(Please scan this QR code to view the DRHP)

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

SAMBHV
STEEL PIPES & TUBES
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# SAMBHV STEEL TUBES LIMITED

*(formerly Sambhv Sponge Power Private Limited and Sambhv Steel Tubes Private Limited)*

**CORPORATE IDENTITY NUMBER:** U27320CT2017PLC007918

| REGISTERED AND CORPORATE OFFICE | CONTACT PERSON | E-MAIL AND TELEPHONE | WEBSITE |
|---|---|---|---|
| Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India | Niraj Shrivastava, Company Secretary and Compliance Officer | **E- mail:** cs@sambhv.com<br><br>**Tel:** +91 771 2222 360 | www.sambhv.com |

**OUR PROMOTERS: BRIJLAL GOYAL, SURESH KUMAR GOYAL, VIKAS KUMAR GOYAL, SHEETAL GOYAL, SHASHANK GOYAL AND ROHIT GOYAL**

**DETAILS OF THE OFFER**

| TYPE | SIZE OF FRESH ISSUE | SIZE OF OFFER FOR SALE | TOTAL OFFER SIZE | ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs, RIBs AND ELIGIBLE EMPLOYEES |
|---|---|---|---|---|
| Fresh Issue and Offer for Sale | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 4,400.00 million# | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 1,000.00 million | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 5,400.00 million | The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures—Eligibility for the Offer*" on page 388. For details in relation to share reservation among QIBs, NIBs, RIBs and Eligible Employees see "*Offer Structure*" on page 409. |

**DETAILS OF THE OFFER FOR SALE**

| NAME OF SELLING SHAREHOLDER | TYPE | NUMBER OF EQUITY SHARES OFFERED / AMOUNT | WEIGHTED AVERAGE COST OF ACQUSITION PER EQUITY SHARE (IN ₹)* |
|---|---|---|---|
| Shashank Goyal | Promoter Selling Shareholder | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million | Nil |
| Rohit Goyal | Promoter Selling Shareholder | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million | 2.16 |
| Kaushlya Goyal | Promoter Group Selling Shareholder | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million | 1.82 |
| Harsheet Goyal | Promoter Group Selling Shareholder | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million | 0.85 |
| Rinku Goyal | Other Selling Shareholder | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 600.00 million | Nil |

**As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 123 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares of face value of ₹10 each in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 33.

**ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholder and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares of face value of ₹10 each to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 470.

**BOOK RUNNING LEAD MANAGERS**

| NAME OF THE BOOK RUNNING LEAD MANAGER AND LOGO | CONTACT PERSON | E-MAIL AND TELEPHONE |
|---|---|---|
| Nuvama Wealth Management Limited | Pari Vaya | **E-mail**: sambhv.ipo@nuvama.com<br>**Tel**: +91 22 4009 4400 |
| Motilal Oswal Investment Advisors Limited | Ritu Sharma/Sankita Ajinkya | **E-mail**: sambhv@motilaloswal.com<br>**Tel**: +91 22 7193 4380 |

**REGISTRAR TO THE OFFER**

| NAME OF THE REGISTRAR | CONTACT PERSON | E-MAIL AND TELEPHONE |
|---|---|---|
| KFin Technologies Limited | M. Murali Krishna | **E-mail**: sstl.ipo@kfintech.com<br>**Tel**: +91 40 6716 2222 |

**BID / OFFER PERIOD**

| | |
|---|---|
| ANCHOR INVESTOR BID / OFFER DATE | [●](1) |
| BID / OFFER OPENS ON | [●] |
| BID / OFFER CLOSES ON | [●](2)(3) |

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

*(2) Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

*(3) UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.*

*# Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus.*

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# SAMBHV STEEL TUBES LIMITED

Our Company was originally incorporated on April 24, 2017 at Chhattisgarh, India as 'Sambhv Sponge Power Private Limited', a private limited company under the Companies Act, 2013 and was granted a certificate of incorporation by the Registrar of Companies, Central Registration Centre on April 25, 2017. Subsequently, the name of our Company was changed to 'Sambhv Steel Tubes Private Limited' pursuant to a special resolution adopted by our Shareholders on January 16, 2024 to more accurately reflect the nature of business of our Company, and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, Central Processing Centre on February 22, 2024. Our Company was then converted into a public limited company under the Companies Act, 2013 pursuant to a special resolution adopted by our Shareholders on April 24, 2024, consequent to which, the name of our Company was changed to 'Sambhv Steel Tubes Limited' and a fresh certificate of incorporation, consequent upon change of name, was issued to our Company by the Registrar of Companies, Central Processing Centre on July 9, 2024. For details in relation to changes in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 229.

**Registered and Corporate Office:** Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India
**Contact Person**: Niraj Shrivastava, Company Secretary and Compliance Officer
**Tel:** +91 771 2222 360; **E-mail:** cs@sambhv.com; **Website:** www.sambhv.com
**Corporate Identity Number**: U27320CT2017PLC007918

**OUR PROMOTERS: BRIJLAL GOYAL, SURESH KUMAR GOYAL, VIKAS KUMAR GOYAL, SHEETAL GOYAL, SHASHANK GOYAL AND ROHIT GOYAL**

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SAMBHV STEEL TUBES LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹5,400.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,400.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹ 1,000.00 MILLION COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 100.00 MILLION BY SHASHANK GOYAL, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹ 100.00 MILLION BY ROHIT GOYAL (TOGETHER WITH SHASHANK GOYAL, THE "PROMOTER SELLING SHAREHOLDERS"), UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹ 100.00 MILLION BY KAUSHLYA GOYAL, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹ 100.00 MILLION BY HARSHEET GOYAL (TOGETHER WITH KAUSHLYA GOYAL, THE "PROMOTER GROUP SELLING SHAREHOLDERS") AND UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING UP TO ₹ 600.00 MILLION BY RINKU GOYAL (THE "OTHER SELLING SHAREHOLDER", COLLECTIVELY WITH PROMOTER SELLING SHAREHOLDERS AND THE PROMOTER GROUP SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, AS A "SELLING SHAREHOLDER" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE").**

**OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A PRE-IPO PLACEMENT, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT IN LISTING OF THE EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.**

**THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) ("EMPLOYEE RESERVATION PORTION"). SUCH PORTION SHALL NOT EXCEED 5% OF THE POST-OFFER EQUITY SHARE CAPITAL OF OUR COMPANY. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF ₹[●] TO THE OFFER PRICE (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●] AND [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, (HINDI ALSO BEING THE REGIONAL LANGUAGE OF CHHATTISGARH, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the other Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in 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 remaining QIB Portion ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from the Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million will be available for allocation on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid being Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilize 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 Banks 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 Offer through the ASBA process. For further details, see "*Offer Procedure*" on page 413.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 123 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of face value of ₹10 each nor regarding the price at which the Equity Shares of face value of ₹10 each 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 the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares of face value of ₹10 each in the Offer have not been recommended or approved by 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 33.

**ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholder and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company, any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares of face value of ₹10 each to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE and NSE. For the purposes of the Offer, **[●]** is the Designated Stock Exchange. 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 details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 470.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER |
|---|---|---|
| nuvama | MOTILAL OSWAL INVESTMENT BANKING | KFINTECH EXPERIENCE TRANSFORMATION |
| **Nuvama Wealth Management Limited**<br>801 - 804, Wing A, Building No 3,<br>Inspire BKC, G Block<br>Bandra Kurla Complex, Bandra East<br>Mumbai – 400 051<br>Maharashtra, India<br>**Tel**: + 91 22 4009 4400<br>**E-mail**: sambhv.ipo@nuvama.com<br>**Website**:www.nuvama.com<br>**Investor grievance e-mail**: customerservice.mb@nuvama.com<br>**Contact Person**: Pari Vaya<br>**SEBI Registration No.**: INM000013004 | **Motilal Oswal Investment Advisors Limited**<br>Motilal Oswal Tower, Rahimtullah<br>Sayani Road, Opposite Parel ST Depot<br>Prabhadevi, Mumbai 400 025<br>Maharashtra, India<br>**Tel:** +91 22 7193 4380<br>**E-mail**: sambhv@motilaloswal.com<br>**Website**: www.motilaloswalgroup.com<br>**Investor grievance e-mail**: moiaplredressal@motilaloswal.com<br>**Contact Person:** Ritu Sharma/Sankita Ajinkya<br>**SEBI Registration No.**: INM000011005 | **KFin Technologies Limited**<br>Selenium, Tower-B<br>Plot No. 31 & 32, Gachibowli, Financial District<br>Nanakramguda, Hyderabad<br>Telangana 500 032, India<br>**Tel**: +91 40 6716 2222<br>**E-mail:** sstl.ipo@kfintech.com<br>**Website:** www.kfintech.com<br>**Investor grievance e-mail**: einward.ris@kfintech.com<br>**Contact Person**: M. Murali Krishna<br>**SEBI Registration No.**: INR000000221 |

**BID/OFFER PROGRAMME**

| BID/OFFER OPENS ON: [●][1] | BID/OFFER CLOSES ON: [●][2][3] |
|---|---|

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Date will be one Working Day prior to the Bid/Offer Opening Date.*
(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
(3) *UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.*

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## TABLE OF CONTENTS

## SECTION I: GENERAL

## DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder.*

*The words and expressions used but not defined in this Draft Red Herring Prospectus, to the extent applicable, will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the SEBI Listing Regulations, the Depositories Act and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms used in "Objects of the Offer", "Basis for Offer Price", "Statement of Possible Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Financial Statements", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 112, 123, 142, 147, 224, 229, 265, 342, 379, 387, 413 and 436 respectively, shall have the respective meanings ascribed to them in the relevant sections.*

### General Terms

| Term | Description |
|---|---|
| "Our Company" or "the Company" or "the Issuer" | Sambhv Steel Tubes Limited (*formerly Sambhv Sponge Power Private Limited and Sambhv Steel Tubes Private Limited*), a company incorporated under the Companies Act, 2013, whose registered and corporate office is situated at Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India |
| "We" or "us" or "our" | Unless the context otherwise requires or implies, refers to our Company, and for any period on or after September 16, 2024 refers to our Company and our Subsidiary, on a consolidated basis |

### Company Related Terms

| Term | Description |
|---|---|
| "AoA" or "Articles" or "Articles of Association" | The articles of association of our Company, as amended |
| Audit Committee | The audit committee of our Board of Directors as described in "*Our Management – Committees of the Board – Audit Committee*" on page 243 |
| "Auditors" or "Statutory Auditors" | The current statutory auditors of our Company, namely, S S Kothari Mehta & Co. LLP |
| "Board" or "Board of Directors" | The board of directors of our Company. For details, see "*Our Management- Board of Directors*" on page 236 |
| Chairman and Executive Director | Our Company's chairman and executive director, Suresh Kumar Goyal. For details, see "*Our Management- Board of Directors*" on page 236 |
| "Chief Financial Officer" or "CFO" | Our Company's chief financial officer, Anu Garg. For details, see "*Our Management- Key Managerial Personnel of our Company*" on page 252 |
| Company Secretary and Compliance Officer | Our Company's company secretary and compliance officer, Niraj Shrivastava. For details, see "*Our Management- Key Managerial Personnel of our Company*" on page 252 |
| Corporate Social Responsibility Committee | The corporate social responsibility committee of our Board as described in "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 250 |
| Director(s) | The director(s) on our Board. For details, see "*Our Management- Board of Directors*" on page 236 |
| Equity Shares | Equity shares of face value of ₹10 each of our Company |
| Executive Director(s) | The executive director(s) on our Board. For details, see "*Our Management- Board of Directors*" on page 236 |
| Executive Director and Chief Operating Officer | Our Company's executive director and chief operating officer, Bhavesh Khetan. For details, see "*Our Management- Board of Directors*" on page 236 |
| IPO Committee | The IPO committee of our Board of Directors |
| "Key Managerial Personnel" or "KMP" | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, including key managerial personnel under Section 2(51) of the Companies Act and as disclosed in "*Our Management - Key Managerial Personnel of our Company*" beginning on page 252 |

