favour of UGVCL.

33 Related Parties Disclosure :
List of related parties with whom transaction have taken place during the year along with nature and volume of transactions.

A. List of Related Parties

Particulars	Relation
Mr. Manojkumar Jain	Promoter and Non- Executive Non Independent Director
Mr. Rishabh Sunil Singhi	Promoter and Whole time director
Mr. Varun Manojkumar Jain	Promoter and Key Managerial Person
Mrs. Sangeeta Manoj Jain	Promoter
Mr. Vikram Patel	Key Managerial Person, (W.E.F. May 3, 2024)
Mr. Vijay Boliya	Key Managerial Person, (W.E.F. May 3, 2024)
Nishchay Consultancy	Entity Under Common Control of Promoters, their relatives and KMPs
VMS Industries Limited	Entity Under Common Control of Promoters, their relatives and KMPs
Yohaan Enterprise*	Entity Under Common Control of Promoters, their relatives and KMPs, (upto April 01, 2022 VMS TMT Limited was also partner)
Aditya Ultra Steel Limited	Entity Under Common Control of Promoters, their relatives and KMPs
Eternal Automobiles	Entity Under Common Control of Promoters, their relatives and KMPs
Nidheeshwaramm Ship Recyclers LLP	Entity Under Common Control of Promoters, their relatives and KMPs
Tanishq Ship Recycling Private Limited	Entity Under Common Control of Promoters, their relatives and KMPs

B. Related Party Transactions

Particulars	Name of related parties & Relation	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Key Managerial Personnel	Mr. Manojkumar Jain	Remuneration	76.80	38.40	-
	Mr. Rishabh Sunil Singhi	Shares Allotted	210.03	-	-
		Remuneration	43.20	21.60	-
	Mr. Varun Manojkumar Jain	Remuneration	-	-	-
	Mr. Vikram Patel	Remuneration	8.53	-	-
Relative of Key Managerial Personnel/Entities in which Directors or relative are interested	Nishchay Consultancy	Service Charges	-	2.50	7.50
	VMS Industries Limited	Loan Taken	11306.00	3831.97	3272.72
		Loan Repaid	11855.20	2498.09	4271.00
		Interest Paid	238.24	92.29	232.83
		Rent Paid	6.15	6.00	6.00
	Yohaan Enterprise*	Share of profit	-	-	0.58
		Loan taken	-	-	1613.00
		Loan Repaid	-	-	1613.00
	Aditya Ultra Steel Limited	Sales	-	-	32.80
	Eternal Automobiles	Vehicle Purchase	-	-	0.52
		Vehicle Running Expense	-	0.15	-
	Nidheeshwaramm Ship Recyclers LLP	sales	1.68	-	-
	Tanishq Ship Recycling Private Limited	Loan Taken	166.00	481.00	330.00
		Loan Paid	166.67	765.50	100.00
		Interest Paid	42.42	43.10	12.53

** Our company was partner in Yohaan Enterprise upto April 01, 2022, transactions shown above are in the capacity of Partner of yohaan enterprise.*

C. Related Party Outstanding balances

Particulars	Name of related parties & Relation	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Key Managerial Personnel	Mr. Manojkumar Jain, Director	-	-	-
	Mr. Rishabh Sunil Singhi, Director	-	-	-
		-	-	-
	Mr. Varun Manojkumar Jain, Director	-	-	-
	Mr. Vikram Patel, CFO	-	-	-
Relative of Key Managerial Personnel/Entities in which Directors or relative are interested	Nishchay Consultancy	-	-	-
	VMS Industries Limited	2,793.44	3,128.22	1,711.28
	Yohaan Enterprise	-	-	-
	Aditya Ultra Steel Limited	-	-	-
	Eternal Automobiles	-	-	-
	Nidheeshwaramm Ship Recyclers LLP	-	-	-
	Tanishq Ship Recycling Private Limited	-	-	280.00
			-	

34 As per Indian Accounting standard IND AS 19 "Employee Benefits", the disclosure as defined in the accounting standard are given below.
(a) Defined Contribution Plan
Contribution to Defined Contribution Plans, recognised in Project Development Expenditure, for the year is as under:

	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Employer's Contribution to Provident Fund	3.48	2.81	1.03

(b) Defined Benefit Plan

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

(All amount are₹ in Lacs unless otherwise stated)

The status of gratuity plan as required under IND AS-19 "Employee Benefits": **Particulars**	**As at 31st March, 2024**	**As at 31st March, 2023**	**As at 31st March, 2022**
i. Reconciliation of Opening and Closing Balances of defined benefit obligation			
Present Value of Defined Benefit Obligations at the beginning of the Year	18.86	11.66	2.39
Current Service Cost	14.29	13.85	10.32
Past Service Cost	-	-	-
Interest Cost	1.34	0.86	0.16
Re-measurement (or Actuarial) (gain) / loss arising from:			
- Change in demographic assumptions	1.06	(1.82)	-
- Change in financials assumptions	-	-	-
- Experience variance (i.e. Actual experience vs. assumptions)	(10.94)	(5.69)	(1.22)
Liability Transfer In - Out			
Benefits paid		-	-
Net Actuarial loss / (gain) Recognised			
Present Value of Defined Benefit Obligations at the end of the Year	**24.61**	**18.86**	**11.66**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets			
Fair Value of Plan assets at the beginning of the Year	-	-	-
Expected return on plan assets	-	-	-
Contributions	-	-	-
Benefits paid	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-
Fair Value of Plan assets at the end of the Year	-	-	-
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets			
Present Value of Defined Benefit Obligations at the end of the year	24.61	18.86	11.66
Fair Value of Plan assets at the end of the Year	-	-	-
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(24.61)**	**(18.86)**	**(11.66)**
Current	0.64	0.35	0.22
Non-Current	23.97	18.51	11.44
iv. Gratuity Cost for the Year			
Current service cost	14.29	13.85	10.32
Past Service Cost	-	-	-
Interest cost	1.34	0.86	0.16
Expected return on plan assets	-	-	-
Actuarial Gain / (Loss)	(9.88)	(7.51)	(1.22)
Expense recognised in P& L	**5.75**	**7.20**	**9.27**
v. Other Comprehensive Income			
Actuarial (gains) / losses			
- Change in Demographic assumptions	1.06	(1.82)	-
- Change in financial assumptions	-	-	-
- Experience variance (i.e. Actual experiences assumptions)	(10.94)	(5.69)	(1.22)
Components of defined benefit costs recognised in other comprehensive income	**(9.88)**	**(7.51)**	**(1.22)**
vi. Actuarial Assumptions			
Discount Rate (per annum)	7.10%	7.40%	6.80%
Annual Increase in Salary Cost	7.00%	7.00%	7.00%
Demographic:			
Retirement Age	60.00	60.00	60.00
Attrition Rate	5% to 1%	5% to 1%	5% to 1%
Mortality Rate	Indian Assured Live Mortality (2012-14) Ult.	Indian Assured Live Mortality (2012-14) Ult.	Indian Assured Live Mortality (2012-14) Ult.

vii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	**As at 31st March, 2024**					
	Decrease	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	28.72	21.34	22.05	16.32	13.74	10.01
Salary Growth Rate (- / + 1%)	21.31	28.68	16.29	22.03	10.00	13.72
Withdrawal Rate (- / + 1%)	24.56	24.65	18.71	18.98	11.71	11.62

Expected cash flows over the next (valued on undiscounted basis):			
1 year	0.64	0.35	0.22
2 to 5 years	3.53	3.00	1.90
6 to 10 years	5.20	2.88	1.21

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(All amount are₹ in Lacs unless otherwise stated)

35 Notes on Corporate Social responsibility

As per section 135 of the Companies Act, 2013,
A company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities, the areas for CSR activities are donation to an a non-profit organisation, that works primarily in the domain of Education, Health, Employment, Tourism, Water, Housing, Sports, Technology, Legal, Human Rights, Food & Nutrition, Tribes, Right to Information & Advocacy, Energy & Environment and Livelihood.
CSR committee has been formed by the company as per Act. The funds were primarily allocated to a corpus and utilised through the year on these activities, which are specified in schedule VII of Companies Act 2013.

Particulars	As At and For the Year Ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Unspent CSR amount during the beginning of the year	-	-	-
Amount required to be spent by the Company	10.38	7.00	-
Amount spent during the year	10.45	7.01	-
Shortfall at the end of the year to of the amount required to be spent by the Company during the year		-	-
Total shortfall	-	-	-
Reason for shortfall	-	-	-
Nature of CSR activities	For Education of underprivileged children	For Woman Empowerment, Education For The Poor, Food Support, Save Environment and others	

VMS TMT LIMITED (Formely known as VMS TMT Private Limited)

Notes to Restated financial Information for the year ended on 31st March, 2024, 2023 and 2022
(All amount are₹ in Lacs unless otherwise stated)

36 Ratio Analyses

Sr. No.	Financial Ratios	Numerator	Denominator	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022	% change in Ratio for FY 2024 compared to FY 2023	% change in Ratio for FY 2023 compared to FY 2022
	As per Schedule III							
a	**Current Ratio (CA/CL)**	Current Asset	Current Liability	**1.11**	**1.33**	**1.30**	**-16.12%**	**2.35%**
	(In Times)		Current Assets	14,197.33	13,180.98	8,548.86		
			Current Liabilities	12,734.46	9,916.93	6,583.23		
b	**Debt- Equity Ratio**	Total Debt	Shareholder equity	**4.25**	**5.28**	**6.30**	**-19.37%**	**-16.21%**
	(In Times)		Total Debt	19,786.00	16,269.68	11,763.06		
			Shareholder equity	4,651.27	3,083.77	1,868.28		
c	**Debt Service Coverage Ratio**	Earnings Available for Debt Service	Interest + Instalment + any other banking charges	**1.57**	**1.01**	**1.95**	**54.55%**	**-48.05%**
	(In Times)		Earnings Available for Debt Service	3,727.01	1,833.16	1,459.62		
			Interest + Instalment + any other banking charges	2,381.07	1,810.02	748.63		
d	**Return on Equity Ratio**	Net Profit After Tax	Average Equity	**34.82%**	**16.94%**	**45.16%**	**105.53%**	**-62.48%**
	(in %)		Net Profit After Tax	1,346.84	419.53	687.95		
			Average Equity	3,867.52	2,476.02	1,523.50		
e	**Inventory Turnover Ratio**	Net Sales	Average Inventory	**8.60**	**12.60**	**13.10**	**-31.79%**	**-3.82%**
			Net Sales	87,295.77	88,201.35	49,372.50		
			Average Inventory	10,154.06	6,997.90	3,767.60		
f	**Trade Receivables turnover ratio**	Total Revenue from Contract with Customers	Average Accounts Receivable	**70.52**	**43.20**	**31.05**	**63.24%**	**39.14%**
	(In Times)		Total Revenue from Contract with Customers	87,295.77	88,201.35	49,372.50		
			Average Accounts Receivable	1,237.92	2,041.75	1,590.22		
g	**Trade payables turnover ratio**	Operating Expenses	Average Payables	**39.80**	**52.53**	**140.46**	**-24.24%**	**-62.60%**
	(In Times)		Operating Expenses	83,305.78	92,159.63	51,624.45		
			Average Payables	2,093.28	1,754.43	367.53		
h	**Net capital turnover ratio**	Revenue from Operations	Average Working Capital	**36.94**	**33.73**	**35.52**	**9.50%**	**-5.03%**
	(In Times)		Revenue from Operations	87,295.77	88,201.35	49,372.50		
			Average Working Capital	2,363.46	2,614.84	1,390.07		
i	**Net profit ratio (PAT/Revenue)**	Net Profit After Tax before OCI	Total Revenue from Operations	**1.54%**	**0.48%**	**1.39%**	**224.37%**	**-65.86%**
	(In %)		Net Profit after Taxes before OCI	1,346.84	419.53	687.95		
			Total Revenue from Operations	87,295.77	88,201.35	49,372.50		
j	**Return on Capital employed**	EBIT	Average Capital Employed	**16.70%**	**10.94%**	**13.72%**	**52.59%**	**-20.23%**
	(In %)		EBIT	3,727.01	1,833.16	1,459.62		
			Average Capital Employed	22,323.74	16,754.97	10,641.77		
k	**Return on investment**	Income from Investments	Investments	-	-	-	-	-
		Numerator	Income From Investment	-	-	-		
		Denominator	Cost of Investment	-	-	-		

1 **Current ratio:** The Current Ratio is one of the best-known measures of short- term solvency. It is the most common measure of short-term liquidity.

Current ratio = Current Asset/ Current Liabilities

Current Asset = Inventories + Sundry Debtors + Cash and Bank Balances + Other Financial Assets + Current Tax assets + Other Current Assets

Current Liabilities = Current borrowings + Lease Liabilities + Trade payables + Other Financial Liabilities + Other current Liabilities + Short term provisions+ Current tax liabilities

2 **Debt- Equity Ratio:** This ratio is very often used for making capital structure decisions such as issue of shares and/ or debentures. Lenders are also very keen to know this ratio since it shows relative weights of debt and equity. Debt equity ratio is the indicator of firm's financial leverage.

Debt- Equity Ratio = Total Debt/ Shareholders Equity

Total Debt : includes short and long term borrowings from financial institutions, debentures/bonds, deferred payment arrangements for buying capital equipment, bank borrowings, public deposits and any other interest bearing loan.

3 **Debt Service Coverage Ratio (DSCR):** Lenders are interested in debt service coverage to judge the firm's ability to pay off current interest and instalments.

Debt Service Coverage Ratio = Earnings available for debt service/ Interest + Instalment

Earnings available for debt service = Net profit (Earning after taxes) + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed Asset etc.

Interest + Instalment + any other banking charge: Includes both current and non-current borrowings.

4 **Return on Equity (ROE):** Return on Equity measures the profitability of equity funds invested in the firm. This ratio reveals how **profitably of the owners' funds have been utilised by the firm**. It also measures the percentage return generated to equity shareholders.

Return on Equity (ROE) = Net Profit/ Average equity

Net profit after Tax = Profit after Tax

Average Equity: includes Average Equity share capital + Other equity of current and previous period.

5 **Inventory Turnover ratio:** This ratio also known as **stock turnover ratio establishes the relationship between the cost of goods sold during the year** and average inventory held during the year. It measures the efficiency with which a firm utilizes or manages its inventory.

Inventory Turnover Ratio = Net Sales/ Average Inventory

Net Sales = Revenue from operations

Average Inventory = (Opening Stock + Closing Stock)/2

6 **Receivables (Debtors) Turnover Ratio:** The speed with which these receivables are collected affects the liquidity position of the firm. The debtor's turnover ratio throws light on the collection and credit policies of the firm. It measures the efficiency with which management is managing its accounts receivables

Receivables (Debtors) Turnover Ratio = Total Revenue from Contract with Customers/ Average account receivable

Total Revenue from Contract with Customers: Credit sales

Average account receivable = Average of Trade receivable of current and previous year

7 **Payables Turnover Ratio:** It measures how fast a company makes payment to its creditors. It shows the velocity of payables payment by the firm

Payables Turnover Ratio= Operating expense/ Average payable

Operating expense: Credit purchase of raw material + purchase of Traded goods + other expenses + Employee Benefit expenditure.

Average payable: Average trade payables and salary payable of current year and previous year.

8 **Net capital turnover ratio:** Net capital turnover is a ratio that measures how efficiently a company is using its working capital to support sales and growth.

Net capital turnover ratio = Revenue from operations/ Average working capital

Average working capital = (Current asset – Current Liability) of current period and previous period

9 **Return on Capital employed:** ROCE is the most important ratio of all. It is t**he percentage of return on funds invested in the business by its owners and borrowed funds.** In short, this ratio tells the owner whether or not all the effort put into the business has been worthwhile.

Return on Capital employed= EBIT/ Average Capital Employed

EBIT: Earnings before interest and Tax – Other Income

Average Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability-Intangible Asset - ROU Assets

Reasons for Variance above 25%

A. Debt-Service Coverage Ratio, Net Profit Turnover Ratio and Net Profit Ratio:

The Debt Service Coverage Ratio, Net Profit Turnover, and Net Profit Ratio have all shown marked improvement, primarily due to the substantial increase in profitability experienced during the year. This enhanced financial performance represents a significant advancement over the outcomes recorded in previous years.

B. Inventory Turnover Ratio:

The ratio has decreased primarily on account of substantial increase in average inventory for FY 2023-24 in comparison to FY 2022-23 resulted from increase in closing stock as on 31.03.2024 due to increased production in the month of March, 2024 whereas the turnover of the company for the FY 2023-2024 has remained at Par with that of previous year.

C. Trade Receivable Turnover Ratio:

The aforesaid ratio has been improved primarily on account of speedy and regular realization from the receivables during the year on account of improved attributable to enhanced collection process and shorter payment terms.

E. Return on Equity, Net Profit Ratio and Return on Capital Employed:

The above ratio has improved on account of higher profitability during the year as compared to previous year.

F. Trade payables turnover ratio

The aforesaid ratio has increased on account of higher credit period allowed to the company by its suppliers.

(All amount are₹ in Lacs unless otherwise stated)

37 Capital Management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the company is able to provide maximize return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company board of directors reviews the capital structure on a regular basis. As part of this review, the board considers cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balances) divided by total capital plus net debt.

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Total Borrowings (Including current maturities of long term borrowings)	19,786.00	16,269.68	11,763.06
Less: Cash and bank balances	808.77	220.49	1.35
Net Debt(A)	**18,977.23**	**16,049.19**	**11,761.71**
Total Equity (B)	4,651.27	3,084.52	1,869.40
Total Equity and Net Debt (C=A+B)	**23,628.50**	**19,133.71**	**13,631.11**
Gearing Ratio (A/C)	0.80	0.84	0.86

38 Financial Instruments – Disclosure

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Disclosures

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet item that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes.

(I) Fair Value Measurement :

This note provide information about how the company determines fair value of various financial assets. Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximates their fair values.

The carrying value of financial instruments by categories as on 31st March, 2024

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	808.77	808.77
Trade receivables	-	-	1,572.78	1,572.78
Investments	-	-	-	-
Other Financial Assets (Current + Non Current)	-	-	556.12	556.12
Total	**-**	**-**	**2,937.67**	**2,937.67**
Financial Liabilities				
Borrowings (Including Current Maturities)	-	-	19,786.00	19,786.00
Trade Payables	-	-	1,359.66	1,359.66
Lease Liabilities (Current + Non Current)	-	-	35.82	35.82
Other Financial Liabilities	-	-	913.27	913.27
Total	**-**	**-**	**22,094.75**	**22,094.75**

The carrying value of financial instruments by categories as on 31st March 2023

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	220.49	220.49
Trade receivables	-	-	903.06	903.06
Investments	-	-	-	-
Other Financial Assets (Current + Non Current)	-	-	106.97	106.97
Total	**-**	**-**	**1,230.52**	**1,230.52**
Financial Liabilities				
Borrowings (Including Current Maturities)	-	-	16,269.68	16,269.68
Trade Payables	-	-	2,790.39	2,790.39
Lease Liabilities (Current + Non Current)	-	-	38.58	38.58
Other Financial Liabilities	-	-	30.45	30.45
Total	**-**	**-**	**19,129.10**	**19,129.10**

The carrying value of financial instruments by categories as on 31st March 2022

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
Financial Assets				
Cash and Cash Equivalents	-	-	1.35	1.35
Trade receivables	-	-	3,180.43	3,180.43
Investments	-	-	-	-
Other Financial Assets (Current + Non Current)	-	-	51.63	51.63
Total	**-**	**-**	**3,233.41**	**3,233.41**
Financial Liabilities				
Borrowings (Including Current Maturities)	-	-	11,763.06	11,763.06
Trade Payables	-	-	718.47	718.47
Lease Liabilities (Current + Non Current)	-	-	-	-
Other Financial Liabilities	-	-	145.13	145.13
Total	**-**	**-**	**12,626.66**	**12,626.66**

The carrying amount of current financial assets and liabilities as at the end of each year presented approximate the fair value because of their short-term nature. The trade receivables, trade payables, borrowings, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

(II) Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

39 Financial Risk Management Framework

The principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support company's operations. The principal financial assets include trade and other receivables and other assets. The company is exposed to market risk, credit risk, Interest rate risk and liquidity risk. The finance team oversees the management of these risks. The senior management ensures that the companies financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed.

Market Risk

Market risk arises from the company's use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors. Financial instruments affected by market risk include borrowings, fixed deposits etc

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:

Maximum exposure to the credit risk is on account of outstanding balances in the trade receivables account, but as per experience the ageing of debtors is always under six months and there are no bad debts encountered in past. As the company collects its receivables within six months, company has not made any Expected credit loss provision (ECL).

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company manages its cash flow interest rate risk by converting higher rate interest loan to lower rate interest loan.

The Company has exposure toward floating interest rate borrowing Rs 19,718.05 Lacs for the year 2023-2024, Rs 16,204.65 for the year 2022-2023 and Rs 11,722.49 for the year 2021-2022

Interest rate sensitivity

If interest rates had been 50 basis point higher/lower and all variable were held constant, the Company's profit for the year ended March 31, 2024,March 31, 2023 and March 31, 2022 would be decrease/ increase by Rs 98.59 Lacs 81.02 lakhs and Rs 58.61 lakhs respectively. The is mainly attribution to interest rates on variable rate borrowings.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short-term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system. During the year, the Company has been regular in repayment of principal and interest on borrowings on or before due dates. The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As on 31.03.2024	Less than 1 year	1-2 Year	3-5 years	Over 5 years	Total
Current Borrowings					
Secured	7,093.18	-	-	-	7,093.18
Unsecured	547.95	-	-	-	547.95
Total Current Borrowings (A)	**7,641.13**	**-**	**-**	**-**	**7,641.13**
Non-current Borrowings					
Secured	1,347.90	1,403.38	4,036.08	96.56	6,883.92
Unsecured	344.02	4,654.85	277.78	-	5,276.65
Total Non-current Borrowings (B)	**1,691.92**	**6,058.23**	**4,313.85**	**96.56**	**12,160.57**
Total	**9,333.05**	**6,058.23**	**4,313.85**	**96.56**	**19,801.70**
Add: Interest accrued but not due on borrowings	20.44				

***Note :** The amount of unamortized processing charges have not been deducted from the Non current borrowings.

As on 31.03.2023	Less than 1 year	1-2 Year	3-5 years	Over 5 years	Total
Current Borrowings					
Secured	5,491.70	-	-	-	5,491.70
Unsecured	868.00	-	-	-	868.00
Total Current Borrowings (A)	**5,551.70**	**-**	**-**	**-**	**6,359.70**
Non-current Borrowings	-	-	-	-	
Secured	566.07	965.61	3,290.74	133.07	4,955.48
Unsecured	-	4,954.50	-	-	4,954.50
Total Non-current Borrowings (B)	**1,374.07**	**5,920.10**	**9,210.84**	**133.07**	**9,909.97**
Total	**6,925.77**	**5,920.10**	**9,210.84**	**133.07**	**16,269.68**
Add: Interest accrued but not due on borrowings	22.63	-	-	-	-

As on 31.03.2022	Less than 1 year	1-2 Year	3-5 years	Over 5 years	Total
Current Borrowings					
Secured	3,133.02	-	-	-	3,133.02
Unsecured	1,009.99	-	-	-	1,009.99
Total Current Borrowings (A)	**4,143.01**	**-**	**-**	**-**	**4,143.01**
Non-current Borrowings	-	-	-	-	
Secured	528.20	533.37	2,403.74	777.25	4,242.56
Unsecured	-	3,377.49	-	-	3,377.49
Total Non-current Borrowings (B)	**528.20**	**3,910.86**	**2,403.74**	**777.25**	**7,620.05**
Total	**4,671.21**	**3,910.86**	**2,403.74**	**777.25**	**11,763.06**
Add: Interest accrued but not due on borrowings	20.60	-	-	-	-

(All amount are₹ in Lacs unless otherwise stated)

40 Leases

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Non- Current Lease Liability	32.80	35.82	-
Current Lease Liability	3.02	2.76	-
Total	**35.82**	**38.58**	**-**

Lease Liability Reconciliation:

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	38.58	-	-
Add: Addition	-	39.23	-
Add: Finance cost	3.36	0.88	-
Less: Net Payment	6.12	1.53	-
Closing Balance	**35.82**	**38.58**	**-**

41 With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Restated Financial Statements included in Property, Plant and Equipment, according to information and explanations given to us and based on verification of the registered sale deed/ Transfer deed/ Conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at Balance Sheet date, except for leasehold land as disclosed in Note 2b to the Restated Financial Statements.

42 There are no such Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

43 Company has not entered in to transactions or amount due / from Companies which Struck-Off either under section 248 of the Act or under section 560 of Companies Act, 1956.

44 No undisclosed Income is voluntarily disclosed under any scheme identified by Income tax authorities under any tax assessments years under provision of the Income Tax Act.

45 The Company has neither traded nor invested in crypto currency during the financial year.

46 No Proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

47 The Company do not have charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

48 The Company is not declared as wilful defaulter by any bank or Financial Institution or other lender during the financial year.

49 Utilization of Borrowed funds and Share Premium

a. During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. During the year, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries The confirmations of all the balances outstanding as on the reporting date with all the customers, suppliers, unsecured borrowings, deposits and loans and advances are subject to confirmation with books of the counter parties.

50 The Company did not have any long-term contracts, including derivatives contract for which there were any material foreseeable losses.

51 Previous year figures have been regrouped, whenever necessary to confirm to current year classification.

The accompanying notes forms an integral part of the Restatement Financial Information.
As per our report attached of even date

M/s. SURESH CHANDRA & ASSOCIATES Chartered Accountants Firm Reg. No. 001359N	For and on behalf of the Board of Directors **VMS TMT LIMITED (Formely known as VMS TMT Private Limited)**			
CA Shyamsunder Nanwal Partner Membership No: 128896	**Varun Jain** Managing Director DIN:- 02190018	**Rishabh Singhi** Whole time Director DIN:- 09342922	**Vikram Patel** Chief Financial Officer	**Vijay Boliya** Company Secretary
Place : Ahmedabad **Date : September 19 , 2024**	**Place : Ahmedabad** **Date : September 19 , 2024**			

OTHER FINANCIAL INFORMATION

Accounting ratios derived from the Restated Financial Information

The accounting ratios of our Company derived from Restated Financial Information as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in lakhs)

	Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2022**	**For the year ended March 31, 2022**
1	**Earnings per share: basic and diluted**			
	With Exceptional Items			
	Restated profit for the year (A)	1,346.84	419.53	687.95
	Weighted average number of equity shares at the end of the year for the calculation of basic and diluted earnings per share			
	-Basic (B) (In Numbers)	335.95	302.25	302.17
	-Diluted (C) (In Numbers)	335.95	302.25	302.18
	Restated basic earnings per share (A/B) (in ₹)	4.01	1.39	2.28
	Restated diluted earnings per share (A/C) (in ₹)	4.01	1.39	2.28
	Without Exceptional Items			
	Restated profit for the year (D)	1,346.84	419.53	687.95
	Restated basic earnings per share (D/B) (in ₹)	4.01	1.39	2.28
	Restated diluted earnings per share (D/C) (in ₹)	4.01	1.39	2.28
2	**Return on net worth**			
	Restated profit for the year *(with exceptional items)* (A)	1,346.84	419.53	687.95
	Net worth (E)	4,651.32	3,083.77	1,868.28
	Return on net worth (in %) (A/E)100	28.96%	13.60%	36.82%
3	**Net asset value per share**			
	Net worth (E)	4,651.31	3,083.77	1,868.28
	Outstanding number of equity shares at the end of the year/ period, as adjusted for bonus issue# (F) (In Numbers)	335.95	302.25	302.17
	Net asset value per equity share (₹) (E/F)	13.84	10.20	6.18
4	**EBITDA**	**4,120.29**	**2,190.77**	**1,603.60**

Other financial information

In accordance with the with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited financial information of our Company for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 (collectively, the "**Audited Financial Information**") is available on our website at www.vmstmt.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Information do not and will not constitute, (i) a part of this Draft Red Herring Prospectus; (ii) the Red Herring Prospectus or (iii) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Information 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.

Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain.

None of our Company or any of its advisors, 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 Information, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 *'Related Party Disclosures'* for the and Fiscals 2024, 2023 and 2022 and as reported in the Restated Financial Information, see "*Financial Information –Note 33 – Related Party Disclosures*" beginning on page 224.

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

Our fiscal or financial year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "Financial Year" are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or the context otherwise requires, the financial information included in this section is as of March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Financial Information for Fiscal 2024, Fiscal 2023 and Fiscal 2022 included in this Draft Red Herring Prospectus has been derived from the Restated Financial Information on page 262.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to VMS TMT Limited.

We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "TMT Bars Industry in India" dated September 19, 2024, prepared by D&B, which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company in connection with the Issue (the "**Dun & Bradstreet Report**"). The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-arranged by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. Copy of the Dun & Bradstreet Report is available on the website of our Company at www.vmstmt.com.*

Overview

We are engaged in manufacturing of Thermo Mechanically Treated Bars ("**TMT Bars**") at our manufacturing facility situated at Bhayla Village, Ahmedabad, Gujarat, India. TMT Bars are high-strength reinforcement steel used widely in construction due to their exceptional strength, ductility, and corrosion resistance. *(Dun & Bradstreet Report).* We conduct our business predominantly in the State of Gujarat from where we derived over 98% of our revenues from operations in Fiscal 2024. Our revenue from operations in Fiscal 2024 from sale of TMT Bars in the State of Gujarat constituted approximately 94% of the total revenue from operations wherein retail sales constituted 80% and institutional sales constituted 14% of the total revenue from operations. Our revenue from operations also includes sale of scrap, binding wires and billets which constitutes approximately 6% of the total revenue from operations in Fiscal 2024. We have a diverse customer base of retail and institutional customers primarily based in the State of Gujarat. We have a retail licence agreement dated November 7, 2022, with Kamdhenu Limited which allows us to market our TMT Bars under the brand '*Kamdhenu NXT'* on mutually agreed terms within the State of Gujarat on a non-exclusive basis. We sell our TMT Bars to customers through distribution network, on a non-exclusive basis, which comprise of 3 distributors and 227 dealers as of August 31, 2024.

We manufacture our TMT Bars at our manufacturing facility by utilizing modern TMT rolling mill machines from billets. As of Fiscal 2024, Fiscal 2023 and Fiscal 2022, we had a total annual installed capacity of TMT Bars of 2,00,000 metric tonnes ("**MT**") per annum, 2,00,000 MT per annum and 2,00,000 MT per annum, respectively, and our production of TMT Bars in Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 1,60,321 MT, 1,61,807 MT and 72,121 MT, respectively. For further details, see "*Our Business - Manufacturing - Capacity, Production and Capacity Utilization*" on page 160. In June 2024, we have entered into a factory lease agreement with Hans Industries Private Limited, under which we have taken on lease a facility at Bhavnagar, Gujarat for production of mild steel pipes ("**MS Pipes**"). We intend to market and sell MS Pipes under the brand "*Kamdhenu*" in terms of the retail license agreement dated June 20, 2024 entered into with Kamdhenu Limited on mutually agreed terms within the State of Gujarat on a non-exclusive basis. For further details, see "*Our Strategies – Diversifying into production and sale of MS Pipes*" on page 160. .

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Loss of our suppliers or a failure by our suppliers to deliver some of our primary raw materials

Our ability to remain competitive, maintain competitive costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We procure some of our primary raw materials, such as, (i) iron billets and coal on a purchase order basis; and (ii) we purchase coal on a purchase order basis, and have not entered into long term contracts for the supply of such raw materials. The table below sets forth our cost of materials for Fiscal 2024, Fiscal 2023 and Fiscal 2022:.

	Fiscal 2024		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**	**Amount (₹ in lakhs)**	**% of revenue from operations**
Costs of materials consumed	75,023.48	85.94	84,699.73	96.03	37,027.17	75.00

The table below sets forth cost of materials from our top ten suppliers for Fiscal 2024, Fiscal 2023 and Fiscal 2022::

Suppliers	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% Costs of materials purchased**	**Amount (₹ in lakhs)**	**% Costs of materials purchased**	**Amount (₹ in lakhs)**	**% Costs of materials purchased**
Total top 10 suppliers	38,566.55	49.88	49,209.30	57.43	32,121.35	66.40

In respect of coal, we sourced our requirements from two suppliers in Fiscal 2024, six suppliers in Fiscal 2023 and thirteen suppliers in Fiscal 2022.

As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as iron billets and coal may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay. Further, restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.

Demand and pricing in the steel industry

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write-downs of finished steel products and raw material inventories.

Loss of our customers and dependence on our retail licence agreement with Kamdhenu Limited

We are dependent on our retail licence agreements with Kamdhenu Limited dated November 7, 2022 and dated June 20, 2024 which allows us to market and sale our TMT Bars and MS Pipes, respectively on a non-assignable and non-exclusive basis and on mutually agreed terms within the State of Gujarat for the period of five (5) years from the date of execution of the agreement unless terminated. Our revenues from sale of TMT Bars have been the pre-dominant revenue stream for our Company, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022 we have generated revenues of ₹ 82,110.69 lakhs, ₹ 85,420.37 lakhs and ₹ 47,329.99 lakhs, respectively, representing 94.06%, 96.5% and 95.86% of our total revenue from operations for the same respective periods. Our retail licence agreements are terminable by Kamdhenu Limited by giving one-month advance notice to us without any cost and reason and also immediately upon misuse or breach of the terms and conditions of the agreements. If the retail licence agreements are terminated, we could lose sales to our customers and also could consequently lose distributors and dealers that distribute our products, any of which materially and adversely impact our business, results of operations and financial condition.

Seasonality of business

Demand for our products is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, we usually experience relatively weaker sales volume during the monsoon, and somewhat stronger sales in other seasons. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

Unexpected loss, shutdown or slowdown of operations at any of our manufacturing facility

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our facilities, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing facilities. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, which could lead to delayed or lost deliveries and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks/events could affect our operations by causing production at one or more manufacturing plant to shut down or slowdown. We have in the past faced such instances.

Competition

TMT Bars is a capital intensive industry and there exists competition in our business which is based on pricing, extent and efficiency of the distribution network, relationships with customers particularly in the construction industry, product quality, and compliance with government regulation including environmental regulation. We face pricing pressures from companies, principally subsidiaries of 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. Accordingly, to remain competitive in our market, our Company must continuously strive to reduce our operating costs and improve our operating efficiencies. Further, our Company believes that our well recognized brands also help us in competing effectively in the TMT Bars. For further details on our competition and the TMT Bar industry, see "*Industry Overview*" on page 120.

PRESENTATION OF FINANCIAL INFORMATION

Our restated statement of assets and liabilities as at the end of Fiscal 2024, Fiscal 2023 and Fiscal 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated statement of cash flows for Fiscal 2024, Fiscal 2023 and Fiscal 2022, the summary statement of significant accounting policies, and other explanatory information, are collectively referred to as "*Restated Financial Information*".

The Restated Financial Information have been compiled by the management from the audited financial statements as at and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

1. Corporate Information:

VMS TMT Limited (formerly known as VMS TMT Private Limited) is a Public Limited Company, incorporated in India under the provisions of the Companies Act, having its registered office at Survey No 214, Bhayla Village, Near Water Tank Bavla, Ahmedabad-382220, Gujarat, India.

The Company is engaged in the business of manufacturing of TMT Bars.

2. Significant Accounting Policies: -

2.1 Property, Plant and Equipment:

Recognition and measurement: Freehold land is carried at cost. Property, plant and equipment held for use in the production or/and supply of goods are stated in the balance sheet at cost, less any accumulated depreciation and sale or disposal (if any).

Cost of an item of Property, plant and equipment acquired comprises its purchase price after deducting any trade discounts and rebates and further includes any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

If significant parts of an item of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Profit or loss arising on the disposal of property, plant and equipment are recognised in the Statements of Profit and Loss.

Subsequent measurement:

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

2.2 Intangible Assets

Recognition and measurement:

Intangible asset purchased are measured at cost less accumulated amortization and accumulated impairment, if any and are amortized as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.

Subsequent measurement:

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the company

Depreciation methods, estimated useful lives and residual value

Depreciation is provided using straight line method (SLM) as specified schedule II of the companies Act 2013. Depreciation on assets acquired / disposed-off during the year if any, is provided on pro-rata basis with reference to the date of addition / disposal. The estimated useful lives of assets are as under:

Class of assets	Useful Life
Freehold Land	Non-Depreciable
Building	30 Years
Plant & Machinery	20 Years
Electrification	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Vehicles	8 Years
Computers	3 Years
Intangible Asset	6 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Capital work in process

Expenditure related to and incurred during the implementation of capital project, to get the assets ready for intended use is shown under “capital work in process”.
The same is allocated to the respective items’ property, plant and equipment on completion of construction / erection of the capital assets. The cost of assets not put to use before the year and capital inventory are disclosed under Capital work in process.

2.3 Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated ‘at cost or net realisable value, whichever is lower’ except for Waste / Scrap which are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are ‘First-in-First-out. ‘Specific identification’, as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

2.4 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company has only single business segment hence the detailed disclosure related to segment reporting is not required to be made upto March 31, 2024. However, in July 2024, Company had diversified its production to pipe manufacturing from stainless steel at a leased factory in Bhavnagar, Gujarat. Hence, Segment reporting will be applicable from FY 24-25.

2.5 Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

2.6 Borrowing costs

Borrowing cost directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use, capitalised as part of cost of asset. The borrowing costs includes interest and transaction cost that a company incurs in connection with the borrowing of the funds. Other interest and borrowing costs are charged to Statement of Profit and Loss.

2.7 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

2.8 Revenue recognition

The specific recognition criteria from various steam of revenue are described as under:

(i) Sales of Goods:

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products and which coincides with the dispatch of goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any. Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the company. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns. The contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. This is determined basis when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the company is entitled to payment.