| Term | Description |
|---|---|
| Managing Director and Chief Executive Officer | Our Company's managing director and chief executive officer, Vikas Kumar Goyal. For details, see "*Our Management- Board of Directors*" on page 236 |
| Materiality Policy | The materiality policy of our Company adopted pursuant to a resolution of our Board dated September 28, 2024 for the identification of (a) material outstanding civil litigation involving our Company, Subsidiary, Promoters and Directors; (b) 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 |
| "MoA" or "Memorandum" or "Memorandum of Association" | The memorandum of association of our Company, as amended |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board as described in "*Our Management*" beginning on page 236. For details, see "*Our Management – Committees of the Board – Nomination and Remuneration Committee*" on page 246 |
| Independent Directors(s) | The non-executive independent director(s) on our Board. For details, see "*Our Management-Board of Directors*" on page 236 |
| Promoters | Our Company's promoters, Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal, Shashank Goyal and Rohit Goyal. For details, see "*Our Promoters and Promoter Group*" on page 255 |
| Promoter Group | Such entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 255 |
| "Registered and Corporate Office" or "Registered Office" | The registered and corporate office of our Company, which is located at Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India |
| "Registrar of Companies" or "RoC" | The Registrar of Companies, Chhattisgarh at Bilaspur |
| Restated Financial Information | The restated financial information of our Company as of and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprising the restated statement of assets and liabilities of our Company as of 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, the restated statement of cash flow, for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material accounting policies and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time |
| Risk Management Committee | The risk management committee of our Board as described in "*Our Management - – Committees of the Board – Risk Management Committee*" on page 249 |
| Senior Management | The senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "*Our Management- Senior Management of our Company* " on page 252 |
| Shareholders | The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares |
| Subsidiary | Our Company's subsidiary, namely, Sambhv Tubes Private Limited, for details see "*History and Certain Corporate Matters- Our Subsidiary*" on page 232 |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee of our Board as described in "*Our Management-Committees of the Board – Stakeholders' Relationship Committee*" on page 248 |

## Offer Related Terms

| Term | Description |
|---|---|
| Abridged Prospectus | A memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard |
| Acknowledgement Slip | The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| "Allotment" or "Allot" or "Allotted" | Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case to the successful Bidders |
| Allotment Advice | Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million |

| Term | Description |
|---|---|
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company in consultation with the BRLMs |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which shall be considered as an application for the Allotment in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and the Prospectus |
| Anchor Investor Bid/Offer Date | One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs |
| Anchor Investor Pay-in Date | With respect to the Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, , no later than one Working Day after the Bid/ Offer Closing Date and no later than the time on such day specified in the revised CAN |
| Anchor Investor Portion | Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, 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" or "ASBA" | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by UPI Bidders |
| ASBA Account | A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Bidder(s) | Bidder(s), except Anchor Investors |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Banker(s) to the Offer | The Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be |
| Basis of Allotment | The basis on which Equity Shares shall be Allotted to successful Bidders under the Offer as described in "*Offer Procedure*" on page 413 |
| Bid | An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Date by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and 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 RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.<br><br>Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid amount shall be the Cap Price net of Employee Discount, if any, multiplied by the number of Equity Shares Bid by such Eligible Employee and mentioned in the Bid cum Application Form.<br><br>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the case may be |

| Term | Description |
| --- | --- |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Bid/Offer Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations |
| Bid/Offer Opening Date | Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation |
| Bid/Offer Period | Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus.<br><br>Our Company may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for the QIB Portion one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only |
| Bidder | 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 Anchor Investor |
| Bidding Centres | The 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 |
| Book Building Process | The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| "Book Running Lead Managers" or "BRLMs" | The book running lead managers to the Offer, namely, Nuvama and Motilal Oswal |
| Broker Centres | The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, using the UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time. |
| "CAN" or "Confirmation of Allocation Note" | A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/Offer Date |
| Cap Price | The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, and which shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price |
| Cash Escrow and Sponsor Bank Agreement | Agreement to be entered among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer 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 dematerialized account |
| "Collecting Depository Participant" or "CDP" | A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI RTA Master Circular and UPI Circulars issued by the SEBI, as per the list available on the websites of the Stock Exchanges, as updated from time to time |
| "CRISIL MI&A" | CRISIL Market Intelligence & Analytics (MI&A), a division of CRISIL Limited |
| "CRISIL Report" | Industry report titled "*The steel pipes value chain*" dated September, 2024, issued by CRISIL MI&A which has been exclusively commissioned and paid for by us in connection with the Offer |

| Term | Description |
|---|---|
| Cut-off Price | The Offer Price finalized by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders bidding in the Retail Portion and Eligible Employees bidding in Employee Reservation Portion are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price |
| Demographic Details | The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable |
| Designated Branches | Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI |
| Designated CDP Locations | Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchangefollowing which Equity Shares will be Allotted in the Offer |
| Designated Intermediaries | Collectively, the Syndicate, Sub-Syndicate Members, SCSBs (other than in relation to UPI Bidders using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders in the Offer.<br><br>In relation to ASBA Forms submitted by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.<br><br>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 Bidder, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.<br><br>In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time. |
| Designated Stock Exchange | [●] |
| "Draft Red Herring Prospectus" or "DRHP" | This draft red herring prospectus dated September 30, 2024 filed with the SEBI and the Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto |
| "Eligible Employee(s)" | All or any of the following: (a) a permanent employee of our Company or our Subsidiary, present in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or our Subsidiary, as the case may be, until the submission of the Bid cum Application Form; (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including (i) our Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors, who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company.<br><br>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, |

| Term | Description |
| --- | --- |
| | proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any) |
| "Eligible FPIs" | FPI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby |
| Eligible NRI(s) | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby |
| Employee Discount | Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% of the Offer Price (equivalent to ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date |
| Employee Reservation Portion | In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the portion of the Offer being up to [●] Equity Shares, aggregating up to ₹ [●] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of our Company. |
| Escrow Account(s) | Account to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid |
| Escrow Collection Bank(s) | The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) shall be opened, in this case being [●] |
| First Bidder | Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted |
| Fresh Issue | The fresh issue of up to [●] Equity Shares aggregating up to ₹ 4,400.00 million by our Company.<br><br>Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus. |
| "General Information Document" or "GID" | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| Gross Proceeds | The Offer Proceeds, less proceeds of the Offer for Sale |
| Independent Chartered Accountant | S D T & Co., Chartered Accountants |
| "Independent Chartered Engineer" or "ICE" | Prakash Upadhyay, Chartered Engineer |
| Monitoring Agency Agreement | Agreement to be entered into between our Company and the Monitoring Agency |
| Monitoring Agency | [●], being a credit rating agency registered with SEBI |
| Motilal Oswal | Motilal Oswal Investment Advisors Limited |
| Mutual Fund(s) | Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| Mutual Fund Portion | 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| Net Offer | The Offer less the Employee Reservation Portion |