(ii) Other Income:

Interest income is accrued on a time basis, by reference to the principal outstanding amount and at the effective interest rate applicable, the future cash receipt through the expected life of the financial asset to that asset's carrying amount on initial recognition.

2.9 Employee benefits

a) **Defined Contribution Plans**

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

b) **Defined Benefit Plan**

i. **Defined Benefit Plan**

The company's liability towards gratuity to past employees is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the period. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities.

ii. **Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

2.10 Income tax

Current Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred Tax

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.11 Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. Incase of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

2.12 Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii)Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii)Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.13 Financial Instruments

Financial assets (except for trade receivables) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

(A) Financial assets

Initial Recognition and measurement:
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement:
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i. Classification and measurement of financial assets

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if both of the following criteria are met:

it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit & loss (FVTPL)

All financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated profit or loss. The net gain or loss recognised in consolidated profit or loss incorporates any dividend or interest earned on the financial asset.

ii. Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

iii. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

(B) **Financial liabilities and equity instruments**

i. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the effective interest rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans, trade credits and borrowings (including bonds) are subsequently measured at amortised cost using effective interest rate method.

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss

ii. Derecognition of Financial Liability

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

2.14 Use of estimates & Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Evaluation of recoverability of deferred tax assets / liability (Net); and
- Provisions and Contingencies

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit (PAT) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax (if any) thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, Right Shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources

2.16 Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirements of Schedule III, unless otherwise stated.

EBITDA and EBITDA Margin, ROCE and ROE

EBITDA and EBITDA Margin

EBITDA is calculated as profit after tax plus tax expense, finance cost, depreciation and amortization expenses, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	**Fiscal**		
	2024	**2023**	**2022**
Profit after tax (A) (₹ lakhs)	1,346.84	419.53	687.95
Tax Expense (B) (₹ lakhs)	582.90	135.20	212.14
Profit before tax (C=A+B) (₹ lakhs)	**1,929.74**	**554.73**	**900.09**
Add: Finance costs (D) (₹ lakhs)	1,818.36	1,282.70	561.67
Add: Depreciation and amortisation expense (E) (₹ lakhs)	393.28	357.61	143.98
Add: Exceptional Items (F) (₹ lakhs)	-	-	-
Less: Other Income	21.09	4.26	2.14
Earnings before interest, taxes, depreciation and amortisation expenses& exceptional items (EBITDA) (H= C+D+E+F-G) (₹ lakhs)	**4120.29**	**2190.77**	**1603.60**
Revenue from operations (I) (₹ lakhs)	87,295.77	88,201.35	49,372.50
EBITDA Margin (EBITDA as a percentage of revenue from operations) (J = H/I) (%)	**4.72%**	**2.48%**	**3.25%**

ROCE

Particulars	**Fiscal**		
	2024	**2023**	**2022**
EBIT*	3727.01	1833.16	1459.62
Average Capital Employed#	22,323.73	16,754.40	10,641.20
Return on capital employed (“ROCE”)	**16.70%**	**10.94%**	**13.72%**

*EBIT is calculated as follow: EBIDTA - Depreciation and amortization.

#Average capital employed is calculated as follows: Average of total equity + Average total borrowings + Lease Liability +/- DTA/ DTL adjustment - Intangible assets - ROU

ROE

Particulars	**Fiscal**		
	2024	**2023**	**2022**
PAT	1,346.84	419.53	687.95
Average Shareholders’ Equity*	3,867.52	2,476.02	1,523.50
Return on Equity (“ROE”)	**34.82%**	**16.94%**	**45.16%**

**Shareholder's Equity means the aggregate value of the paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, preliminary Expense, deferred expenditure and miscellaneous expenditure not written off, derived from Restated Financial Information, but does not include reserves created out of revaluation of assets, write- back of depreciation and amalgamation.|*

Principal Components of Statement of Profit and Loss

Total Income

Our total income comprises (i) revenue from operations and (ii) other income

Revenue from Operations

Revenue from operations comprise income from domestic sales and Export sales (Special Economic sale).

Other Income

Other Income mainly consist of Interest income from bank, Interest Income from Others and Share in Profit from firm etc.

Expenses

Cost of Materials Consumed, Purchases of Stock-in-trade, and Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade

Cost of materials consumed primarily includes the cost of raw materials, such as billets.

Changes in inventories of finished goods and work-in-progress denotes increase/decrease in inventories of finished goods and work in progress between opening and closing dates of a reporting period.

Employee Benefits Expense

Employee benefit expenses primarily include salaries and wages, gratuity expense, contribution to provident and other funds and staff welfare expenses.

Depreciation and Amortization Expense

Depreciation and amortization expense primarily include Depreciation of Tangible assets and amortization expenses arising out of Intangible and Right of use assets.

Finance Costs

Finance costs include interest expenses on bank loans and unsecured loans, lease obligation, trade credit and others and other borrowing costs.

Other Expenses

Other expenses primarily comprise of coal and gas consumption, store and spares consumables, repairs – others, repairs - plant & machinery, factory expenses, oxygen and LPG expenses, repairs - factory shed & building, testing expenses, water charges, power and fuel expenses, insurance expenses – pm, computer, internet & software expenses, postage & telegram/communications, fees & subscription expenses , stationery & printing, conveyance expenses, traveling, conveyance & vehicle expenses, office expenses, legal & professional charges, rates & taxes, rent, CSR expense, statutory audit fees, insurance expenses, Kasar & Vatav expenses, advertisement expenses, commission on sales, loading charge, royalty on sales, freight & cartage on sales, distribution expense, travelling expenses.

Profit for the Year

Profit for the year represents profit after tax.

Results of Operations

The following table sets forth select financial data from our Restated statement of profit and loss for the year ended Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods.

	For Fiscal					
	2024		**2023**		**2022**	
	(₹ lakhs)	**Percentage of Total Income**	**(₹ lakhs)**	**Percentage of Total Income**	**(₹ lakhs)**	**Percentage of Total Income**
Revenue:						
Revenue from Operations (Net)	87,295.77	99.98	88,201.35	100.00	49,372.50	100.00
Other Income	21.09	0.02	4.26	-	2.14	-
Total Income	**87,316.86**	**100.00**	**88,205.61**	**100.00**	**49,374.63**	**100.00**
Expenses:						

	For Fiscal					
	2024		2023		2022	
	(₹ lakhs)	**Percentage of Total Income**	**(₹ lakhs)**	**Percentage of Total Income**	**(₹ lakhs)**	**Percentage of Total Income**
Cost of Raw Material Consumed	75,023.48	85.92	84,699.73	96.03	37,027.17	75.00
Purchase of traded goods	2,200.87	2.52	1311.89	1.49	10,597.23	21.46
Changes in inventories of finished goods and work-in-progress	(411.99)	(0.47)	(6,480.42)	(7.35)	(3,103.45)	(6.29)
Employee Benefits Expense	1005.31	1.15	918.64	1.04	493.91	1.00
Finance Costs	1818.36	2.08	1282.70	1.45	561.67	1.14
Depreciation And Amortization Expenses	393.28	0.45	357.61	0.41	143.98	0.29
Other Expenses	5,357.80	6.14	5,560.73	6.30	2,754.03	5.58
Total Expenses	**85,387.12**	**97.79**	**87,650.87**	**99.37**	**48,474.55**	**98.18**
Profit/(loss) before exceptional items and tax	**1,929.74**	**2.21**	**554.73**	**0.63**	**900.09**	**1.82**
Exceptional Items	-		-		-	
Profit/ (loss) before tax	**1,929.75**	**2.21**	**554.74**	**0.63**	**900.09**	**1.82**
Tax Expense						
Current Tax	383.92	0.44	3.88	0.00	30.63	0.06
Deferred Tax	198.98	0.23	131.33	0.15	181.50	0.37
Total Tax Expense	**582.90**	**0.67**	**135.20**	**0.15**	**212.14**	**0.43**
Profit/(loss) for the period	**1,346.84**	**1.54**	**419.53**	**0.48**	**687.95**	**1.39**

**Rounded Off*

Fiscal 2024 compared to Fiscal 2023

Total Income

Our total income reduced by 1.01% from ₹88,205.61 lakhs in Fiscal 2023 to ₹ 87,316.86 lakhs in Fiscal 2024, primarily due to decrease in our revenue from operations and offset by an increase in other income as discussed below:

Revenue from operations

During Fiscal 2024, our revenue from operations experienced a marginal decline of 1.03%, decreasing from ₹ 88,201.35 lakhs in Fiscal 2023 to ₹87,295.77 lakhs in Fiscal 2024. This decrease is primarily attributed to a significant reduction in export sales, which saw a drop of 96.49%, from ₹ 897.41 lakhs in Fiscal 2023 to ₹ 31.46 lakhs in Fiscal 2024.

Other Income

Other income saw a significant increase of 395.07 %, rising from ₹ 4.26 lakhs in Fiscal 2023 to ₹ 21.09 lakhs in Fiscal 2024. This growth was primarily driven by a substantial rise in interest income from others, which increased from ₹ 0.64 lakhs in Fiscal 2023 to ₹ 3.48 lakhs in Fiscal 2024, and interest income from banks, which surged from ₹ 3.63 lakhs in Fiscal 2023 to ₹ 17.61 lakhs in Fiscal 2024.

Expenses

Our total expenses, which primarily included cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, work-in-process and stock-in-trade, employee benefits expense, Finance cost, Depreciation and Amortisation Expenses and other expenses, decreased by 2.58% from ₹ 87,650.88 lakhs in Fiscal 2023 to ₹ 85,387.12 lakhs in Fiscal 2024.

Cost of Materials Consumed

The cost of materials consumed decreased by 11.42%, from ₹ 84,699.73 lakhs in Fiscal 2023 to ₹ 75,023.48 lakhs in Fiscal 2024. This reduction is primarily attributable to a decrease in the Average Purchase Price

Changes in inventories of finished goods and work-in-progress

There was a change in inventory of ₹ (411.99) lakhs in Fiscal 2024, as compared to change in inventory of ₹ (6,480.42) lakhs in Fiscal 2023. The company experienced a substantial increase in the value of opening inventories, particularly in finished goods, in FY 2024 compared to FY 2023. However, the closing inventories also saw increase, leading to a smaller net decrease in total inventories for FY 2024 compared to the previous year.

Employee Benefits Expense

Our employee benefits expense increased by 9.43%, from ₹ 918.64 lakhs in Fiscal 2023 to ₹ 1,005.31 lakhs in Fiscal 2024. This growth was driven by higher salaries, wages, and bonuses, which went from ₹ 860.22 lakhs to ₹ 923.10 lakhs, alongside an increase in contributions to provident and other funds from ₹ 2.81 lakhs to ₹ 3.48 lakhs. Additionally, gratuity expenses rose from ₹ 14.71 lakhs to ₹ 15.63 lakhs, and staff welfare expenses significant increase from ₹ 40.90 lakhs to ₹ 63.10 lakhs during the same period.

Finance Costs

During Fiscal 2024, the company's finance costs surged by 41.76%, rising from ₹ 1,282.70 lakhs in Fiscal 2023 to ₹ 1,818.36 lakhs in Fiscal 2024. This increase was primarily driven by higher interest expenses across several financial obligations. Interest expenses on bank loans increased from ₹ 835.95 lakhs in Fiscal 2023 to ₹ 994.85 lakhs in Fiscal 2024, reflecting the company's higher borrowing levels and the prevailing interest rates. Similarly, interest expenses on unsecured loans saw a significant jump from ₹ 423.29 lakhs in Fiscal 2023 to ₹ 796.92 lakhs in Fiscal 2024. Lease obligations also contributed to the rise, with costs increasing from ₹ 0.88 lakhs in Fiscal 2023 to ₹3.36 lakhs in Fiscal 2024, due to leases amount recognised for 12 months in Fiscal 2024 as compared to 3 months in fiscal 2023. Additionally, other borrowing costs rose from ₹ 19.93 lakhs in Fiscal 2023 to ₹ 23.23 lakhs in Fiscal 2024. The overall rise in finance costs was further exacerbated by the company availing additional loans, both secured and unsecured, during the fiscal year, leading to higher interest payments and a heavier financial load.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 9.97% from ₹ 357.61 lakhs in Fiscal 2023 to ₹ 393.28 lakhs in Fiscal 2024 primarily due to an increase in depreciation by 8.96% from ₹ 356.07 lakhs in Fiscal 2023 to ₹ 387.97 lakhs in Fiscal 2024, and an increase of 300.00% in amortization of RoU Assets from ₹ 1.09 lakhs in Fiscal 2023 to ₹ 4.36 lakhs in Fiscal 2024.

Other Expenses

Other expenses decreased by 3.65% from ₹ 5,560.73 lakhs in Fiscal 2023 to ₹ 5,357.80 lakhs in Fiscal 2024, primarily due to an increase in expenses such as stores and spares consumables from ₹ 120.37 lakhs in Fiscal 2023 to ₹ 179.25 lakhs in Fiscal 2024, power and fuel expenses from ₹ 1,396.53 lakhs in Fiscal 2023 to ₹ 1,483.28 lakhs in Fiscal 2024, miscellaneous expenses from ₹ 670.31 lakhs in Fiscal 2023 to ₹ 767.92 lakhs in Fiscal 2024, freight and cartage on sales from ₹ 1,350.54 lakhs in Fiscal 2023 to ₹ 1,502.20 lakhs in Fiscal 2024, This was offset by a decrease in travelling expenses from ₹ 27.58 lakhs in Fiscal 2023 to ₹ 22.30 lakhs in Fiscal 2024 & coal & gas consumption from ₹ 1,740.73 in Fiscal 2023 to ₹ 1,183.20 lakhs in Fiscal 2024.

Total Tax Expense

Our total income tax expense increased by 331.13% from ₹ 135.20 lakhs in Fiscal 2023 to ₹ 582.90 lakhs in Fiscal 2024, primarily due to an increase in the profit before tax from ₹ 554.73 lakhs in Fiscal 2023 to ₹ 1,929.74 lakhs in Fiscal 2024.

Profit for the Year

As a result of the foregoing factors, our profit for the year in Fiscal 2023 was ₹ 419.53 lakhs compared to ₹ 1,346.84 lakhs in Fiscal 2024 which is an increase by 221.04%.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 78.64% from ₹ 49,374.63 lakhs in Fiscal 2022 to ₹ 88,205.61 lakhs in Fiscal 2023, primarily due to an increase in our revenue from operations and other income as discussed below:

Revenue from operations

The revenue from operations of the company increased significantly by 78.64% from ₹ 49,372.50 lakhs in Fiscal 2022 to ₹ 88,201.35 lakhs in Fiscal 2023. This growth was driven primarily by 81.40% increase in domestic sales, from ₹ 49,372.50 lakhs to ₹ 87,303.94 lakhs. However, the company experienced a 27.97% decrease in export sales, which dropped from ₹ 1,245.88 lakhs in Fiscal 2022 to ₹ 897.41 lakhs in Fiscal 2023.

Other Income

Our other income increased by 99.48% from ₹ 2.14 lakhs in Fiscal 2022 to ₹ 4.26 lakhs in Fiscal 2023, primarily as a result of an increase in interest income from bank by 227.03% from ₹ 1.11 lakhs in Fiscal 2022 to ₹ 3.63 lakhs in Fiscal 2023, increase in other interest income from ₹ 0.45 lakhs in Fiscal 2022 to ₹ 0.64 lakhs in Fiscal 2023.

Expenses

Our total expenses, which primarily included cost of raw material and components consumed, changes in inventories of finished goods and work-in-progress, employee benefit expense, finance cost, depreciation and amortization expenses, and other expenses, increased by 80.82% from ₹ 48,474.55 lakhs in Fiscal 2022 to ₹ 87,650.88 lakhs in Fiscal 2023.

Cost of Materials Consumed

Our cost of materials consumed increased by 128.75% from ₹ 37,027.17 lakhs in Fiscal 2022 to ₹ 84,699.73 lakhs in Fiscal 2023, due to Increase in revenue from operations of the company.

Changes in inventories of finished goods and work-in-progress

There was a change in inventory of ₹ (6,480.42) lakhs in Fiscal 2023, as compared to change in inventory of ₹ (3,103.45) lakhs in Fiscal 2022. This was primarily due to in Fiscal 2022 was the first year of manufacturing operations due to which inventory was on lower side in the fiscal 2022.

Employee Benefits Expense

There is an increase in total expenses, rising from ₹493.91 lakhs in 2022 to ₹918.64 lakhs in 2023, which represents an increase of 85.99%. The significant contributor to this rise is the "Salaries, Wages, and Bonus" category, which nearly doubled from ₹ 434.59 lakhs in 2022 to ₹ 860.22 lakhs in 2023.

Additionally, contributions to "Provident and Other Funds" have almost tripled, increasing from ₹ 1.03 lakhs to ₹ 2.81 lakhs, reflecting higher statutory contributions driven by the increased salary base. "Gratuity Expenses" also saw a modest rise from ₹ 12.88 lakhs in 2022 to ₹ 14.71 lakhs in 2023. Conversely, "Staff Welfare Expenses" experienced a slight decrease from ₹ 45.41 lakhs to ₹ 40.90 lakhs.

Finance Costs

Our finance costs increased by 128.37% from ₹ 561.67 lakhs in Fiscal 2022 to ₹ 1,282.70 lakhs in Fiscal 2023 primarily due to an increase in interest expenses on bank loan from ₹ 343.76 lakhs in Fiscal 2022 to ₹ 835.95 lakhs in Fiscal 2023, increase in interest expenses on unsecured loan from ₹ 189.26 lakhs in Fiscal 2022 to ₹ 423.29 lakhs in Fiscal 2023, increase in lease obligation from Nil lakhs in Fiscal 2022 to ₹ 0.88 lakhs in Fiscal 2023, increase in other borrowings costs from ₹ 11.25 lakhs in Fiscal 2022 to ₹ 19.93 lakhs in Fiscal 2023.

Depreciation and Amortization Expense

Our depreciation and amortization expense increased by 148.38% from ₹ 143.98 lakhs in Fiscal 2022 to ₹ 357.61 lakhs in Fiscal 2023 primarily due to an increase in depreciation by 147.31% from ₹ 143.98 lakhs in Fiscal 2022 to ₹ 356.07 lakhs in Fiscal 2023, and amortization by 100% from Nil in Fiscal 2022 to ₹ 1.55 lakhs in Fiscal 2023 for RoU & Intangible Assets.

Other Expenses

Our other expenses accounted for 6.30% and 5.58% of our total income in Fiscals 2023 and 2022, respectively. Other expenses increased by 101.91% from ₹ 2,754.08 lakhs in Fiscal 2022 to ₹ 5,560.73 lakhs in Fiscal 2023, in aggregate, primarily due to increase in Coal and gas consumption from ₹ 859.41 lakhs in Fiscal 2022 to ₹ 1,740.73 in Fiscal 2023, Stores and spares consumables from ₹ 50.05 lakhs in Fiscal 2022 to ₹ 120.37 lakhs in Fiscal 2023, Power and fuel expenses from ₹ 606.31 lakhs in Fiscal 2022 to ₹ 1,396.53 lakhs in Fiscal 2023, miscellaneous expenses from ₹ 387.58 lakhs in Fiscal 2022 to ₹ 670.31 lakhs in Fiscal 2023, Freight & cartage on sales from ₹ 719.51 lakhs in Fiscal 2022 to ₹ 1,350.54 lakhs in Fiscal 2023, Distribution expenses from Nil in Fiscal 2022 to ₹ 82.84 lakhs in Fiscal 2023, Travelling expenses from ₹ 16.65 lakhs in Fiscal 2022 to ₹ 27.58 lakhs in Fiscal 2023.

Total Tax Expenses

Our total income tax expense decreased by 36.27% from ₹ 212.14 lakhs in Fiscal 2022 to ₹ 135.20 lakhs in Fiscal 2023, primarily due a decrease in the profit before tax from ₹ 900.09 lakhs in Fiscal 2022 to ₹ 554.73 lakhs in Fiscal 2023.

Profit for the Year

As a result of the aforementioned reasons, our Profit for the year for Fiscal 2023 decreased by 39.02% to ₹ 419.52 lakhs from ₹ 687.95 lakhs for Fiscal 2022.

Liquidity and Capital Resources

Historically, we have financed the expansion of our business and operations primarily through internal accruals, issuance of capital and also through borrowings from banks for organic as well as inorganic expansion.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated cash flow statements, for the periods indicated:

(in lakhs)

	For Fiscal		
	2024	**2023**	**2022**
Net cash generated from operating activities	3,755.45	(1,130.49)	(3,094.61)
Net cash (used in)/generated from investing activities	(5,023.53)	(2,700.95)	(1,844.95)
Net cash (used in)/generated from financing activities	1,856.35	4,050.57	4,940.00
Cash and cash equivalents at the end of the year	808.77	220.49	1.35

Operating Activities

<u>For the year ended on March 31, 2024</u>

In Fiscal 2024, net cash generated from operating activities was ₹ 3,755.45 lakhs and the operating profit before working capital changes was ₹ 4,152.01 lakhs The change in working capital amounted to ₹ (386.12) lakhs.

<u>For the year ended on March 31, 2023</u>

In Fiscal 2023, net cash generated from operating activities was ₹ (1,130.49) lakhs and the operating profit before working capital changes was ₹ 2,202.93 lakhs. The change in working capital amounted to ₹ (3,343.53) lakhs, primarily due to increase in inventories of ₹ (6,243.22) lakhs which is offset by other working capital items.

<u>For the year ended on March 31, 2022</u>

In Fiscal 2022, net cash generated from operating activities was ₹ (3,094.61) lakhs and the operating profit before working capital changes was ₹ 1,607.33 lakhs. The change in working capital amounted to ₹ (4,671.12) lakhs, primarily due to increase in inventories of ₹ (4,239.17) lakhs.

Investing Activities

<u>For the year ended on March 31, 2024</u>

Net cash used in investing activities was ₹ (5,023.53) lakhs in Fiscal 2024, primarily on account of purchase of property, plant and equipment of ₹ (5,000.93) lakhs.

<u>For the year ended on March 31, 2023</u>

Net cash used in investing activities was ₹ (2,700.95) lakhs in Fiscal 2023, primarily on account of purchase of property, plant and equipment of ₹ (1,176.01) lakhs & Loans & Advances given of ₹ (1,469.60).

<u>For the year ended on March 31, 2022</u>

Net cash used in investing activities was ₹ (1,844.95) lakhs in Fiscal 2022, primarily on account of purchase of property, plant and equipment of ₹ (1,815.93) lakhs.

Financing Activities

<u>For the year ended on March 31, 2024</u>

In Fiscal 2024 the company raised ₹ 15,341.80 lakhs through non-current borrowings and an additional ₹ 1,038.43 lakhs from current borrowings, along with ₹ 210.03 lakhs from the issue of equity shares. These inflows were offset by the repayment of ₹ 12,863.90 lakhs towards non-current borrowings. The Finance costs were ₹ 1,815.00 lakhs. The company generated cash flow of ₹ 1,856.35 lakhs from its financing activities.

<u>For the year ended on March 31, 2023</u>

In Fiscal 2023 the company raised ₹ 6,780.37 lakhs through non-current borrowings and ₹ 1,118.70 lakhs from current borrowings, along with ₹ 788.08 lakhs from the issue of equity shares. These inflows were offset by the repayment of ₹ 3,353.22 lakhs in non-current borrowings. The finance costs were ₹ 1,281.82 lakhs. the company generated cash flow of ₹ 4,050.57 lakhs from financing activities.

<u>For the year ended on March 31, 2022</u>

In Fiscal 20220 the company raised ₹ 12,659.64 lakhs from non-current borrowings and ₹ 1,956.91 lakhs from current borrowings. These inflows were offset by the repayment of ₹ 9,114.88 lakhs towards non-current borrowings. The finance costs were ₹ 561.67 lakhs. the company achieved cash flow of ₹ 4,940.00 lakhs from financing activities.

Indebtedness

As of August 31, 2024, we had total outstanding financial indebtedness of ₹ 25,251.83 lakh.

The following table sets forth certain information relating to our outstanding indebtedness as of August 31, 2024, and our repayment obligations in the periods indicated:

(₹ in lakhs)

As on August 31, 2024	Less than 1 year	1 – 2 Years	1 year to 5 years	More than 5 years	Total
Current Borrowings					
Secured	7,331.25	-	-	-	7,331.25
Unsecured	2,996.67	-	-	-	2,996.67
Total Current Borrowings (A)	**10,327.92**	**-**	**-**	**-**	**10,327.92**
Non-current Borrowings					
Secured	1,619.29	1,849.33	7,411.19	174.78	9,205.27
Unsecured	333.33	5,237.30	5,385.31	-	5,718.64
Total Non-current Borrowings (B)	**1,952.62**	**7,086.63**	**12,796.50**	**174.78**	**14,923.91**
Total	**12,280.54**	**7,086.63**	**12,796.50**	**174.78**	**25,251.83**

**Note: The amount of unamortized processing charges have not been deducted from the Non current borrowings.*

For further information on our agreements governing our outstanding indebtedness, see "*Financial Indebtedness*" on page 284.

Contractual Obligations

The table below sets forth our contractual obligations as of March 31, 2024. These obligations primarily relate to our contractual maturities of financial liabilities such as borrowings, trade payables lease liabilities and other financial liabilities.

(₹ in lakhs)

Particulars	Total	Less than 1 year	1 year to 5 years	More than 5 years
Borrowings	19,801.70	9,333.05	10,372.09	96.56
Trade Payables	1,359.66	1,359.66	0.00	0.00
Other financial liabilities	913.27	913.27	0.00	0.00
Lease liabilities	35.82	3.02	21.92	10.88

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as of March 31, 2024:

(₹ in lakhs)

Particulars	As of March, 31, 2024
Guarantees issued by the Company's Bankers on behalf of the Company	1,660.13
GST Claim against the company	53.37
Total contingent Liabilities	**1,713.50**

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2024, aggregated by type of contractual obligation:

(₹ in lakhs)

Particulars	Amount
Commitments	1,897.97
Total	**1,897.97**

For further information on our capital and other commitments, see "Restated Financial Information – Note 32" on page 224.

Quantitative and Qualitative Disclosures about Market Risk

'The principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support company's operations. The principal financial assets include trade and other receivables and other assets. The company is exposed to market risk, credit risk, Interest rate risk and liquidity risk. The finance team oversees the management of these risks. The senior management ensures that the companies financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed.
Our Company is exposed to market risk, interest rate risk, credit risk, Interest rate sensitivity and liquidity risk. Our Company's senior management oversees the management of these risks. Our Board of Directors reviews and agrees policies for managing each risk, which are as below:

Market Risks

Market risk arises from the company's use of interest -bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in inter estrates (interest rate risk) or other market factors. Financial instruments affected by market risk include borrowings, fixed deposits etc.

Interest Rate Risk

The Company's main interest rate risk arises from long- term borrowings with variable rates, which expose the Company to cashflow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cashflows will fluctuate because of a change in market interest rates. The Company manages its cash flow interest rate risk by converting higher rate interest loan to lower rate interest loan.

The Company has exposure toward floating interest rate borrowing ₹ 19,718.05 Lakhs for the year 2023-2024, ₹ 16,204.65 for the year 2022-2023 and ₹ 11,722.49 for the year 2021-2022.

Interest rate sensitivity

If interest rates had been 50 basis point higher/lower and all variable were held constant, the Company's profit for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 would be decrease/ increase by ₹ 98.59 lakhs, ₹ 81.02 lakhs and ₹ 58.61 lakhs respectively. The is mainly attribution to interest rates on variable rate borrowings.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short-term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system. During the year, the Company has been regular in repayment of principal and interest on borrowings on or before due dates. The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable

Maximum exposure to the credit risk is on account of outstanding balances in the trade receivables account, but as per experience the ageing of debtors is always under six months and there are no bad debts encountered in past. As the company collects its receivables within six months, company has not made any Expected credit loss provision (ECL).

Capital Expenditures

The following table sets forth our payment towards purchase of property, plant and equipment, investment property and capital creditors (net) for the periods indicated:

(₹ in lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Building	-	15.10	1646.22
Land	48.70	30.16	-
Plant & Machinery	121.88	614.77	4,513.80
Computer & Accessories	0.86	2.37	6.79
Furniture & Fixture	0.17	-	23.31
Office Equipment	3.44	8.28	0.23
Vehicle	18.81	57.43	33.64
Electrification	-	47.24	538.68
Total	**193.87**	**775.36**	**6,762.67**

For further information, see "*Restated Financial Information*" on page 224.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Related parties with whom transactions have taken place during the year. For details of such transactions see '*Restated Financial Information - Note 33(B) - Related Party Disclosures*' and '*Risk Factors - We have in the past entered into related party transactions and may continue to do so in the future*' on page 224 and 25, respectively.

Changes in accounting policies

There are no changes in accounting policies.

Auditor observations

There are no qualifications, reservations and adverse remarks by our Statutory Auditors in our Restated Financial Information.

Significant Economic Changes

Other than as described above, to the best of the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations. For further details, please see "*Our Business*" and "*Risk Factors*" on pages 160 and 25, respectively.

Future relationship between cost and income

Other than as described in *'Risk Factors', 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'* on pages 25, 160 and 262 respectively, there are no known factors that might affect the future relationship between costs and revenues.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and will continue to be affected by the trends identified above in the heading titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 262 and the uncertainties described in the section titled "*Risk Factors*" beginning on page 25. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Segment Reporting

Our Company operates in a single operating segment and therefore separate segment reporting for operating segment has not been made under Ind-AS 108.

New Products or Business Segments

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Financial Years are as described in *"Management's Discussion and Analysis of Financial Condition and Results of Operations - Fiscal 2023 compared with Fiscal 2022 – Revenue from Operations*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Fiscal 2022 compared with Fiscal 2021 - Revenue from Operations*" above on pages 262, respectively**.**

Significant dependence on a single or few suppliers or customers

The table below sets forth our revenue from our top 10 customers and top five customers, as a percentage of our revenue from operations for the year/period indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (in ₹ lakhs)	**% of total revenue from operations**	**Amount (in ₹ lakhs)**	**% of total revenue from operation**	**Amount (in ₹ lakhs)**	**% of total revenue from operations**
Top five customers	79,897.89	91.53	77,134.82	87.45	35,721.56	72.35
Top ten customers	82,444.86	94.44	81,340.16	92.22	41,586.05	84.23

For details, see *"Risk Factors- Our business and profitability is substantially dependent on the availability and cost of our raw materials and we are dependent on third party suppliers for meeting our raw material requirements which are on purchase order basis. Any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition"* on page 25.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections "*Risk Factors", "Industry Overview" and "Our Business"* on pages 25, 120 and 160, respectively.

Total turnover of each major industry segment in which the Company operated.

We conduct our business predominantly in the State of Gujarat from where we derived over 98% of our revenues from operations in Fiscal 2024. Our revenue from operations in Fiscal 2024 from sale of TMT Bars in the State of Gujarat constituted approximately 94% of the total revenue from operations wherein retail sales constituted 80% and institutional sales constituted 14% of the total revenue from operations.

Significant Developments after March 31, 2024, that may affect our future results of operations.

Except as stated below and elsewhere in this Draft Red Herring Prospectus, no developments have come to our attention since the date of the Restated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to materially and adversely affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

1. Our Company has increased its authorised share capital after March,31, 2024 from ₹ 2,000 lakhs to ₹ 3,500 lakhs on May 11, 2024 and further increased it to ₹ 5,100 lakhs on July 26, 2024.

2. As on June 19, 2024, our Company had allotted 2,11,000 shares on preferential basis for cash price of ₹ 230 per equity share including premium of ₹ 220 per equity share amounting to cash consideration ₹ 485.30 lakhs.

3. As on June 22, 2024, our Company has issued bonus equity shares of 3 equity shares for every 2 equity shares held out of its securities premium account and Reserves and surplus created out of profit resulting in increase in equity shares by 2,03,22,186 equity shares having face value of ₹ 2,032.22 lakhs.

4. As on July 22, 2024, our Company had allotted 7,60,900 equity shares on preferential basis for cash price of ₹ 92 per equity share including premium of ₹ 82 per equity share amounting to cash consideration of ₹ 700.03 lakhs.

5. Incurred Capital Expenditure on CCM Project amounting to ₹ 4,289.06 lakhs from April 1, 2024 till August 31, 2024.

6. Our Company has entered into factory lease agreement with Hans Industries Private Limited on June 4, 2024, under which we have taken on lease a facility at Bhavnagar, Gujarat for production of MS Pipes.

7. Our Company has entered into retail license agreement dated June 20, 2024 with Kamdhenu Limited.

8. Our Company has availed additional non fund facilities from HDFC Bank Limited of an account of ₹ 5,000 lakhs

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2024, as derived from our Restated Financial Information. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information – Restated Financial Information*" and "Risk Factors" on pages 262, 224 and 25, respectively.

(₹ in lakhs, except ratios)

Particulars	**Pre-Issue as at March 31, 2024**	**Post-Issue***
Borrowings		
Current Borrowings (including current maturities)	9,333.05	**[●]**
Non-current Borrowings	10,452.95	**[●]**
Total Borrowings#	**19,786.00**	**[●]**
Total Equity		
Equity Share Capital	1,331.71	
Other Equity	3,317.55	**[●]**
Total Capital	**4,651.27**	
Debt Equity Ratio	**4.25**	
Ratio: Non-Current Borrowing/ Total Equity	**2.25**	**[●]**
Ratio: Current Borrowing/ Total Equity	**2.01**	**[●]**

The above terms carry the meaning as per division II of Schedule III to the Companies Act, 2013 (as amended)
**Post Issue capitalisation will be determined after finalisation of Issue Price*
#The above statement does not include lease liability as per Ind AS 116 disclosed under the Restated Financial Information
Notes:
As on 19.06.2024 the company had allotted 2,11,000 shares on preferential basis for cash price of ₹ 230 per equity share including premium of ₹220 per equity share amounting to cash consideration of ₹ 485.30 Lakhs.
As on 22.06.2024 the company has issued bonus equity shares of 3 equity shares for every 2 equity shares held out of its securities premium account and Reserves and surplus created out of profit resulting in increase in equity shares by 2,03,22,186 equity shares having face value of ₹ 2032.22 Lakhs.
As on 22.07.2024 the company had allotted 7,60,900 equity shares on preferential basis for cash price of Rs.92 per equity share including premium of ₹ 82 per equity share amounting to cash consideration of ₹ 700.03 Lakhs.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as, *inter alia*, term loans and other fund-based working capital loans. For details regarding the resolution passed by our Shareholders on September 25, 2023 authorizing the borrowing powers of our Board, see "*Our Management – Borrowing Powers of Board*" and "*Risk Factors – We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition* ." on pages 198 and 25.

Set forth below is brief summary of our outstanding borrowings as on August 31, 2024:

(₹ in lakhs)

Particulars	Sanctioned amount as on August 31, 2024	Outstanding Balance as on 31st August, 2024
Secured		
Fund Based Working Capital Facilities	1,000.00	950.00
Cash Credit	6,600.00	6,378.92
Long-Term Working Capital Loans	1,036.00	725.54
Term Loans	10,050.00	8,373.91
Equipment Loans	12.20	0.60
Vehicle loan	36.71	25.05
Total (fund based) (A)	**18,734.91**	**16,454.01**
Non fund based	5,910.00	-
Unsecured		
Equipment Loan	50.00	48.67
Vehicle loan	53.73	33.83
Unsecured Loans	8,003.96	7,818.64
Unsecured Working Capital	900.00	896.67
Total(B)	**14,917.69**	**8,797.82**
C = (A+ B)	**37,652.60**	**25,251.83**

**As certified by our Statutory Auditors, M/s. Suresh Chandra & Associates, by way of their certificate dated September 27, 2024.*

Principal terms of our outstanding borrowings ("Borrowings") availed by our Company:

1. **Tenor:** The tenor of the Borrowings availed by us typically ranges from 1 year to 7 years.

2. **Interest:** In terms of the Borrowings availed by us, the interest rate is typically the base rate/PLR/ MCLR of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies among different loans.

   The interest rate for the Secured Borrowings availed by our Company ranges from 7.65% per annum to 9.40% per annum.

3. **Security**: Our secured borrowings are typically secured by way of:

a) First-ranking pari passu charge on the Current Assets and movable fixed assets;

b) First-ranking pari passu charge on all the immovable fixed assets and collateral security;

c) Second-ranking pari passu charge over hypothecation of existing as well as proposed Current Assets, Plant and Machinery, and Fixed Assets of the Company;

d) Personal guarantees of Promoters and corporate guarantees.

4. **Repayment:** The Borrowings availed by us are typically repayable on demand, or on their respective due dates within the maximum tenure. Our Borrowings are generally repayable in monthly instalments as per the repayment schedule stipulated in the relevant loan documentation. The repayment and other terms and conditions are subject to change as a consequence to any change in the money market conditions or macro-economic conditions or on account of any other statutory or regulatory requirements or at Bank's discretion.

5. **Prepayment:** The term loans availed by our Company typically have prepayment provisions which allow for prepayment, with prior notice on payment of certain penalties. While few of our term loans can be repaid only on the lender's discretion or under certain terms and conditions, the prepayment penalty typically ranges up to 4% of the amount being prepaid.

6. **Penalty:** The facilities availed by our Company contain certain provisions prescribing penalties, over and above the prescribed interest rate, for reasons including but not limited to delayed payment, default in the repayment obligations, occurrence of certain events of default, overdrawing over the drawing power, failure to meet financial covenants, non-submission/delayed submission of periodic information/statements and breach of terms and conditions etc., which typically range from 1% to 8% of the amounts involved with respect to term loans.