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td>Net Proceeds</td><td>The proceeds of the Fresh Issue less our Company’s share of the Offer related expenses. For further information regarding use of the Net Proceeds and the Offer expenses, see “Objects of the Offer” on page 112</td></tr>
<tr><td>Net QIB Portion</td><td>The QIB Portion less the number of Equity Shares allocated to the Anchor Investors</td></tr>
<tr><td>“Non-Institutional Bidders” or “NIBs”</td><td>All Bidders that are not QIBs or Retail Individual Bidders or the Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)</td></tr>
<tr><td>Non-Institutional Portion</td><td>The portion of the Offer being not less than 15% of the Net Offer, or [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹ 200,000 and up to ₹ 1,00 million; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price</td></tr>
<tr><td>Non-Resident</td><td>Person resident outside India, as defined under FEMA</td></tr>
<tr><td>Nuvama</td><td>Nuvama Wealth Management Limited</td></tr>
<tr><td>Offer</td><td>The initial public offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹ 5,400.00 million comprising the Fresh Issue and the Offer for Sale<br><br>Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus.</td></tr>
<tr><td>Offer Agreement</td><td>The agreement dated September 30, 2024 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer</td></tr>
<tr><td>Offer for Sale</td><td>The offer for sale of up to [●] Equity Shares aggregating up to ₹ 1,000.00 million by the Selling Shareholders for a cash price of ₹[●] per Equity Share, as set out below.<br><br>
<table>
<tr><th>Name of the Selling Shareholder</th><th>Number of Equity Shares offered / amount</th></tr>
<tr><td>Shashank Goyal</td><td>Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million</td></tr>
<tr><td>Rohit Goyal</td><td>Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million</td></tr>
<tr><td>Kaushlya Goyal</td><td>Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million</td></tr>
<tr><td>Harsheet Goyal</td><td>Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million</td></tr>
<tr><td>Rinku Goyal</td><td>Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 600.00 million</td></tr>
</table></td></tr>
<tr><td>Offer Price</td><td>The final price (within the Price Band) at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.<br><br>A discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Discount if any, will be decided by our Company, in consultation with the Book Running Lead Managers. Such portion shall not exceed 5% of the post-Offer Equity Share capital of our Company.</td></tr>
</table>

| Term | Description |
|---|---|
| Offer Proceeds | The Net Proceeds and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 112 |
| Offered Shares | Up to [●] Equity Shares being offered for sale by the Selling Shareholders in the Offer for Sale |
| Other Selling Shareholder | Rinku Goyal |
| Pre-IPO Placement | Our Company, in consultation with the BRLMs, may consider a private placement of Equity Shares or specified securities to certain investors as permitted under applicable laws, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus. |
| Price Band | Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites |
| Pricing Date | The date on which our Company, in consultation with the BRLMs, will finalize the Offer Price |
| Promoter Selling Shareholders | Shashank Goyal and Rohit Goyal |
| Promoter Group Selling Shareholders | Kaushlya Goyal and Harsheet Goyal |
| Prospectus | The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account | 'No-lien' and 'non-interest-bearing' bank account opened in accordance with Section 40(3) of the Companies Act, with the Public Offer Account Bank to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date |
| Public Offer Account Bank | The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with which the Public Offer Account shall be opened, being [●] |
| QIB Portion | The portion of the Offer being not more than 50% of the Net Offer, or not more than [●] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable |
| "Qualified Institutional Buyers", "QIBs" or "QIB Bidders" | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| "Red Herring Prospectus" or "RHP" | The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act and the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date |
| Refund Account(s) | Account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made |
| Refund Bank(s) | The bank which are a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●] |
| Registered Brokers | The 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 the SEBI |
| Registrar Agreement | The agreement dated September 30, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |

| Term | Description |
|---|---|
| "Registrar and Share Transfer Agents" or "RTAs" | Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of the BSE and NSE, and the UPI Circulars |
| "Registrar to the Offer" or "Registrar" | KFin Technologies Limited |
| "Retail Individual Bidders" or "RIBs" | Individual Bidders, who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Net Offer (including HUFs applying through the *karta* and Eligible NRIs) |
| Retail Portion | The portion of the Offer being not less than 35% of the Net Offer, or [●] Equity Shares, 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 Offer Price |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date |
| SCORES | Securities and Exchange Board of India Complaint Redress System |
| "Self Certified Syndicate Banks" or "SCSBs" | The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time. |
| Selling Shareholders | Collectively the Promoter Selling Shareholders, the Promoter Group Selling Shareholders and the Other Selling Shareholder |
| Share Escrow Agent | Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●] |
| Share Escrow Agreement | Agreement to be entered among our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and the credit of the Equity Shares to the demat account of the Allottees |
| Specified Locations | Bidding Centres where the Syndicate will accept ASBA Forms from the ASBA Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and as updated from time to time |
| Sponsor Bank | [●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars |
| "Syndicate" or "Members of the Syndicate" | Syndicate members to the Offer as defined in Regulation 2(1)(hhh) of the SEBI ICDR Regulations, being [●] |
| Syndicate Agreement | The agreement to be entered into among the BRLMs, the Syndicate Members, the Selling Shareholders and our Company in relation to the collection of Bid cum Application Forms by the Syndicate |
| Syndicate Members | Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●] |
| Systemically Important NBFC | In the context of a Bidder, a systemically important non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |
| Underwriters | [●] |
| Underwriting Agreement | The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date but prior to the filing of the Prospectus with the RoC |
| "Unified Payments Interface" or "UPI" | An instant payment mechanism developed by the NPCI |
| UPI Bidders | Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, Eligible Employees applying in the Employee Reservation Portion, and individuals applying |

| Term | Description |
|---|---|
| | as Non-Institutional Bidders with a Bid Amount of up to ₹500,000 in the Non-Institutional Portion.<br><br>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 ₹500,000 shall use the UPI Mechanism 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 | SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, 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 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular, as applicable to RTA), SEBI RTA Master Circular, SEBI ICDR Master Circular, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circulars issued by the NSE having reference no. 23/2022 dated July 22, 2022 and having reference no. 25/2022 dated August 3, 2022, and the circulars issued by BSE having reference no. 20220702-30 dated July 22, 2022 and having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by the Stock Exchanges in this regard. |
| UPI ID | An ID created on the 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 linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorize 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 an UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer |
| UPI PIN | Password to authenticate UPI transaction |
| U.S. Securities Act | The United States Securities Act of 1933 |
| "Wilful Defaulter or Fraudulent Borrower" | A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations |
| Working Day(s) | All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars |

### Industry/Business Related Terms

| Term | Description |
|---|---|
| AFBC | Atmospheric fluidized bed combustion |
| AOD | Argon oxygen decarburization |
| BIS | Bureau of Indian Standards |
| Cash Profit | Cash Profit is calculated as the sum of profit for the period and depreciation |
| Capital Employed | Capital Employed is calculated as the sum of tangible net worth, debt and deferred tax liability |
| CR | Cold rolled |
| CRFH | Cold rolled full hard |

| Term | Description |
|---|---|
| Debt | Debt is calculated as sum of long term borrowings, short term borrowings and lease liabilities for the period |
| Debt / EBITDA | Debt / EBITDA is calculated as Debt divided by EBITDA |
| Debt/Equity | Debt/Equity is calculated as debt divided by equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 |
| DRCLO | Directly reduced calibrated lump ore |
| DRI | Direct reduced iron |
| EBITDA | EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense |
| EBITDA Margin | EBITDA Margin is calculated as EBITDA divided by revenue from operations |
| EBITDA/ton | EBITDA/ton is calculated as EBITDA divided by Total Sales Volume |
| EPCG | Export Promotion Capital Goods Scheme |
| ERP | Enterprise resource planning |
| ERW | Electric resistance welded |
| Fixed Asset Turnover Ratio | Fixed Asset Turnover Ratio is calculated as revenue from operations divided by property, plant and equipment |
| FMCG | Fast moving consumer goods |
| GI | Galvanized iron |
| GP coil | Galvanized coils |
| GP pipes | Pre-galvanized pipes |
| Gross Profit | Gross Profit is calculated as Revenue from operations minus cost of material consumed minus purchase of stock-in-trade minus change in inventory of stock-in-trade and finished goods |
| Gross Profit Margin | Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year |
| HAGC | Hydraulic automatic gauge control |
| HRAP | Hot rolled annealed and pickled |
| HR | Hot rolled |
| HR mill | Hot rolled mill |
| ISO | International Organization for Standardization |
| KwA | Kilovolt amperes |
| LRF | Ladle refining furnace |
| MMTPA | Million metric tonnes per annum |
| MTPA | Metric tons per annum |
| MW | Megawatt |
| NB | Nominal bore |
| OEM | Original equipment manufacturers |
| Operating Cash flow to EBITDA | Operating Cash flow to EBITDA is calculated as Cash flow from Operations divided by EBITDA |
| PAT Margin | PAT Margin is calculated as profit for the period divided by Revenue from Operations |
| Return on Capital Employed | Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability |
| Return on Equity | Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year |
| SS | Stainless steel |
| Total income | Total income is calculated as the sum of revenue from operations & other income |
| WHRB | Waste heat recovery boiler |
| Working capital days | Working capital days is computed as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as trade receivables divided by revenue from operations multiplied by 365 days. Trade payables days is calculated as trade payables divided by revenue from operations multiplied by 365 days |

### Conventional and General Terms/Abbreviations

| Term | Description |
|---|---|
| AGM | Annual General Meeting |
| "Alternative Investment Funds" or "AIFs" | Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations |
| "AS" or "Accounting Standards" | Accounting Standards issued by the Institute of Chartered Accountants of India |
| Banking Regulation Act | The Banking Regulation Act, 1949 |

| Term | Description |
|---|---|
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| Category I FPIs | FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations |
| Category II FPIs | FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| “Companies Act” or “Companies Act, 2013” | The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder |
| Companies Act, 1956 | The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder |
| Competition Act | The Competition Act, 2002 |
| CSR | Corporate social responsibility |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| “DP” or “Depository Participant” | A depository participant as defined under the Depositories Act |
| DP ID | Depository Participant’s identification number |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*) |
| EBITDA | Earnings before interest, taxes, depreciation and amortisation |
| EGM | Extraordinary General Meeting |
| EPF | Employee Provident Fund |
| EPS | Earnings Per Share |
| ESIC | Employee State Insurance Corporation |
| FDI | Foreign Direct Investment |
| FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020, effective from October 15, 2020 |
| FEMA | The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder |
| “FEMA Non-debt Instruments Rules” or the “FEMA NDI Rules” | The Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| “Financial Year” or “Fiscal” or “Fiscal Year” or “FY” | Unless stated otherwise, the period of 12 months ending March 31 of that particular year |
| FIR | First information report |
| FPIs | Foreign portfolio investors as defined in, and registered with, the SEBI under the SEBI FPI Regulations |
| FVCI | Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations |
| GAAR | General anti-avoidance rules |
| GDP | Gross domestic product |
| “Government” or “Government of India” | The government of India |
| GST | Goods and services tax |
| HR | Human resources |
| HUF | Hindu undivided family |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| Income-tax Act | The Income-tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to and notified in the Ind AS Rules |
| Ind AS Rules | The Companies (Indian Accounting Standards) Rules, 2015 |
| India | Republic of India |
| Indian GAAP | The Generally Accepted Accounting Principles in India |
| INR | Indian rupees |
| Insurance Act | Insurance Act, 1938 |
| IPC | Indian Penal Code, 1860 |
| IPO | Initial public offering |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IRDAI Investment Regulations | Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 |
| IST | Indian Standard Time |
| IT | Information technology |