7. **Restrictive covenants:** The loans availed by our Company typically, contain certain key covenants, which require prior approval of, or intimation to, the lenders and other relevant parties for certain specified events on corporate actions, including inter-alia:

a) No change in promoter stake without bank's permission;

b) Borrower shall not, without the prior written consent of the Bank: (a) Effect any change in the borrower's capital structure or share holding pattern or effect any change in the management set up (including resignation of promoter directors) or ownership interest structure where the shareholding by the existing promoter(s) or capital control or ownership interest of the partners including managing partner (as the case may be), directly or indirectly, legally or beneficially, gets diluted below the present level in any manner whatsoever

c) Undertake any new project, implement any scheme of expansion/diversification or capital expenditure or acquired fixed assets.

d) The Borrower shall not invest/lend/extend advances to group or subsidiaries company other than genuine trade transactions.

8. **Events of default:** Borrowing arrangements entered into by our Company contain standard events of default, including inter-alia:

a) Misleading information: Providing incorrect or misleading information;

b) Change in business: Cessation or change of the Borrower's business or failure in business operations;

c) Illegality: Use of assets or proceeds for illegal purposes;

d) Change in control: Change in control of the Borrower;

e) Liquidation: Initiation of liquidation or winding up; and

f) Death/Insolvency: Death of a Borrower or steps towards insolvency.

g) Failure to repay the loan amount;

h) Commit any breach: If the Borrower fails to perform any obligation or commits any breach of any terms; and

i) Legal proceedings: If any corporation or partnership firm taken any action or other steps are taken or legal proceedings are started for winding up, dissolution or re-organization or for appointment of a receiver, trustee or similar officer on its Hypothecated Asset.

9. **Consequences on occurrence of event of default:** In terms of the facility agreements and sanction letters, in case of occurrence of events of default set out above, our lenders may, among others:

a) terminate either whole or part of the facility and/or declare that the dues and all obligations shall immediately become due and payable to the lender;

b) the Bank shall have the right to appoint, at the Bank's discretion, nominee(s) on the board of directors of the Borrower, to look after the Bank's interests;

c) to enter into and upon the premises of the Borrower and/or any other person who then has possession of the hypothecated assets, to seize, recover, collect, withdraw, receive the hypothecated assets and/or any income, profits and benefits thereof without interruption or hindrance by the Borrower; and/or by any person(s);

d) to remove and/or sell by public auction or by private contract, dispatch or consign for realisation or otherwise dispose of or deal with all or any part of the hypothecated assets;

e) to direct the Borrower and/or other concerned person to sell, assign or otherwise liquidate, any or all of the Hypothecated Assets, (a) to claim the proceeds of any such sale or liquidation, (b) to retain all amounts and/or other proceeds received or receivable by the bank in respect of the Hypothecated Assets and use them, in whole or part, towards repayment / payment of all amounts in respect of the Facilities;

f) exercise such remedies as may be permitted or available to the lender under law, including RBI guidelines.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by our Company, and the same may lead to consequences other than those stated

For the purpose of the Issue, our Company has obtained necessary consents relating to the Issue including consequent corporate actions, such as change in our capital structure, change in the board composition, amendments to the charter documents of our Company, etc.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by any statutory or regulatory authorities involving the Relevant Parties; or (iii) claim involving our Company, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be "material" pursuant to the materiality policy approved by our Board in its meeting held on August 12, 2024 ("**Materiality Policy**") (as disclosed herein below)*

*In accordance with the Materiality Policy, all outstanding litigation (other than outstanding criminal proceedings), all actions by statutory or regulatory authorities; disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action; claims relating to direct and indirect taxes in a consolidated manner, giving the number of cases and total amount and other pending civil litigations involving the Relevant Parties wherein (i) the aggregate monetary claim made by or against the Relevant Parties in such individual litigation in excess of an amount equivalent to 5% of the profit after tax of the Company, as per the last annual audited Financial Statement or (ii) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 5% of the profit after tax of the Company as per the last annual audited financial statements, if similar litigations put together collectively exceed 5% of the profit after tax of the Company; or (iii) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.) ("**Threshold**") (ii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, or (iii) the pending litigation where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed the Threshold, have been considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.*

Accordingly, all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such outstanding litigation is equal to or in excess of ₹ 67.34 Lakhs (being 5 % of our profit after tax of our Company for Fiscal 2024), have been disclosed in this Draft Red Herring Prospectus.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding governmental, statutory or regulatory authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

*Further, in accordance with the Materiality Policy, our Company has considered such creditors to be 'material', to whom the amount due is equal to or in excess of 5% of the trade payables of our Company as of Fiscal 2024. The trade payables of our Company as on March 31, 2024, was ₹ 1,359.66 Lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor individually exceeds ₹ 67.98 Lakhs. as of March 31, 2024. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATIONS INVOLVING OUR COMPANY

i. Outstanding criminal proceedings

a) Criminal proceedings against our Company

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings filed against our Company.

b) ***Criminal proceedings initiated by our Company***

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Company.

c) ***Civil proceedings against our Company***

As on the date of this Draft Red Herring Prospectus, there are no pending civil proceedings filed against our Company.

d) ***Civil proceedings initiated by our Company***

As on the date of this Draft Red Herring Prospectus, there are no pending civil proceedings filed by our Company which have been considered material in accordance with the Materiality Policy.

ii. Outstanding actions by Statutory Authorities or Regulatory Authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Company.

iii. Outstanding tax proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Company except as listed below.

Nature of case	Number of cases	Amount Involved (in ₹ Lakhs)
Direct Tax	Nil-	Nil
Indirect Tax	01	53.37
Total	**01**	**53.37**

iv. Other pending material litigation against our Company

Nil

LITIGATIONS INVOLVING OUR PROMOTERS

i. Criminal proceedings involving our Promoters

a) ***Criminal proceedings against our Promoters***

The office of the Commissioner of CGST, Central and Excise, Rajkot, in pursuance of investigations deemed to be judicial proceedings within the meaning of Section 193 and 228 of the Indian Penal Code ("**IPC**") into one of our Group Companies i.e. Aditya Ultra Steel Limited ("**AUSL**"), issued summons and subsequently issued an arrest memo dated July 9, 2017 ("**Arrest Memo**") against the directors of the said Company, Manoj Jain and Varun Manojkumar Jain, alleging fraudulent utilization of Input Tax Credit ("**ITC**") by AUSL and issuance of fake bills/invoices to avail the ITC without the actual supply of any goods of ₹ 261.00 lakhs, punishable under Section 132 of the CGST Act, 2017. Manoj Jain and Varun Manojkumar Jain have been released on bail. While the said matter is pending, a parallel inquiry was initiated by the CGST Commissioner by issuing a summons against AUSL on November 29, 2023, in view of a search conducted at the premises of AUSL on November 28, 2023. Thereafter, AUSL replied to the summons on November 30, 2023, notifying the special intelligence officer of the CGST Commissioner of the previous inquiry initiated against AUSL, and requested the adjournment of the summons. The matters are still pending.

b) ***Criminal proceedings initiated by our Promoters***

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

ii. Other material proceedings involving by our Promoters

Civil proceedings against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated against our Promoters.

Civil proceedings initiated by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Promoters.

iii. Outstanding actions by Statutory or Regulatory authorities against our Promoters

Except as disclosed below, there are no outstanding actions by Statutory or Regulatory authorities against our Promoters as on the date of this Draft Red Herring Prospectus:

A show cause notice ("**SCN**") bearing reference no. SEBI/HO/EAD/EAD-3/BM/DS/OW/37374/2022 dated August 08, 2022 was issued by SEBI against one of the member of our Promoter Group, Sangeeta Jain ("**Noticee"/"Applicant**") under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 alleging violation of regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices relating to Securities Markets) Regulations, 2003 with respect to trading in illiquid stock options at BSE. In the SCN, while SEBI had mentioned in the event the alleged violations, if established, will make the Noticee liable for monetary penalty under section 15HA of the SEBI Act, however, SEBI had also mentioned the Noticee may avail the benefit of the SEBI Settlement Scheme, 2022 framed by SEBI ("**Scheme**") pursuant to the order dated May 13, 2022 passed by the Hon'ble Securities Appellate Tribunal. Thereafter, SEBI issued a letter bearing no. SEBI/HO/EAD/EAD3/BM/DS/OW/2023/8216/1 dated February 24, 2023 to the Noticee providing an opportunity of hearing on March 14, 2023 on the grounds of natural justice. Post the hearing, the Noticee submitted her reply to the SCN on April 14, 2023 praying for discharge from SCN proceedings and to apply for consent regulations with the same terms as per the Scheme. A settlement amount of ₹ 2,40,000/- was paid by Applicant and SEBI vide its order dated August 19, 2024 bearing reference SO//EFD2/2024-25/7983 has decided not to continue existing proceedings nor initiate new actions against the applicants for the specified defaults.

iv. Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years including outstanding action

Except as disclosed in this Draft Red Herring Prospectus, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years.

v. Outstanding tax claims against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax claims involving our Promoters except as listed below.

Nature of case	Number of cases	Amount Involved (in ₹ Lakhs)
Direct Tax	03	26.66
Indirect Tax	01	261.00
Total	**4**	**287.66**

LITIGATIONS INVOLVING OUR DIRECTORS (OTHER THAN OUR PROMOTERS)

i. Criminal litigations involving our Directors (other than our Promoters)

Criminal proceedings against our Directors (other than our Promoters)

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors other than our Promoters.

Criminal proceedings initiated by our Directors (other than our Promoters)

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors other than our Promoters.

ii. Other material proceedings involving by our Directors (other than our Promoters)

Civil proceedings against our Directors (other than our Promoters)

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated against our Directors other than our Promoters.

Civil proceedings initiated by our Directors (other than our Promoters)

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Directors other than our Promoters.

iii. Outstanding actions by Statutory or Regulatory authorities against our Directors (other than our Promoters)

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Directors other than our Promoters.

iv. Outstanding tax claims and proceedings against our Directors other than our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Directors other than our Promoters.

Outstanding dues to creditors

In accordance with the Materiality Policy, our Company has considered such creditors material to whom the amount due is equal to or in excess of 5% of the total outstanding dues ("trade payables") of our Company as of the end of the most recent period covered in the last Annual Audited Financial Statement, *i.e.* ₹ 67.98 lakhs as of March 31, 2024 ("**Material Creditors**").

The details of the total outstanding over dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2024 is as set forth below:

Types of Creditors	Number of Creditors	Amount involved (₹ in Lakhs)
Micro, small and medium enterprises*	40	237.55
Material Creditor(s)	8	164.74
Other Creditors#	67	1122.11
Total	**115**	**1524.40**

**As defined under the Micro, Small and Medium Enterprises Development Act, 2006.*
 # Including provisions and unbilled dues.
As certified by our Statutory Auditor, Suresh Chandra & Associates by way of their certificate dated September 27, 2024.

For further details about outstanding dues to Material Creditors as on March 31, 2024, along with the name and amount involved for each such Material Creditor, see www.vmstmt.com

LITIGATIONS INVOLVING OUR GROUP COMPANIES

i. Outstanding Criminal Litigations involving our Group Companies

Criminal proceedings against our Group Companies

The office of the Commissioner of CGST, Central and Excise, Rajkot, in pursuance of investigations deemed to be judicial proceedings within the meaning of Section 193 and 228 of the Indian Penal Code ("**IPC**") into one of our Group Companies i.e. Aditya Ultra Steel Limited ("**AUSL**"), issued summons and subsequently issued an arrest memo dated July 9, 2017 ("**Arrest Memo**") against the directors of the said Company, Manoj Jain and Varun Manojkumar Jain, alleging fraudulent utilization of Input Tax Credit ("**ITC**") by AUSL and issuance of fake bills/invoices to avail the ITC without the actual supply of any goods of ₹ 261.00 lakhs, punishable under Section 132 of the CGST Act, 2017. Manoj Jain and Varun Manojkumar Jain have been released on bail. While the said matter is pending, a parallel inquiry was initiated by the CGST Commissioner by issuing a summons against AUSL on November 29, 2023, in view of a search conducted at the premises of AUSL on November 28, 2023. Thereafter, AUSL replied to the summons on November 30, 2023, notifying the special intelligence officer of the CGST Commissioner of the previous inquiry initiated against AUSL, and requested the adjournment of the summons. The matters are still pending

Criminal proceedings by our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings filed by our Group Companies.

ii. Other material proceedings involving our Group Companies

Civil proceedings against our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Group Companies.

Civil litigations by our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Group Companies.

Other material litigations against our Group Companies

An application bearing Company Petition No. CP/19(AHM) of 2022 has been filed under sections 73(4) and 76(2) of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 ("**Application**") by Mujlibhai Karamshibhai Patel and Sandipkumar Karamshibhai Patel (collectively, "**Applicants**") against Aditya Ultra Steel Limited ("**Company**") before the Hon'ble National Company Law Tribunal, Ahmedabad Bench at Ahmedabad ("**NCLT**") in pursuance of a dispute arising out of the deposit that are payable to the Applicants by the Company amounting to ₹ 102.06 lakhs and ₹ 80.95 lakhs respectively ("**Deposits**") along with interest in the form of unsecured loan. Further, the Applicants have also filed an investor complaint alleging default in repayment under investor compliant form with the Registrar of Companies ("**ROC**"). Thereafter, the RoC had issued a notice dated July 31, 2020 ("**Notice**") to the Company in relation to the aforementioned complaint. The Company has duly sent a reply to the Notice on October 10, 2020 denying all the claims of the Applicants, including the receipt of Deposits from the Applicants, and the existence of any liability in view of a memorandum of understanding ("**MoU**") executed on May 1, 2016 by and between the relevant parties. The matter is presently pending.

Other material litigations by our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding material litigations initiated against our Group Companies.

iii. Outstanding actions by Statutory Authorities or Regulatory Authorities involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Group Companies.

iv. Outstanding Tax claims involving our Group Companies

Nature of case	Number of cases	Amount Involved (in ₹ Lakhs)
Direct	07	459.38
Indirect	01	453.87
Total	**08**	**913.25**

Material Developments

Except as disclosed in *"Management's Discussion and Analysis of Financial Position and Results of Operations–Significant Developments Occurring after March 31"* on page 262, no circumstances have arisen since March 31, 2024, the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

Other Confirmations

There are no findings/observations of any regulators that are material, and which need to be disclosed or non-disclosure of which may have bearing on the investment decision. Further, our Company has not received any findings/observations from SEBI pursuant to the Issue, as on date of this Draft Red Herring Prospectus.

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GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "*Key Regulations and Policies in India*" on page 186.

For Issue related approvals, see "*Other Regulatory and Statutory Disclosures*" on page 296 and for incorporation details of our Company, see "*History and Certain Corporate Matters*" on page 192.

I. Approvals in relation to incorporation of our Company

Sr. No.	Particulars	Issuing authority	Date of issue
1.	Certificate of incorporation under the name '*VMS TMT PRIVATE LIMITED*'	Registrar of Companies, Gujarat at Ahmedabad	April 19, 2013
2.	Fresh certificate of incorporation consequent upon change of name from '*VMS TMT Private Limited*' to '*VMS TMT Limited*', pursuant to conversion of our Company from a private limited company to a public limited company	Registrar of Companies, Gujarat at Ahmedabad	December 01, 2023

The corporate identification number of our Company is U27204GJ2013PLC074403.

II. Material approvals in relation to the Issue

For the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures – Authority for the Issue*", beginning on page 296.

III. Material approvals in relation to our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

Tax related approvals

Sr. No.	Particulars	Issuing Authority	Registration/Certificate Number	Date of issue
1.	Permanent account number	Income Tax Department, Government of India	AAECV3903E	April 09, 2013
2.	Tax deduction account number	Income Tax Department, Government of India	AHMV05359E	February 29, 2024
3.	Goods and Services Tax Registration Certificate under the Gujarat Goods and Services Act, 2017	Government of India	24AAECV3903E1ZP*	July 11, 2024
4.	Goods and Services Tax Registration Certificate under the Central Goods and Services Act, 2017	Government of India	24AAECV3903E2ZO**	August 14, 2024
5.	Importer-Exporter Code (IEC) number	Office of Jt. Directorate General of Foreign Trade, Ministry of	0813004306	May 23, 2013

Sr. No.	Particulars	Issuing Authority	Registration/Certificate Number	Date of issue
		Commerce and Industry, Government of India		

**Goods and Services Tax Registration Certificate having registration number: 24AAECV3903E1ZP is issued for the principal place of business at Survey No. 214, Near Watertank, Tal Bavla, Bhayla, Ahmedabad, Gujarat-382220, India and for the additional place of business at Survey No. 107/8/9, Sihor Ghanghali road, Ghanghali, Sihor, Bhavnagar, Gujarat-364240, India.*

*** Goods and Services Tax Registration Certificate having registration number: 24AAECV3903E2ZO is issued for the principal place of business at Survey No. 231/2, Near Watertank Bhayla Village, Tal Bavla, Bhayla, Ahmedabad, Gujarat-382220, India and for the additional place of business at Plot No 39 & 40, Dahej Shipyard, Near Indus Tower, Village Jageshwar, Dahej SIR, Bharuch, Gujarat-392130, India.*

Material approvals in relation to our Business

vi. *The Legal Identifier Number of the Company is 3358007IMQ7QHQW7Y937.*

vii. *Approvals obtained in respect of the Company's manufacturing unit situated at Village Bhayla, Ahmedabad, Gujarat, Ahmedabad, Gujarat:*

Sr. No.	Particulars	Issuing Authority	Date of issue	Validity
1.	Registration and license to work a factory under the Factories Act, 1948 and the rules made thereunder*	Director Industrial Safety and Health, Gujarat State	October 25, 2021	December 31, 2030
2.	Udyam registration certificate - UDYAM-GJ-01-0014139	Ministry of Micro, Small and Medium Enterprises	September 18, 2020	-
3.	BIS Certification Marks License No. 7200212792 as per IS 1786:2008	Bureau of Indian Standards, Department of Consumer affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India	August 24, 2021	August 19, 2025
4.	Incentive to Industries Scheme Certificate Certificate No. I/Reg./1531429-2020/N/001683/2021	Industries Commissionerate, Gandhinagar	July 19, 2021	-

**Our Company has vide a letter dated July 26, 2024 issued to Director / Jt Director Industrial Safety and Health Office, Ahmedabad for change of name from VMST TMT Private Limited to VMS TMT Limited.*

viii. *Approvals obtained in respect of the Company's manufacturing unit situated at Sihor, Bhavnagar, Gujarat.*

Sr. No.	Particulars	Issuing Authority	Date of issue	Validity
1.	Registration and license to work a factory under the Factories Act, 1948 and the rules framed thereunder for the leased factory at Bhavnagar*	Assistant Director, Industrial Safety and Health, Gujarat State	August 21, 2024	December 31, 2027

**For more details, please refer to "History and Certain Corporate Matters - Material Agreements in relation to business operations of our Company - Factory Lease Rental Agreement entered into between the Company and Hans Industries Private Limited dated June 04, 2024" on page 192*

ix. *Approvals under environmental laws*

Sr. No.	Particulars	Issuing Authority	Date of issue	Validity
1.	Consolidated Consent and Authorization under the Water (Prevention and Control of Pollution) Act 1974, Air Act 1981 and the Hazardous Waste (Management & Handling & Transboundary Movement) Rules, 2008 for the Bayla factory*	Gujarat Pollution Control Board, Gujarat.	January 02, 2023	September 30, 2027

Sr. No.	Particulars	Issuing Authority	Date of issue	Validity
2.	Term of Reference for setting up manufacturing plant of metallurgical industries for the Bayla factory. Certificate No. SEIAA/GUJ/TOR/3(a)/1000/2021	State Level Environment Impact Assessment Authority Gujarat (SEIAA)	June 29, 2021	-

**The aforesaid consent and the Terms of Reference are in the name of VMS TMT Private Limited and our Company is yet to file an application to the respective authorities for updating the aforesaid consent and Terms of Reference to reflect its current name pursuant to change of name.*

x. *Approvals relating to labour and employment*

Sr. No.	Particulars	Issuing Authority	Date of issue	Validity
1.	Letter of intimation of code under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Code - GJAHD2259635000	Employees' Provident Fund Organization, India	December 15, 2020	-

IV. Material approvals applied for by our Company but not received:

As on the date of this Draft Red Herring Prospectus, the following approvals applied by our Company but not received;

S. No.	Approval	Authority	Status
1.	Provisional Registration of Solar Power Project	Gujarat Energy Development Agency	Provisional Application dated August 28, 2024 has been filed by the Company
2.	BIS Application for IS 4923 (For hollow steel sections for structural use)	Bureau of Indian Standards	Application has been filed for the license on September 18, 2024
3.	BIS Application for IS 1161 (For steel tubes for structural purposes)	Bureau of Indian Standards	Application has been filed for the license on September 18, 2024

V. Material approvals that have expired and for which renewal applications have been made:

Nil

VI. Material approvals required but not applied for or obtained

Nil

VII. Intellectual Property Rights related approvals

Trademarks

As on the date of this Draft Red Herring Prospectus, we do not have any registered trademarks. However, as on the date of this Draft Red Herring Prospectus, we have filed one trademark application for our corporate logo filed with the Register of Trademark on May 28, 2024, which is currently pending for approval.