| Term | Description |
|---|---|
| IT Act | Information Technology Act, 2000 |
| KYC | Know Your Customer |
| MAT | Minimum alternate tax |
| MCA | Ministry of Corporate Affairs, Government of India |
| MCLR | Marginal cost of funds based lending rate |
| N.A. | Not applicable |
| NACH | National Automated Clearing House |
| NAV | Net asset value |
| NBFC | Non-banking financial company |
| NBFC-ND-SI | Systemically important non-deposit taking non-banking financial company |
| NEFT | National Electronic Fund Transfer |
| NPCI | National Payments Corporation of India |
| "NR" or "Non-resident" | A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI |
| NRI | An individual resident outside India, who is a citizen of India |
| NSDL | National Securities Depository Limited |
| NSE | The National Stock Exchange of India Limited |
| "OCB" or "Overseas Corporate Body" | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Offer |
| ODI | Overseas direct investment |
| p.a. | Per annum |
| P&L | Profit and loss |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number allotted under the Income-tax Act |
| PAT | Profit after tax |
| RBI | Reserve Bank of India |
| Regulation S | Regulation S under the U.S. Securities Act |
| RoNW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The 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 Master Circular | The SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| 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 | The SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 7, 2024, to the extent it pertains to UPI |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed by the SEBI AIF Regulations |
| SICA | The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 |
| State Government | The government of a State of India |
| Stock Exchanges | BSE and NSE |
| STT | Securities transaction tax |
| TAN | Tax deduction and collection account number allotted under the Income-tax Act |
| TDS | Tax deducted at source |
| Trade Marks Act | Trade Marks Act, 1999 |
| "U.S." or "USA" or "United States" | United States of America, its territories and possessions, any State of the United States, and the District of Columbia |

| Term | Description |
|---|---|
| “USD” or “US$” | United States Dollars |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| UTs | Union territories |
| VAT | Value added tax |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations |
| “Year” or “calendar year” | Unless the context otherwise requires, shall mean the twelve month period ending December 31 |

## OFFER DOCUMENT SUMMARY

*The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the 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 "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Financial Statements", "Management's Discussions and Analysis of Financial Position and Results of Operations", "Outstanding Litigation and Material Developments", "Offer Structure", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 33, 75, 89, 112, 147, 195, 255, 265, 344, 379, 409, 413 and 436, respectively.*

### Summary of the primary business of the Company

We are one of the key manufacturers of electric resistance welded ("**ERW**") steel pipes and structural tubes (hollow section) in India in terms of installed capacity as of March 31, 2024. We are the only company in India with a single location backward integrated manufacturing facility for ERW steel pipes and tubes with presence across the value chain as of March 31, 2024. We are the only player in India to manufacture narrow-width HR coil with backward integration capability, as of March 31, 2024 (*Source: CRISIL Report*)

### Summary of the Industry

The demand for domestic steel pipes and tubes is expected to have grown at a CAGR of 5-6% during Fiscals 2019-2025 to rise from 8.8 MTPA in Fiscal 2019 to 12.50-13.50 MTPA in Fiscal 2025, led by government initiatives to augment urban structural infrastructure and to infuse investments in the oil and gas sector. Going forward, domestic steel pipe demand is projected to increase to 18.50-20.50 MTPA in Fiscal 2029 at a 8-9% CAGR during the period between Fiscal 2025 and Fiscal 2029 on a high base. (*Source: CRISIL Report*)

### Name of Promoters

As of date of this Draft Red Herring Prospectus, Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal, Shashank Goyal and Rohit Goyal are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 255.

### Offer size

| **Offer of Equity Shares**(1)(2)(3) | Up to [●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ 5,400.00 million |
|---|---|
| *of which*: | |
| Fresh Issue (1) (3) | Up to [●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ 4,400.00 million |
| Offer for Sale (3) | Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 1,000.00 million |

*(1) The Offer has been authorized by our Board pursuant to a resolution adopted at its meeting held on September 5, 2024 and the Fresh Issue has been approved by our Shareholders pursuant to a special resolution adopted at their meeting held on September 12, 2024, in accordance with Section 62(1)(c) of the Companies Act, 2013.*

*(2) Our Board has taken on record the consent of each of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to its resolution dated September 30, 2024. Each of the Selling Shareholders have, severally and not jointly, specifically authorized their respective participation in the Offer for Sale to the extent of their respective portion of the Offered Shares pursuant to their respective consent letters. The details of such authorisations are provided below:*

| Name of the Selling Shareholder | Aggregate amount of Offer for Sale | Number of Equity Shares offered in the Offer for Sale | Date of consent letter |
|---|---|---|---|
| Shashank Goyal | Up to ₹ 100.00 million | Up to [●]Equity Shares of face value of ₹10 each | September 30, 2024 |
| Rohit Goyal | Up to ₹ 100.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |
| Kaushlya Goyal | Up to ₹ 100.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |
| Harsheet Goyal | Up to ₹ 100.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |
| Rinku Goyal | Up to ₹ 600.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |

*The Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulations 8 of the SEBI ICDR Regulations, as of the date of* *this Draft Red Herring Prospectus.For details of authorization received from the Selling Shareholders for the Offer for Sale, see "The Offer" on page 75.*

*(3) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus*

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees under the Employee Reservation Portion. Such portion shall not exceed 5% of the post-Offer Equity Share capital of our Company. The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company.

Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus.

For further details, see "*The Offer*" and "*Offer Structure*" on pages 75 and 409, respectively.