Patents

As on the date of this Draft Red Herring Prospectus, we do not have any registered patents in India. Further, as on the date of this Draft Red Herring Prospectus, we have applied for no patents which are pending at various stages in India.

For details, see "*Our Business*" on page 160 and for risks associated with intellectual property, see "*Risk Factors – We have filed a trademark application for our corporate logo. We also rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected.*" on page 25.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of our Board dated July 22, 2024, and by a special resolution of our Shareholders dated July 24, 2024, in terms of Section 62(1)(c) of the Companies Act, 2013.

Our Board has pursuant to the resolution passed at its meeting held on September 27, 2024 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, our Promoters, our Directors and the members of the Promoter Group or persons 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 SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Directors associated with the Securities Market

None of our Directors are associated with securities market related business. There are no outstanding actions initiated by SEBI in the last five years preceding the date of the Draft Red Herring Prospectus against our Directors.

Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Non-appearance in list of companies struck off by the Ministry of Corporate Affairs ("MCA")

Except as disclosed below, we confirm that the names of any of Directors, Promoters or individuals forming part of the Promoter Group are not appearing in the list of directors of struck-off companies by the RoC or the MCA:

(i) Subodhkumar Ajitkumar Jain, member of the Promoter Group was associated as a director in Bhajan Ship Recycling Private Limited which has been struck off by the relevant registrar of companies;
(ii) Bimal Dugar and Nirmala Devi Dugar, members of the Promoter Group were associated as a director in Dugar S Meghalaya Dairy & Farms Products Private Limited and Dugars Tasty Food Meghalaya Private Limited which has been struck off by the relevant registrar of companies; and
(iii) Bimal Dugar, member of the Promoter Group was associated as a director in NR Agro Private Limited which has been struck off by the relevant registrar of companies.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹300 lakhs, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average profit of at least ₹1500 lakhs, calculated on a restated and consolidated basis, during the preceding three full years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹100 lakhs in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Except as disclosed in this Draft Red Herring Prospectus, our Company has not changed its name in the last one year.

Further, our Company confirms that it is eligible to make the Issue in terms of Regulation 5 and 7 (1) of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control are debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

- None of our Company, our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by SEBI.

- Neither our Company nor our Directors or Promoters have been declared as a 'Willful Defaulter' or a 'Fraudulent Borrower', as defined under the SEBI ICDR Regulations.

- None of our Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

- There are no convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus;

- There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

- Our Company has entered into the following agreements for dematerialization of the Equity Shares:

  - Tripartite agreement dated December 26, 2023, with NSDL, our Company and the Registrar to the Issue;
  - Tripartite agreement dated May 2, 2024, with CDSL, our Company and the Registrar to the Issue.

- The Equity Shares of our Company held by our Promoters are in dematerialised form

- The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

- There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable accruals.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 1,000.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus, as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information

(in lakhs except percentage values)

	March 31, 2024	**March 31, 2023**	**March 31, 2022**

Net tangible assets, as restated (1)	4,616.67	3,044.58	1,867.07
Monetary assets, as restated (2)	808.77	220.49	1.35
Monetary assets as a percentage of Net tangible assets (in %), as restated	17.52	7.24	0.07

(1) 'Net tangible assets' means the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38.
(2) 'Monetary assets' is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon but except deposit held as margin money under securitisation and borrowing agreements).

The following information of the Company in the table below for the financial years ended March 31, 2024 March 31, 2023, March 31, 2022 as per the Restated Financial Information are as under:

(₹ in lakhs)

	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Financial year ended March 31, 2022
Operating Profit, as restated(2)	3,727.01	1,833.16	1,459.62
Net Worth, as restated (1)	4,651.27	3,083.77	1,868.28

(1)*'Net worth' means the aggregate value of the paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, preliminary Expense, deferred expenditure and miscellaneous expenditure not written off, derived from Restated Financial Information, but does not include reserves created out of revaluation of assets, write- back of depreciation and amalgamation.*

(2)*'Operating Profit' has been calculated as profit before tax from profit and loss statement but excludes finance costs, other income, exceptional item.*

Source: Restated Financial Information as included in "*Restated Financial Information*" beginning on page 224.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, ARIHANT CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIRE/MENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, and the BRLM

Our Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.vmstmt.com, or any website of any of the members of our Promoter Group, Group Companies or any affiliate of our Company, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, and our Company.

All information shall be made available by our Company, and the BRLM to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The BRLM and its associates may engage in transactions with, and perform services for our Company, and their respective group companies, affiliates or associates or third parties in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or their respective group companies, affiliates or associates or third parties for which they have received, and may in future receive compensation.

Bidders will be required to confirm, and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, and the Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Ahmedabad, Gujarat, India only.

This Issue is being made in India to persons resident in India (including individual Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, National Investment Fund set up by the GoI, provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR Regulations, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Post, (India), systematically important NBFCs, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. 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.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations.

Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

This Draft Red Herring Prospectus does not constitute offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, other than in 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. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

Eligibility and Transfer Restrictions

The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Important Information for Investors – Eligibility and Transfer Restrictions

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to us post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to us post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being issued in the Issue and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days of the Bid/Issue Closing Date. If our Company does not allot Equity Shares pursuant to the Issue within three Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of the our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Counsel to our Company as to Indian law, the Banker to our Company, BRLM, Statutory Auditor, Independent Chartered Accountant, Practicing Company Secretary, Chartered Engineer and the Registrar to the Issue have been obtained and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and the consents in writing of the Syndicate Members, Escrow Collection Banks, Public Issue Account Bank, Refund Bank, and Sponsor Bank to act in their respective capacities, will be obtained and , such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with RoC.

Expert opinion

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

Our Company has received written consent dated September 27, 2024 from the Statutory Auditor, namely, Suresh Chandra & Associates, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 19, 2024 on the Restated Financial Information; and (ii) their report dated 27 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 27, 2024, from an independent chartered accountant, namely Sunil Poddar and Co., Chartered Accountants in relation to the certificate dated September 27, 2024 issued in relation to the statement of estimates of working capital requirements and to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountant and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 27, 2024 from the practicing Company Secretary, Umesh Ved & Associates, to include its name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in its capacity as practicing Company Secretary in respect of the certificate dated September 27, 2024 issued by it in connection with inter alia the share capital buildup and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term 'expert' shall not be construed to mean an 'expert' as defined under U.S. Securities Act.

In addition, our Company has received written consents dated September 19, 2024 from B.P Oza & Associates, as Chartered Engineer to include its name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the report dated September 19, 2024, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues undertaken by our Company during the last five years

Except as disclosed in the section entitled "*Capital Structure*" on page 77, there have been no public issues or rights issues undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues during the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital Issues in the preceding three years

Except as disclosed below, no listed Group Company has made any previous capital issue in the last three years:

Aditya Ultra Steel Limited, one of our Group Company which is listed on the emerge platform of the National Stock Exchange ("**NSE EMERGE**"), has allotted 74 Lakhs Equity Shares having Face Value of ₹ 10. The issue was opened for subscription on September 09, 2024 and closed on September 11, 2024.

Sr. No.	***Particulars***	
1.	Name of the Company	Aditya Ultra Steel Limited
2.	Year of Issue	2024
3.	Type of Issue (public/rights/composite)	Initial Public Offering
4.	Amount of issue (₹ in Lakhs)	4588.00
5.	Date of closure of issue.	Wednesday, September 11, 2024
6.	Date of allotment	Thursday, September 12, 2024
7.	Date of credit of securities to the demat account	September 12, 2024
8.	Date of completion of the project, where object of the issue was financing the project.	Object of the issue includes Capital Expenditure for installation of solar Power plant, Working capital requirement, General Corporate Purposes and Issue Expenses. As per the Prospectus Solar power plant is expected to commissioned by March 2025
9.	Rate of dividend paid.	NIL

VMS Industries Limited ("**VMS**'), one of our Group Company which is listed on main Board of BSE Limited, has allotted 80 Lakhs Equity Shares having Face Value of ₹ 10 each on Rights basis on May 22, 2024 for cash price of ₹ 35 per equity shares including securities premium of ₹ 25 each. The issue was opened for subscription on May 02, 2024 and closed on May 16, 2024. Equity Shares of the Company under Rights issue was admitted for trading w.e.f. May 30, 2024.

Sr. No.	Particulars	
1.	Name of the Company	VMS Industries Limited
2.	Year of Issue	2024
3.	Type of Issue (public/rights/composite)	Rights Issue
4.	Amount of issue (₹ in Lakhs)	2800.00
5.	Date of closure of issue.	Thursday, May 16, 2024
6.	Date of allotment	Wednesday, May 22, 2024
7.	Date of credit of securities to the demat account	Monday, May 28, 2024
8.	Date of completion of the project, where object of the issue was financing the project.	NA
9.	Rate of dividend paid.	5%

Performance vis-à-vis objects - Public/ rights issue of our Company

Except as disclosed in the section entitled "*Capital Structure*" on page 77, our Company has not undertaken any public, including any rights issues (as defined under the SEBI ICDR Regulations) to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis objects: Public/ rights issue of the listed Subsidiaries and listed Promoters

As on the date of this Draft Red Herring Prospectus our Company does not have a corporate promoter or a listed subsidiary.

Price information of past issued handled by the BRLM

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	RBZ Jewellers Limited	100	100	BSE	December 27, 2023	100.00	86.68% [2.67%]	43.97% [2.74%]	29.96% [18.66%]
2.	Organic Recycling Systems Limited	50	200	SME Platform of BSE.	October 6, 2023	215.00	31.94% [15.11%]	10.63% [33.15%]	-6.29% [54.94%]

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*

3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.*
5. *In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.*
6. *This disclosure is restricted to last 10 issues handled by the Book Running Lead Manager.*

Summary statement of price information of past issues

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30th Calendar Day from listing date			Nos of IPOs trading at discount on 180th Calendar Day from listing date			Nos of IPOs trading at premium on 180th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2021-22	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	***2**	**150**	-	-	-	**1**	**1**	-	-	-	-	-	**1**	**1**

**The script of Organic Recycling Systems Limited and RBZ Jewellers Limited were listed on October 06, 2023 and December 27, 2023 respectively.*

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the BRLM as set forth in the table below:

Sr. No.	*Name of the BRLM*	*Website*
1.	Arihant Capital Markets Limited	www.arihantcapital.com

Stock market data of the Equity Shares

As the Issue is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a minimum period of eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

SEBI, by way of its circular dated March 16, 2021 ("March 2021 Circular"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	**Compensation amount**	**Compensation period**
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Issue BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Issue and our Company provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Bidders may also write to the BRLM or the Registrar to the Issue, in the manner provided below.

All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID,UPI ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum 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 or the UPI ID (for Bidders other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIIs applying through the UPI mechanism in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

The Company will obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, in relation to redressal of investor grievances through SCORES.

In terms of SEBI Circular dated 20.09.2023 SEBI/HO/OIAE/IGRD/2023/156 and SEBI circular noSEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay in such other manner as may be specified under applicable laws

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove. Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. There are no investor complaints in relation to our Company pending as on the date of this Draft Red Herring Prospectus. Except our Group Companies VMS Industries Limited none are not listed on any stock exchange

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue 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. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of investor grievances by our Company

Our Company has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and issue of duplicate shares.

Our Company estimates that the average time required by our Company and/or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Boliya Vijay Amrabhai, our Company Secretary, as our Compliance Officer. For details, please see the section entitled "General Information" on page 69.

Further, our Board has constituted the Stakeholders Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For further information, please see the section entitled *"Our Management – Corporate Governance"* on page 198.

Disposal of investor grievances by listed Group Companies and Subsidiaries

As on the date of this Draft Red Herring Prospectus, except VMS Industries Limited, none of our Group Companies are listed on any stock exchange, and therefore there are no investor complaints pending against them. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have a listed subsidiary.

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

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

Other confirmations

No person connected with the Issue, including but not limited to our Company, the BRLM, the Syndicate Members, the Promoters, our Directors or the members of the Promoter Group shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.

SECTION VII –ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA, AoA, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Issue

The Issue comprises of a fresh Issue of Equity Shares by our Company. The fee and expenses for the Issue shall be borne by our Company in accordance with applicable laws. For details in relation to Issue expenses, see *"Objects of the Issue – Issue Expenses"* on page 92

Ranking of the Equity Shares

The Equity Shares being issued and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, 2013, SCRA, SCRR our Memorandum of Association and our Articles of Association and shall rank pari passu in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see *"Description of Equity Shares and Terms of the Articles of Association"* beginning on page 344.

Mode of Payment of Dividend

Our Company has not declared dividends since its incorporation. Our Company will pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the GoI in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, in accordance with applicable laws. For details, see *"Dividend Policy"* and *"Description of Equity Shares and Terms of Articles of Association"* beginning on pages 223 and 344, respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹ [●] per equity share of face value of ₹ 10 each ("**Cap Price**"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, as per applicable law and shall be published in all editions of English national daily newspaper, [●], and all editions of Hindi national daily newspaper, [●], and all editions of [●] Gujarati regional daily newspaper [●], (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites.

The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares issued by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, or 'e-voting' in accordance with the provisions of the Companies Act, 2013;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and other preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and foreign exchange regulations; and
- Such other rights, as may be available to a Shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see *"Description of Equity Shares and Terms of Articles of Association"* on page 344.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, and the SEBI ICDR Regulations the Equity Shares shall be allotted only in dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Issue:

- Tripartite Agreement dated May 2, 2024, among CDSL, our Company and the Registrar to the Issue; and
- Tripartite Agreement dated December 26, 2023, among NSDL, our Company and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialized/electronic form, the tradable lot is one Equity Share. Allotment in this Issue will be only in dematerialized/electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see *"Issue Procedure"* beginning on page 319.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Gujarat at Ahmedabad, India will have exclusive jurisdiction in relation to this Issue.

Period of operation of subscription list

See "*Bid/Issue Programme*" on page 310.

Nomination facility to Investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if they were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies 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 will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not proceed with the Issue, in whole or part thereof, to the extent of their respective portion of Issued Shares after the Bid/Issue Opening Date but before the Allotment. In the event that our Company in consultation with the BRLM, decide not to proceed with the Issue, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue. In such event, the BRLM through the Registrar to the Issue shall notify the SCSBs and the Sponsor Bank (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. 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 our Company in consultation with the Book Running Lead Manager withdraw the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI and Stock Exchanges.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**#

** Our 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 Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
*** Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*
 # UPI mandate end time and date shall be at 5:00pm on Bid/Issue Closing Date, i.e., on [●]

An indicative timeline in respect of the Issue is set out below:

Event	**Indicative Date**
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

** In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue 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 from the date on which the request for cancellation/ withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR master circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 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 on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37dated May 7, 2024.*

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLM.

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 Exchanges are taken within the time prescribed under applicable law, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within four days from the closure of the Issue, refund the subscription amount received in case of non –receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings ("IPO"). The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Issue will be made under UPI Phase III on mandatory basis, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Issue, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("IST")
Bid/Issue Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts)–For Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹ 5 lakhs)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹ 5 lakhs)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories#	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. and up to 5.00 p.m. on Bid/ Issue Closing Date

***UPI mandate end time and date shall be at 5:00 p.m. on Bid/ Issue Closing Date.*
#QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

On the Bid/ Issue Closing Date, Bids shall be uploaded until:

4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLM and the Registrar to the Issue on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Issue. Bids and any revision in Bids will be accepted only during Working Days during the Bid / Issue Period. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids and revisions by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 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/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of discrepancy in data entered in the electronic book vis-a-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCR dated June through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Issue Closing Date; or the minimum subscription of 90% of the Issue on the date of the closure of the Issue is not achieved; or there are withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, the SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. If there is a delay beyond two Working days or such period as may be prescribed after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum or such other rate as prescribed under applicable law.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange.

Further our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in *"Capital Structure"* on page 77 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see *"Description of Equity Shares and Terms of Articles of Association"* beginning on page 344.

Option to receive Equity Shares in dematerialized form

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. 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 Issue, subject to applicable laws.

ISSUE STRUCTURE

Initial public Offer of up to 1,50,00,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.