**Objects of the Offer**

The objects for which the Net Proceeds from the Fresh Issue shall be utilized are as follows:

***(in ₹ million)***

| S. No. | Particulars | Estimated Amount[(1)] |
|---|---|---|
| 1. | Prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company | 3,900.00 |
| 2. | General corporate purposes* | [●] |
| | **Total*** | [●] |

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations.*

[(1)] *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus.*

For further details, see "*Objects of the Offer*" on page 112.

**Aggregate pre-Offer and post-offer shareholding of Promoters, members of our Promoter Group and Selling Shareholders as a percentage of our paid up share capital**

The aggregate pre-Offer and post-offer shareholding of our Promoters, members of the Promoter Group (other than the Promoters) and the Selling Shareholders as a percentage of the pre-Offer paid-up share capital of the Company is set out below.

*a) Promoters*

| Name of Promoters | Pre-Offer | | Post-Offer** | |
|---|---|---|---|---|
| | No. of Equity Shares held | Percentage of the Equity Share capital (%) | No. of Equity Shares held | Percentage of the Equity Share capital (%) |
| Brijlal Goyal | 18,536,250 | 7.69 | [●] | [●] |
| Suresh Kumar Goyal | 18,536,250 | 7.69 | [●] | [●] |
| Vikas Kumar Goyal | 18,536,250 | 7.69 | [●] | [●] |
| Sheetal Goyal | 19,088,660 | 7.92 | [●] | [●] |
| Shashank Goyal* | 6,962,340 | 2.89 | [●] | [●] |
| Rohit Goyal* | 7,440,000 | 3.09 | [●] | [●] |
| **Total** | **89,099,750** | **36.97** | [●] | [●] |

* *Also the Promoter Selling Shareholders*
** *To be updated at the Prospectus stage*

*b) Promoter Group*

| Name of Promoter Group | Pre-Offer | | Post-Offer** | |
|---|---|---|---|---|
| | No. of Equity Shares held | Percentage of the Equity Share capital (%) | No. of Equity Shares held | Percentage of the Equity Share capital (%) |
| Suman Goyal | 19,113,660 | 7.93 | [●] | [●] |
| Kaushlya Goyal* | 19,088,660 | 7.92 | [●] | [●] |
| Ashish Goyal | 18,535,850 | 7.69 | [●] | [●] |
| Manoj Kumar Goyal | 12,050,100 | 5.00 | [●] | [●] |
| Goyal Realty & Agriculture Private Limited | 7,600,000 | 3.15 | [●] | [●] |
| Harsheet Goyal* | 7,378,000 | 3.06 | [●] | [●] |
| Ayush Agrawal | 100,000 | 0.04 | [●] | [●] |
| Raj Agrawal | 100,000 | 0.04 | [●] | [●] |
| Manoj Goyal & Sons (HUF) | 10,100 | Negligible | [●] | [●] |
| Brijlal Goyal & Sons (HUF) | 10,000 | Negligible | [●] | [●] |
| Suresh Kumar Goyal & Sons (HUF) | 10,000 | Negligible | [●] | [●] |
| Vikas Kumar Goyal & Sons (HUF) | 10,000 | Negligible | [●] | [●] |
| Ashish Kumar Goyal (HUF) | 10,000 | Negligible | [●] | [●] |
| **Total** | **84,016,370** | **34.83** | [●] | [●] |

* *Also the Promoter Group Selling Shareholders*
** *To be updated at the Prospectus stage*

*c) Selling Shareholders (other than the Promoter Selling Shareholders and the Promoter Group Selling Shareholders)*

| Name of Selling Shareholder | Pre-Offer | | Post-Offer* | |
|---|---|---|---|---|
| | No. of Equity Shares held | Percentage of the Equity Share capital (%) | No. of Equity Shares held | Percentage of the Equity Share capital (%) |
| Rinku Goyal (Other Selling Shareholder) | 4,545,460 | 1.89 | [●] | [●] |

* *To be updated at the Prospectus stage*

**Summary of Restated Financial Information**

The details of certain financial information as set out under the SEBI ICDR Regulations as of and for the Financial Years ended March 31, 2024, 2023 and 2022 derived from the Restated Financial Information are as follows:

***(in ₹ million, except per share data)***

| Particulars | As of and for the Financial Year ended March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| (A) Equity share capital | 2,410.02 | 200.90 | 200.90 |
| (B) Net worth (1) | 4,382.82 | 2,103.97 | 1,492.97 |
| (C) Revenue from operations | 12,857.57 | 9,372.20 | 8,193.49 |
| (D) Profit after tax | 824.39 | 603.83 | 721.08 |
| (E) Basic EPS (Amount in ₹) (2) | 3.79 | 3.01 | 3.59 |
| (F) Diluted EPS (Amount in ₹) (2) | 3.79 | 3.01 | 3.59 |
| (G) Net asset value per Equity Share (3) * | 18.19 | 10.47 | 7.43 |
| (H) Total borrowings | 3,468.76 | 2,827.72 | 2,412.88 |

**During the financial year 2023-2024, the company have issued 21,69,01,800 fully paid bonus shares in the ratio of 9:1 (i.e. 9 bonus shares of INR 10 each against 1 equity share of INR 10/- each to every shareholder as of March 12, 2024.*
*Notes:*

[(1)]. *Net Worth: the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation*
[(2)] *Basic and diluted EPS: Basic and diluted EPS are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)*
[(3)] *Net Asset Value per Equity Share: Net asset value per equity share is calculated by dividing total equity of the Company by number of equity shares outstanding at the end of the relevant period/year adjusted for the bonus shares issued in Fiscal 2024 in previous fiscal years*

For further details, see "*Financial Statements"* on page 265.