In terms of Rule 19(2)(b) of the SCRR, the Issue is being made through the Book Building Process, in compliance with Regulation 6(1) and Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation(2)^	Not more than [●] equity shares of face value of ₹ 10 each	Not less than [●] equity shares of face value of ₹ 10 each available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] equity shares of face value of ₹ 10 each available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/allocation	Not more than 50% of the Issue size shall be available for allocation to QIBs. However, upto 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Issue size The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be available for allocation out of which (a) one third of such portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 2 lakhs and up to ₹10 lakhs; and (b) two third of such portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹10 lakhs, provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	Not less than 35% of the Issue size or the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) up to [●] Equity Shares shall be available	The allotment to each Non-Institutional Bidders shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, shall be Allotted on a	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to: a. one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹ 2 lakhs and up to ₹ 10 lakhs; b. two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 10 Lakhs. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category.	details see, "*Issue Procedure*" on page 319.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2 lakhs	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2 lakhs	[●] Equity Shares and in multiples of [●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Issue size (excluding the Anchor portion), subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Issue size (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2 lakhs
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] equity shares of face value of ₹ 10 each and in multiples of [●] equity shares thereafter of face value of ₹ 10 each		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(3)(4)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs,	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are recategorized as	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 2 lakhs in value.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	category II FPIs and registered with SEBI	
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. In case of all other Bidders: 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(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including UPI Mechanism for Bids up to ₹ 5 lakhs)	ASBA only (including the UPI Mechanism)

**Assuming full subscription in the Issue*

^SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5 lakhs, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹2 lakhs and up to ₹ 5 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

1. *Our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with 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. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Issue Procedure" on page 319.*
2. *Subject to valid Bids being received at or above the Issue Price. This is an Issue in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1)) of the SEBI ICDR Regulations.*
   Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. 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. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.
3. *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. 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.The Bids by FPIs with certain structures as described under "Issue Procedure - Bids by FPIs" on page 327 to 293 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 distribute*

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues 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 SCRR 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 BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications and electronic registration of bids.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2 lakhs to ₹ 5 lakh for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public offers, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all offers opening on or after September 1, 2023 and on a mandatory basis for all offers opening on or after December 1, 2023.The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification offered by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with 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, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to the extent relevant for RTAs, and rescinded these circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to extent applicable to RTAs. The provisions of these circulars are deemed to form part of the Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5 lakhs shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part of the Draft Red Herring Prospectus.*

Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the board of directors of the SEBI, have approved the proposal to reduce the time period for listing of equity shares pursuant to a public offer from six Working Days to three Working Days. The above timeline will be applicable on a voluntary basis for public offers opening on or after September 1, 2023 and on a mandatory basis for public offers opening on or after December 1, 2023. Therefore, the time period for listing of equity shares pursuant to this Issue will be undertaken mandatorily on T+3 basis.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, 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. 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/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the BRLM and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023, issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Issue shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents o our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Issue Opening Date.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue size shall be allocated on a proportionate basis to QIBs, provided that our Company 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-allotment 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 spill-over from the remainder of the

Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue size shall be available for allocation on a proportionate basis to Non-Institutional Bidders, and not less than 35% of the Issue size shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹2 lakhs and up to ₹10 lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹10 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

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 BRLM the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in 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, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, in compliance with applicable laws.

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, and September 17, 2021, read with CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue 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 offers opening on or after September 1, 2023 and on a mandatory basis for all offers opening on or after December 1, 2023, vide SEBIcircular 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 Issue is made under UPI Phase III of the UPI Circular on mandatory basis. The same shall be advertised in all editions of the English national daily newspaper, [●], all editions of the Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper, [●] (Gujarati being the regional language of Gujarati, where our Registered Office is located), each with wide circulation on or prior to the Bid/Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public offers shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLM with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

(i) a syndicate member;
(ii) a stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); or
(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.
Copies of the Anchor Investor Application Form will be available at the office of with the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism. RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI ASBA Bidders (other than Retail Individual Investors using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account. RIBs may also submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). ASBA bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Issue is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

1. RIBs (other than the RIBs 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.

2. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

3. QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

4. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail, QIB and NIB and for all modes through which the applications are processed.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process. The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB	[●]

Category	Colour of Bid cum Application Form*
Portion), FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a non-repatriation basis	
Anchor Investors	[●]

**Excluding electronic Bid cum Application Forms*
Notes:
1. *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*
2. *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Pursuant to NSE circular dated August 3, 2022, with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the issue and Depository Participants shall continue till further notice;
b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 4.00 p.m. for QIBs and Non-Institutional Bidders categories and up to 5.00 p.m. for Retail Individual Bidders categories on the initial public offer closure day;

d. QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;
e. The Stock Exchanges shall display Issue demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.

b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

c) The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be issued or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being issued and sold only outside the United States in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales occurs.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters and members of the Promoter Group of the Company, the BRLM and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion 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. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLM or any associates of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM, Pension funds sponsored by entities which are associate of BRLM) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

The Promoters and members of the Promoter Group will not participate in the Issue.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non- Resident ("**FCNR**") accounts, and Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

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 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. 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.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 342. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Rules.

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 HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

In terms of the FEMA Rules and SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Non-debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. up to 100%). In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Bids by FPIs which utilize the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time. In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents. ([●] in colour). Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, inter-alia, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**"), the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason.

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 Master Directions – RBI (Financial Services provided by Banks) Directions, 2016, as amended, 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 bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (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 bank's interest on investment 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 the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial 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 RBI (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012, and January 2, 2013 respectively issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

a) equity shares of a company: the lower of 10%* of the outstanding equity shares (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 or health insurer;

b) 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 health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer 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 (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,50,000 crore or more or the above limit of 10% shall stand substituted as 12% of outstanding equity shares (face value) for insurers with investment assets of ₹50,000 crore or more but less than ₹2,50,000 crore.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 lakhs registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 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 in consultation with the BRLM reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLM may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Manager.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹1,000 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹1,000 lakhs

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and will be completed on the same day.

5) Our Company in consultation with the Book Running Lead Manager will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹1,000 lakhs; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1,000 lakhs but up to ₹2,500 lakhs, subject to a minimum Allotment of ₹500 lakhs per Anchor Investor; and (c) in case of allocation above ₹2,500 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 lakhs, and an additional 10 Anchor Investors for every additional ₹2,500 lakhs, subject to minimum Allotment of ₹500 lakhs per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Manager before the Bid/ Issue Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

9) 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 and the remaining 50% of the Equity Shares Allotted to Anchor Investors will be locked in for a period of 30 days from the date of Allotment.

10) Neither the Book Running Lead Manager or any associate of the Book Running Lead Manager (other than Mutual Funds sponsored by entities which are associates of the BRLM or AIFs sponsored by entities which are associates of the BRLM or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM or pension funds sponsored by entities which are associates of the BRLM) shall apply in the Issue under the Anchor Investors Portion. For details, see "*Issue Procedure*" on page 319. Further, no person related to the Promoters or Promoter Group shall apply under the Anchor Investors category.

11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Issue Procedure*" on page 319.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and can revise their Bid(s) during the Bid/Issue Period and withdraw or lower the size of their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

Do's:

1. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023;

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the

UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. UPI Bidders using UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

7. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

9. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
10. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Issue Closing Date;

11. If the first applicant is not the bank 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;

12. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs.

13. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;

14. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

15. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

16. UPI Bidders Bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt

from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. 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;

22. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

26. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

27. In case of QIBs and NII bidders, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Issue Closing Date;

29. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

30. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM. Bids by Eligible NRIs for a Bid Amount of less than ₹2 lakhs would be considered under the Retail Category for the purposes

of allocation and Bids for a Bid Amount exceeding ₹2 lakhs would be considered under the Non- Institutional Category for allocation in the Issue.

32. Investors 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, September 17, 2021, March 30, 2022 and March 28, 2023.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder

3. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary.

4. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

5. Do not Bid for a Bid Amount exceeding ₹2 lakhs (for Bids by Retail Individual Bidders);

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account.

11. 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 a Bidder;

12. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
13. If you are a UPI Bidders and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

14. Anchor Investors should not Bid through the ASBA process;

15. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

16. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

17. Do not submit the General Index Register (GIR) number instead of the PAN;

18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

19. 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;

20. 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);

21. Do not submit a Bid using UPI ID, if you are not a RIB;

22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

24. Do not Bid for Equity Shares in excess of what is specified for each category;

25. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

26. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or can revise or withdraw their Bids on or before the Bid/Issue Closing Date;

28. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs.

29. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

31. If you are a QIB, do not submit your Bid after 12:00 p.m. on the Bid/ Issue Closing Date (for Physical Applications) and after 3 p.m. on the QIB Bid / Issue Closing Date (for online applications);

32. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Issue Closing Date;

33. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 5,00,000;

35. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and

36. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. Anchor Investors should submit Anchor Investor Application Form only to the BRLM.

7. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary.

8. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

9. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

10. Bids submitted without the signature of the first Bidder or sole Bidder;

11. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

12. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

13. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

14. GIR number furnished instead of PAN;

15. Bids by RIBs with Bid Amount of a value of more than ₹2 lakhs;

16. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

17. Bids accompanied by stock invest, money order, postal order or cash; and

18. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 69.

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/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable. The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLM shall continue to coordinate with intermediaries involved in the said process.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

For helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see "*General Information – Book Running Lead Manager*" on page 69.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 2 lakhs and up to ₹ 10 lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹10 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to Non-Institutional Bidder shall not be less than the minimum NII Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●] an English national daily newspaper, and (ii) all editions of [●] a Hindi national daily newspaper and (iii) all editions of [●] Gujarati regional daily newspaper [●], (Gujarati being the regional language of Gujarat, where our Registered office is located), each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

a) Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, BRLM and Registrar to the Issue, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLM and Registrar to the Issue, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] an English national daily newspaper, [●] and all editions of Hindi national daily newspaper and all editions of [●] Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders. 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. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI;

- if Allotment is not made within two working days from the Bis/Issue Closing Date or such other 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 ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc

- Promoter's contribution, if any, shall be brought in advance before the Bid/ Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

- Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

- that if the Issue is withdrawn after the Bid/Issue Closing Date, our Company shall be required to file a fresh Issue Document with SEBI, in the event a decision is taken to proceed with the Issue subsequently.

- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

- It shall not issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Issue.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated May 2, 2024 , among CDSL, our Company and the Registrar to the Issue.

- Tripartite Agreement dated December 26, 2023, among NSDL, our Company and the Registrar to the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who—

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name

d) shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than 10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to 50 lakhs or with both.

Utilisation of Issue Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (earlier known as the Department of Industrial Policy and Promotion) , issued the consolidated FDI Policy circular by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy, which, with effect from October 15, 2020 ("**FDI Policy**") consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

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 FDI Policy and transfer does not attract the provisions of the SEBI 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.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Issue Procedure –Bids by Eligible NRIns and Bids by FPIs"* on page 319..

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 ("**Press Note**") issued by the DPIIT and the FDI Circular and the FEMA (Non-debt Instruments) Rules, 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 ("R**estricted Investors**"), will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt 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 of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issuer. 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 in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For details, see "*Issue Procedure*" on page 319.

Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter-alia*, the FEMA, as amended, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore

transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, our Promoters, our Directors and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

VMS TMT LIMITED

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of VMS TMT Limited of (the "Company") held on Tuesday, August 20, 2024. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company unless expressly made applicable in these Articles or by the said Act 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.

1. (1)	The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.	**Table 'F' shall apply**
(2)	The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	**Company to be governed by these Articles**
Definitions and Interpretation		
2.	In these Articles —	
	(a) "Act" means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.	**"Act"**
	(b) "Applicable Laws" means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, byelaws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time	**"Applicable Laws"**
	(c) "Articles" means these articles of association of the Company or as altered from time to time.	**"Articles"**
	(d) "Board of Directors" or "Board", means the collective body of the Directors of the Company nominated and appointed from time to time in accordance with Articles 84 to 90, herein, as may be applicable.	**"Board of Directors" or "Board"**

	(e) "Company" means VMS TMT Limited .	**"Company"**
	(f) "Lien" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;	**"Lien"**
	(g) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	**"Rules"**
	(h) "Memorandum" means the memorandum of association of the Company or as altered from time to time.	**"Memorandum"**
Construction		
	In these Articles (unless the context requires otherwise): (i) References to a party shall, where the context permits, include such party's respective successors, legal heirs and permitted assigns. (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles. (iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein. (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings. (v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation". (vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise. (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following. (viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence). (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions. (x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect	

	from the date on which the corresponding provisions under the Companies Act, 2013 have been notified. (xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.	
Share capital and variation of rights		
3.	The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.	**Authorized share capital**
4.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board 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 (subject to the compliance with the provision of section 53 and 54 of the Act) and at such time as they may from time to time think fit provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the general meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time. Any application signed by or on behalf of an applicant for subscription 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 entered on the Registered shall, for the purpose of these Articles, be a member. 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 immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board. Every member or his heirs, executors or administrators, 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 Regulations of the Company, require or fix for the payment thereof.	**Shares under control of Board**
5.	Subject to the provisions of the Act, these Articles 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 Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in 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 for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the option or right to call of	**Board may allot shares otherwise than for cash**

	shares shall not be given to any person or persons without the sanction of the Company in the general meeting.	
6.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws: (a) Equity Share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital	**Kinds of share capital**
7. (1)	The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares or within such other period as the conditions of issue shall provide – (a) one or more certificates in marketable lots for all his shares of each class or denomination registered in his name without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of Rupees Twenty for each certificate or such charges as may be fixed by the Board for each certificate after the first.	**Issue of certificate**
(2)	In respect of any 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 for a share to the person first named on the register of members shall be sufficient delivery to all such holders.	**Issue of share certificate in case of joint holding**
(3)	Every certificate shall specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve.	**Option to receive share certificate or hold shares with depository**
8.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.	**Option to receive share certificate or hold shares with depository**
9.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on	**Issue of new certificate in place of one defaced, lost or destroyed**

	execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees not less than Rupees twenty and not more than Rupees fifty for each certificate as may be fixed by the Board. 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 Board shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act,1956 or any other act, or rules applicable thereof in this behalf.	
10.	Except as required by Applicable Laws, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by Applicable Laws) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	**Company not compelled to recognize any equitable, contingent interest**
11.	Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.	**Terms of issue of debentures**
12.	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	**Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.**
13. (1)	The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	**Power to pay commission in connection with securities issued**
(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	**Rate of commission in accordance with Rules**
(3)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	**Mode of payment of commission**
14. (1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	**Variation of members' rights**
(2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	**Provisions as to general meetings**

		to apply mutatis mutandis to each Meeting
15.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.	**Issue of further shares not to affect rights of existing members**
16.	Subject to section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:- (i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption. (ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act; (iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and (iv) Where any such Shares are redeemed otherwise than 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 "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 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.	**Power to issue redeemable preference shares**
17.	Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.	New capital same as original capital

18. (1)	Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered: to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions : - the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice mentioned in sub-Article (i), above shall contain a statement of this right; and after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder. The notice referred to in sub-clause (i) of sub-Article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue. The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the rules thereunder and other applicable provisions of the Act. Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder. The notice referred to in above sub-clause hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue. Nothing in sub-clause above hereof shall be deemed:	**Further issue of share capital**

	(a) To extend the time within the offer should be accepted; or (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.	
(2)	Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares in the Company. Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a special resolution passed by the Company in general meeting.	
(3)	Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.	**Sweat Equity**
(4)	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.	**Mode of further issue of shares**
19.	Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.	**Power to make compromise or arrangement**
20. (1)	The fully paid shares will be free from all Lien, however, the Company shall have a first and paramount Lien – (a) on every share (not being a fully paid share) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. Provided further that Company's lien, if any, on such partly paid shares, shall be restricted to money called or payable at a fixed price in respect of such shares.	**Company's lien on shares**
(2)	The Company's Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. However, a member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.	**Lien to extend to dividends, etc.**
(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's Lien.	**Waiver of Lien in case of registration**

21.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a Lien: Provided that no sale shall be made— (a) unless a sum in respect of which the Lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.	**As to enforcing Lien by sale**
22. (1)	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof	**Validity of sale**
(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.	**Purchaser to be registered holder**
(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	**Validity of Company's receipt**
(4)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale	**Purchaser not affected**
23. (1)	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.	**Application of proceeds of sale**
(2)	The residue, if any, shall, subject to a like 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.	**Payment of residual money**
24.	The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company.	**Provisions as to Lien to apply mutatis mutandis to debentures, etc.**
Calls on shares		
25. (1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.	**Board may make Calls**
(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	**Notice of call**
(3)	A call may be revoked or postponed at the discretion of the Board	**Revocation or postponement of call**
26.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	**Call to take effect from date of resolution**
27.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	**Liability of joint holders of shares**
28. (1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom	**When interest on call or instalment payable**

	the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	
(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.	**Board may waive interest**
29. (1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	**Sums deemed to be calls**
(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	**Effect of nonpayment of sums**
(3)	On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is 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 Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.	**Suit by company for recovery of money against any member**
(4)	Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to 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 a forfeiture of such Shares as hereinafter provided.	**Enforcing forfeiture of shares by Company**
30.	The Board – (a) may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. The Directors may at any time repay the amount so advanced.	**Payment in anticipation of calls may carry interest**
31.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	**Installments on shares to be duly paid**
32.	All calls shall be made on a uniform basis on all shares falling under the same class.	**Calls on shares of same class to be on uniform basis**

	Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	
33.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.	**Provisions as to calls to apply mutatis mutandis to debentures, etc.**
34.	Dematerialization	
	Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996. Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form. Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply. If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares. All shares held by a Depository shall be dematerialised and shall be in a fungible form. (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner. (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it. Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.	**Dematerialization Of Securities**

	Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.	
Transfer of shares		
35. (1)	A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee and shall be duly stamped and delivered to the Company within the prescribed period and all provisions of section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Every instrument of transfer shall be in writing and all provisions of the Act, the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be.	**Instrument of transfer to be executed by transferor and transferee**
(2)	The Company shall keep the “Register of Transfers” and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	**Register of transfer**
36.	The Board may, subject to the right of appeal conferred by the section 58 of the Act decline to register – (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a Lien. The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.	**Board may refuse to register transfer**
37.	The Board may decline to recognize any instrument of transfer unless- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and	**Board may decline to recognize instrument of transfer**

	(c) the instrument of transfer is in respect of only one class of shares. The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.	
38.	On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.	**Transfer of shares when suspended**
39.	Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.	**Notice of refusal to register transfer**
40.	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	**Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.**
41.	An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.	**Application for registration of transfer of shares**
Transmission of shares		
42. (1)	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 persons recognized by the Company as having any title to his interest in the shares.	**Title to shares on death of a member**
(2)	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	**Estate of deceased member liable**

(3)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.	**Transmission Clause**
(4)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	**Board's right unaffected**
43. (1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.	**Right to election of holder of share**
(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	**Manner of testifying election**
(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	**Limitations applicable to notice**
44.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.	**No fee for transfer or transmission**
45.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided 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, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	**Claimant to be entitled to same advantage**
46.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company	**Provisions as to transmission to apply mutatis mutandis to debentures, etc.**
Nomination by security holder		

47.	(i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death. (ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders. (iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. (iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority. (i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the Share(s); or (b) to make such transfer of the Share(s) as the deceased Shareholder could have made. (ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, 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 shareholder. (iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder. (iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided 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(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or	**Manner of nomination by security holder**

	other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.	
Forfeiture of shares		
48.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	**If call or instalment not paid notice must be given**
49.	The notice aforesaid shall: (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	**Form of Notice**
50.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.	**In default of payment of shares to be forfeited**
51.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	**Entry of forfeiture in register of members**
52.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	**Effect of forfeiture**
53. (1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the	**Forfeited shares may be sold, etc.**

	person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	
(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	**Cancellation of forfeiture**
54. (1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	**Members still liable to pay money owing at the time of forfeiture**
(2)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	**Cesser of liability**
55. (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	**Certificate of forfeiture**
(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of	**Title of purchaser and transferee of forfeited shares**
(3)	The transferee shall thereupon be registered as the holder of the share; and	**Transferee to be registered as holder**
(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share	**Transferee not affected**
56.	Upon any sale after forfeiture or for enforcing a Lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for 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 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.	**Validity of sales**
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	**Cancellation of share certificate in respect of forfeited shares**
58.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	**Surrender of share certificates**
59.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	**Sums deemed to be calls**
60.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	**Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.**
Alteration of capital		
61.	Subject to the provisions of the Act, the Company may, by ordinary resolution -	**Power to alter share capital**

	(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
62.	Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends, voting and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively. The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.	**Right of stockholders**
63.	Share warrants- The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly	**Issue of share warrants and rights of holder of share warrants**

	stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein. (i) fact of the issue of the warrant. (ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and (iii) the date of the issue of the warrant. A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto. The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant. The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, 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 of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company. The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.	
64.	The Company may, by special resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	**Reduction of capital**
65.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	**Joint holders**
	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.	**Liability of Joint holders**

	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	**Death of one or more joint-holders**
	(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	**Receipt of one Sufficient**
	(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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	**Delivery of certificate and giving of notice to first named holder**
	(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.	**Vote of joint holders**
	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	**Executors or administrators as joint holders**
	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	**Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.**
Capitalization of profits		
66. (1)	The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — (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 (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	**Capitalization**
(2)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards: (A) paying up any amounts for the time being unpaid on any shares held by such members respectively; (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).	**Sum how applied**
(3)	Subject to the provisions of the act, securities premium account , a capital redemption reserve account or free reserves , for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	**Source of issue of bonus issue**

(4)	The Board shall give effect to the resolution passed by the Company in pursuance of these Article.	**Articles to be considered at the time of passing of Resolution**
67. (1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall – (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto.	**Powers of the Board for capitalization**
(2)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective. or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorize 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 or other securities 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 profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.	**Board's power to issue fractional certificate/ coupon etc.**
(3)	Any agreement made under such authority shall be effective and binding on such members.	**Agreement binding on members**
(4)	A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.	**Surplus money to be distributed to the members**
Buy-back of shares		
68.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities. The Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities. Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals,	**Buy-back of shares**

	permissions, consents and sanctions from the concerned authorities and departments, including the SEBI, Registrar and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.	
General meetings		
69.	All general meetings other than annual general meeting shall be called extraordinary general meeting.	**Extraordinary general meeting**
70.	The Board may, whenever it thinks fit, call an extraordinary general meeting.	**Powers of Board to call extraordinary general meeting**
71.	The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made. Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists. Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.	**Calling of Extra-ordinary General Meeting**
Proceedings at general meetings		
72.	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	**Presence of Quorum**

73.	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	**Business confined to election of Chairperson whilst chair vacant**
74.	Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.	**Gap between two Annual General Meetings**
75.	Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.	**Time for Annual General Meeting**
	At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon (ii) the declaration of dividend, (iii) appointment of directors in place of those retiring, (iv) the appointment of, and fixing the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company. Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.	**Dispatch of documents before Annual General Meeting**

	No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.	
76.	The quorum for a general meeting shall be as provided in the Act.	**Quorum for general meeting**
77.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.	**Members to elect a Chairperson**
78.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	**Casting vote of Chairperson at general meeting**
79. (1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	**Minutes of proceedings of meetings and resolutions passed by postal ballot**
(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	**Certain matters not to be included in Minutes**
(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	**Discretion of Chairperson in relation to Minutes**
(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	**Minutes to be Evidence**
80. (1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during business hours on all working days.	**Inspection of minute books of general meeting**
(2)	A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.	**When body corporate is member of the company**

(3)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.	**Members may obtain copy of minutes**
Adjournment of meeting		
81. (1)	The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is situated	**Chairperson may adjourn the meeting**
(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	**Business at adjourned meeting**
(3)	If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such	**Adjournment in case quorum is not present**
(4)	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.	**Notice of adjourned meeting**
(5)	Save as aforesaid, and save as provided in 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.	**Notice of adjourned meeting not required**
Voting rights		
82.	Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up Equity Share capital of the company. (c) every member, not disqualified by these articles shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person (d) Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.	**Entitlement to vote on show of hands and on poll**
83.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. (The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company	**Voting through electronic means**
84. (1)	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. The proxy so appointed shall not have any right to speak at the meeting.	**Vote of joint holders, proxy**

	Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.	
(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members. Such person shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting.	**Seniority of names**
85.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	**How members non compos mentis and minor may vote**
86.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution. If a poll is demanded as aforesaid, the same shall subject to the clause herein with respect to the election of chairman and question of adjournment of meeting hereunder, be taken at such place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situated, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand. Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutiniser from office and fill the vacancy so caused in the office of a scrutiniser arising from such removal or from any other cause. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.	**Voting by poll**

	The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, 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. 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 No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.	
87.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.	**Restriction on voting rights**
88.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	**Restriction on exercise of voting rights in other cases to be void**
89.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	**Equal rights of members**
Proxy		
90. (1)	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. A member, present by proxy, shall be entitled to vote only on a poll.	**Member may vote in person or otherwise**
(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarized 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, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.	**Proxies when to be deposited**
91.	An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting. An instrument appointing a proxy shall be in the form as prescribed in the Rules. Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time	**Form of proxy**
92.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:	**Proxy to be valid notwithstanding death of the principal**

	Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	
93.	Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy.	**Manner of appointment of proxy**
Board of Directors		
94.	On incorporation of the Company, the following shall be the First Directors of the Company. 1. Amin Ibrahim Jaka 2. Varun Manojkumar Jain 3. Vaibhav Manojkumar Jain 4. Sajidbhai Ibrahimbhai Jaka Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than fifteen (fifteen), provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.	**Board of Directors**
95.	The Directors shall not be required to hold any qualification shares in the Company.	**Qualification shares**
96. (1)	The Board of Directors shall appoint the Chairperson of the Company. The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company.	**Chairperson and Managing Director**
(2)	At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors Managing Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act. If the Managing Director ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.	**Directors liable to retire by rotation**

	Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires. Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto. If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:- (a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost; (b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed; (c) he is not qualified, or is disqualified, for appointment. (d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or (e) Section 162 of the Act is applicable to the case.	
97. (1)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	**Remuneration of Directors**
(2)	The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	**Remuneration to require members' consent**
(3)	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company. (c) and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.	**Travelling and other expenses**
(4)	Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the	**Sitting Fees**

	Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred.	
Appointment and Remuneration of Directors		
98.	Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013 and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time 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 and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission or paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting. The Board shall have the power to pay remuneration to such director for his services rendered. Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder	**Appointment**
99.	Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board.	**Independent Director**
100.(1)	Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.	**Remuneration**
(2)	Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director	**Payment for Extra Service**
101.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	**Execution of negotiable instruments**
102.(1)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	**Appointment of additional directors**

(2)	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	**Duration of office of additional director**
103.(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	**Appointment of alternate director**
(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India	**Duration of office of alternate director**
(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	**Re-appointment provisions applicable to Original Director**
104.(1)	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, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.	**Appointment of director to fill a casual vacancy**
(2)	The director so appointed shall hold office only up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated.	**Duration of office of Director appointed to fill casual vacancy**
(3)	The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013 Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.	**Manner of vacation of office of director**
(4)	If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as "the Debenture Director". A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.	**Debenture Director**

(5)	(i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution. (ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed. (iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.	**Right of Persons Other than retiring Directors to Stand for Directorship**
(6)	The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects. Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.	**Register of Directors and key Managerial Personnel and their Shareholding**
(7)	(i) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either; (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or (b) by way of commission, if the Company, by a special resolution, authorises such payment. (ii) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.	**Remuneration of director who is neither in the Whole-time employment nor a Managing Director**
Powers of Board		
105.(1)	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or	**General powers of the Company vested in Board**

	otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	
(2)	Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power - (i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company; (ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act; (iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory; (iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged; (v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit; (vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force, (vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees; (viii) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise	**Powers of the Board**

	concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon; (ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents; (x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company; (xi) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being 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 49 of the Act, all investments shall be made and held in the Company's own name; (xii) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon; (xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company; (xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company; (xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, 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 or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of	

	locality or place of operations, or of public and general utility or otherwise; (xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force. (xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or 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, emoluments or remuneration of such amount, as they may think fit. (xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with. (xix) 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 powers 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 any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers 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 Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them; (xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do 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; (xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.	
106.	(I) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings. (II) 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, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board: Provided that any person 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 it had not been vacated. A Director need not hold any qualification shares.	**Nominee Directors & Casual vacancy of Directors**
107.	The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his	**Board may appoint chairman, co-**

	absence the Co- Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting	**chairman and vice chairman**
Proceedings of the Board		
108.(1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. Provided, that the Board of Directors shall hold meetings at least once in every three months and at least four times every calendar year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board.	**When meeting to be convened**
(2)	The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	**Who may summon Board meeting**
(3)	The quorum for a Board meeting shall be as provided in the Act. Provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place. A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.	**Quorum for Board meetings**
(4)	The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.	**Participation at Board meetings**
(5)	At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors. Subject to the provisions of section 173(3) meeting may be called at shorter notice.	**Notice of Board meetings**

109.(1)	Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc. and save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	**Questions at Board meeting how decided**
(2)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	**Casting vote of Chairperson at Board meeting**
110.	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.	**Directors not to act when number falls below minimum**
111.(1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	**Who to preside at meetings of the Board**
(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting	**Directors to elect a Chairperson**
112.(1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.	**Delegation of powers**
(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.	**Committee to conform to Board regulations**
(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.	**Participation at Committee meetings**
113.(1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	**Chairperson of Committee**
(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	**Who to preside at meetings of Committee**
114.(1)	A Committee may meet and adjourn as it thinks fit.	**Committee to meet**
(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	**Questions at Committee meeting how decided**
(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	**Casting vote of Chairperson at Committee meeting**
115.	The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under these Articles All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment	**Acts of Board or Committee valid notwithstanding defect of appointment**

	of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
116.	Save as otherwise expressly provided in the Act, a resolution in writing, signed and has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution. whether manually or by secure electronic mode, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	**Passing of resolution by Circulation**
117.(1)	Subject to the provisions of the Act, - A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.	**Chief Executive Officer, etc.**
(2)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	**Director may be chief executive officer, etc.**
(3)	The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely (i) Managing Director, and (ii) Manager	
(4)	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, 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, chief financial officer.	**Authorisation of act done in respect of any director, chief executive officer, manager, company secretary, chief financial officer**
Registers		
118.	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	**Statutory registers**
119.(1)	The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject	**Foreign register**

	to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	
(2)	The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.	
120.	The requirement of the common seal of the company is not applicable as per the section 9 of the companies Act, 2013	**The Seal**
Dividends and Reserve		
121.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	**Company in general meeting may declare dividends**
122.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as in their judgement, the position of the Company justifies.	**Interim dividends**
123.(1)	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 applied 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, think fit. Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :- (i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years; (ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.	**Dividends only to be paid out of profits**
(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	**Carry forward of Profits**
124.(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.	**Division of profits**
(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	**Payments in advance**
(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	**Dividends to be apportioned**

	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.	
125.(1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by himto the Company, either alone or jointly with any other person or persons, on account of calls or otherwise in relation to the shares of the Company.	**No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom**
(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member or where any person under these articles is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company..	**Retention of dividends**
126.(1)	Any dividend, interest, bonus or other monies payable in cash in respect of shares may be paid by electronic mode or 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 but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.	**Dividend how remitted**
(2)	Every such cheque or warrant or pay- slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. It shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.	**Instrument of Payment**
(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	**Discharge to Company**
127.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	**Receipt of one holder sufficient**
128.	No dividend shall bear interest against the Company.	**No interest on dividends**
129.	The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	**Waiver of dividends**
130.	Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.	**Setting off dividend against calls**
131.	Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.	**When transfer of share shall not pass dividend right**

Unpaid or unclaimed dividend		
132.(1)	Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "the Unpaid Dividend Account of VMS TMT Limited" subject to the applicable provisions of the Act and the Rules made thereunder. The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.	**Transfer of unclaimed dividend**
(2)	Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.	**Transfer to IEPF Account**
(3)	No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.	**Forfeiture of unclaimed dividend**
Accounts		
133.(1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules with respect to :- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place; (ii) all sales and purchases of goods by the Company; (iii) the assets and liabilities of the Company; (iv) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government. Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place. The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.	**Inspection by Directors**

	The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.	
(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Applicable Laws or authorized by the Board.	**Restriction on inspection by members**
(3)	The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act. A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled. The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.	**Annual Reports, Financial Statements to be laid in Annual General Meeting and sent to members, trustees. Appointment of various auditors**
Borrowing Powers		
134.	Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other 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 the Board shall consider to be for the benefit of the Company.	**Power of the Board to borrow monies**
Winding up		

135.	Subject to the applicable provisions of the Act and the Rules made thereunder and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).–	**Winding up of Company**
(a)	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.	
(b)	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 such division shall be carried out as between the members or different classes of members.	
(c)	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.	
Indemnity and Insurance		
136.(a)	Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively. And it shall include the payment of all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.	**Directors and officers right to indemnity**
(b)	Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.	**Director, Managing director, Manager, Company Secretary or other officer of the Company shall be indemnified**
(c)	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	**Insurance**
Secrecy		
137.	(i) 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 pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when	**Directors, manager, auditor, members, etc to maintain secrecy**

	required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act. (ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.	
General Power		
138.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.	**General power**

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material, will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing and are also available at the following weblink www.vmstmt.com. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10:00 a.m. to 05:00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Issue Closing Date (except for such agreements executed after the Bid / Issue Closing Date).

A. Material Contracts for the Issue

1. Issue Agreement dated September 27, 2024, entered amongst our Company and the Book Running Lead Manager.

2. Registrar Agreement dated September 27, 2024, entered amongst our Company and the Registrar to the Issue.

3. Cash Escrow and Sponsor Bank Agreement dated [●], entered amongst our Company, the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Members, and the Banker(s) to the Issue.

4. Syndicate Agreement dated [●], entered amongst our Company, the Book Running Lead Manager, the Syndicate Members, and the Registrar to the Issue.

5. Underwriting Agreement dated [●], entered amongst our Company, and the Underwriters.

6. Monitoring Agency Agreement dated [●] entered amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of updated MoA and AoA, updated from time to time.

2. Certificate of incorporation dated April 09, 2013, issued to our Company by the Registrar of Companies, Gujarat at Dadra and Nagar Haveli in the name of "*VMS TMT Private Limited*".

3. Fresh certificate of incorporation dated December 01, 2023, issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad pursuant to conversion of our Company from a private limited company to a public limited company and consequential change in our name from *'VMS TMT Private Limited'* to *'VMS TMT Limited'*.

4. Resolutions of the Board of Directors and Shareholders dated July 22, 2024, and July 24, 2024, respectively in relation to the Issue and other related matters.

5. Resolution of the Board dated September 27, 2024 approving the DRHP and other matters.

6. Resolution of the Audit Committee dated September 27, 2024, approving the key performance indicators

7. Certificate on Key Performance Indicators in respect of the Basis for Issue Price issued by Suresh Chandra & Associates, Chartered Accountants, dated September 27, 2024.

8. Consent dated September 27, 2024 from our Statutory Auditors, namely, Suresh Chandra & Associates, Chartered Accountants, to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in in respect of their (a) examination report dated September 19, 2024 on the Restated Financial Information, (b) report dated September 27, 2024 on the statement of special tax benefits; and such consents has not been withdrawn as on the date of this DRHP.

9. The examination report dated September 19, 2024 of our Statutory Auditors, namely, Suresh Chandra & Associates, Chartered Accountants on the Restated Financial Information, included in this Draft Red Herring Prospectus.

10. The statement of possible special tax benefits on direct taxes and indirect taxes each dated September 27, 2024 from our Statutory Auditors, namely, Suresh Chandra & Associates, Chartered Accountants.

11. Consents of our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company, Bankers to our Company, Banker to the Issue, the BRLM, and the Registrar to the Issue,

12. Consent letter dated September 19, 2024 from B. P. Oza & Associates, as Chartered Engineer to include its name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the report dated September 19, 2024, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

13. Consent letter dated September 27, 2024 from an independent chartered accountant, namely Sunil Poddar and Co., Chartered Accountants to include its name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in relation to the certificate dated September 27, 2024 issued in relation to the statement of estimates of working capital requirements and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

14. Consent dated September 27, 2024 from the practicing Company Secretary, namely Umesh Ved & Associates to include its name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in its capacity as practicing Company Secretary in respect of the certificate dated September 27, 2024 issued by it in connection with inter alia the share capital buildup and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

15. Consent letter dated September 19, 2024 from D&B with respect to Industry Report titled *"TMT Bars Industry in India"* dated September 19, 2024".

16. Industry Report titled *"TMT Bars Industry in India"* dated September 19, 2024 prepared and issued by D&B for an agreed fee, exclusively for the purpose of this Issue.

17. Copies of annual reports of our Company for the preceding three Fiscals i.e., Fiscals 2024, 2023 and 2022.

18. Agreement dated May 28, 2024 with Varun Manojkumar Jain with respect to the terms and conditions of his appointment as Managing Director.

19. Agreement dated May 28, 2024 with Rishabh Sunil Singhi with respect to the terms and conditions of his appointment as Whole Time Director.

20. Memorandum of Understanding dated May 16, 2024, entered between our Company and Aditya Ultra Steel Limited.

21. Retail License agreement dated June 20, 2024 entered between our Company and Kamdhenu Limited for trademark '*Kamdhenu'*.

22. Retail License agreement dated November 07, 2022 entered between our Company and Kamdhenu Limited for trademark '*Kamdhenu NXT'*.

23. Memorandum of Understanding entered into between the Company and Prozeal Green Energy Limited dated August 22, 2024.

24. Factory Lease Agreement entered into between the Company and Hans Industries Private Limited dated June 04, 2024.

25. Share Subscription and Shareholders' Agreement dated July 17, 2024 between our Company and Kamdhenu Limited.

26. Share Subscription and shareholders' agreement dated July 27, 2024, between our Company and Chanakya Opportunities Fund I.

27. Due Diligence Certificate dated September 27, 2024 addressed to SEBI from the BRLM.

28. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

29. Tripartite agreement dated May 2, 2024 amongst our Company, CDSL and the Registrar to the Issue.

30. Tripartite agreement dated December 26, 2023 amongst our Company, NSDL and the Registrar to the Issue.

31. SEBI final observation letter bearing reference number [●] and dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Varun Manojkumar Jain

DIN: 03502561
Designation: Chairman and Managing Director
Place: Ahmedabad
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Rishabh Sunil Singhi

DIN: 09342922
Designation: Whole-Time Director
Place: Ahmedabad
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Manojkumar Jain

DIN: 02190018
Designation: Non-Executive Director
Place: Ahmedabad
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Jasmin Jaykumar Doshi

DIN: 08686876
Designation: Independent Director
Place: Ahmedabad
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Vinodkumar Bhanwer Singh

DIN: 10454743
Designation: Independent Director
Place: Ahmedabad
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Vivek Dinesh Nathwani

DIN: 09791683
Designation: Independent Director
Place: Ahmedabad
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR , the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

____
Vikram Babubhai Patel

Designation: Chief Financial Offer
Place: Ahmedabad
Date: September 27, 2024