**Key Performance Indicators**

| S. No. | Key performance indicators | As of, and for the Fiscal, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | | *(₹ in million, unless otherwise specified)* | | |
| 1. | Revenue from operations | 12,857.57 | 9,372.20 | 8,193.49 |
| 2. | Revenue growth (in %) | 37.19 | 14.39 | - |
| 3. | Total Income[(1)] | 12,893.75 | 9,390.04 | 8,207.53 |
| 4. | Gross Profit[(2)] | 3,655.73 | 2,405.19 | 1,995.42 |
| 5. | Gross Profit Margin[(3)] (in %) | 28.43 | 25.66 | 24.35 |
| 6. | EBITDA [(4)] | 1,598.72 | 1,173.00 | 1,245.15 |
| 7. | EBITDA Margin [(5)] (in %) | 12.43 | 12.52 | 15.20 |
| 8. | EBIT[(6)] | 1,425.80 | 1,029.33 | 1,157.99 |
| 9. | EBIT Margin[(7)] (in %) | 11.09 | 10.98 | 14.13 |
| 10. | Profit After Tax | 824.39 | 603.83 | 721.08 |
| 11. | Profit After Tax Margin[(8)] (in %) | 6.41 | 6.44 | 8.80 |
| 12. | Return on Equity (RoE) [(9)] (in %) | 25.42 | 33.57 | 63.65 |
| 13. | Return on Capital Employed (RoCE) [(10)] (in %) | 17.66 | 20.20 | 28.90 |
| 14. | Cash Profit[(11)] | 1,033.49 | 765.34 | 822.28 |
| 15. | Debt[(12)] | 3,505.40 | 2,850.53 | 2,416.40 |
| 16. | Debt/ Equity[(13)] | 0.80 | 1.35 | 1.62 |
| 17. | Debt/ EBITDA[(14)] | 2.19 | 2.43 | 1.94 |
| 18. | Interest coverage ratio[(15)] | 4.48 | 4.72 | 6.06 |
| 19. | Fixed Asset Turnover Ratio[(16)] | 3.82 | 3.19 | 3.48 |
| 20. | Working Capital Days[(17)] | 41 | 57 | 47 |
| 21. | Cash Flow from Operations | 1,424.28 | 655.52 | 344.95 |
| 22. | Operating Cash flow to EBITDA[(18)] | 0.89 | 0.56 | 0.28 |
| 23. | **Sales volumes by product segment (MTPA)*** | | | |
| | *Sponge Iron (MTPA)* | 2,125.26 | 7,941.08 | 14,157.06 |
| | *Blooms/Slabs (MTPA)* | 31,096.37 | 42,122.22 | 53,892.98 |
| | *HR Coils (MTPA)* | 4,977.29 | 42,303.08 | 89,334.11 |
| | *ERW Pipes and Tubes (MTPA)* | 179,374.15 | 64,780.21 | - |
| | *GI Pipes (MTPA)* | 5,688.54 | 906.93 | - |
| | **Total sales volumes (MTPA)** | **2,23,261.61** | **1,58,053.52** | **1,57,384.15** |
| 24. | Volume growth (in %) | 41.26 | 0.43 | Nil |
| 25. | EBITDA per ton (in Rs) [(19)] | 7,160.70 | 7,421.54 | 7,911.47 |
| 26. | **Sales value by product segment** | | | |
| | *Sponge Iron* | 64.46 | 273.78 | 451.67 |
| | *Blooms/Slabs* | 1,363.51 | 2,026.47 | 2,252.16 |
| | *HR Coils* | 245.96 | 2,569.11 | 5,023.95 |
| | *ERW Pipes and Tubes* | 9,448.15 | 3,569.37 | Nil |
| | *GI Pipes* | 392.44 | 65.42 | Nil |
| | **Total sales value** | **11,514.52** | **8,504.15** | **7,727.78** |

***Notes:***

1. *Total income is calculated as the sum of revenue from operations & other income*
2. *Gross Profit is calculated as Revenue from operations minus cost of material consumed minus purchase of stock-in-trade minus change in inventory of stock-in-trade and finished goods*
3. *Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year*
4. *EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.*
5. *EBITDA margin is calculated as EBITDA divided by revenue from operations*
6. *EBIT is calculated as profit for the period plus finance costs and total tax expense*
7. *EBIT Margin is calculated as EBIT divided by Revenue from operations*
8. *PAT Margin is calculated as profit for the period divided by Revenue from operations*
9. *Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year*

10. *Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability*
11. *Cash Profit is calculated as the sum of profit for the period and depreciation*
12. *Debt is calculated as the sum of long term borrowings, short term borrowings and lease liabilities for the period*
13. *Debt/Equity is calculated as debt divided by equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus for the years ended March 31, 2024, March 31, 2023 and March 31, 2022*
14. *Debt / EBITDA is calculated as debt divided by EBITDA*
15. *Interest Coverage Ratio is calculated as EBIT divided by Finance Cost*
16. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Property, Plant and Equipment*
17. *Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days*
18. *Operating Cash flow to EBITDA is calculated as Cash Flow from Operations divided by EBITDA*
19. *EBITDA/ton is calculated as EBITDA divided by Total sales volume*

*KPI as identified and approved by the audit committee of the board of directors of our Company pursuant to their resolution dated September 30, 2024) and certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

**The captive consumption of intermediate products for production of our finished products increased in Fiscal 2024 and hence our sales volumes from the sales of intermediate products has declined.*

### Auditor qualifications which have not been given effect to in the Restated Financial Information

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

### Summary table of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiary, our Directors and our Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in "*Outstanding Litigation and Material Developments*" on page 379, in terms of the SEBI ICDR Regulations and the Materiality Policy, is provided below:

| Name of Entity | Number of Criminal Proceedings | Number of Tax Proceedings | Number of Statutory or Regulatory Proceedings | Number of Disciplinary Actions by the SEBI or the Stock Exchanges against our Promoters in the last five years | Number of Material Civil Proceedings | Aggregate amount involved *(in ₹ million)* (1) |
|---|---|---|---|---|---|---|
| ***Company*** | | | | | | |
| ***Against our Company*** | Nil | 2 | 1 | N.A. | Nil | 4.29 |
| ***By our Company*** | Nil | Nil | Nil | N.A. | Nil | Nil |
| ***Directors***(2) | | | | | | |
| ***Against our Directors*** | Nil | 1 | Nil | N.A. | Nil | 0.09 |
| ***By our Directors*** | Nil | Nil | Nil | N.A. | Nil | Nil |
| ***Promoters*** | | | | | | |
| ***Against our Promoters*** | Nil | 15 | Nil | Nil | Nil | 0.89 |
| ***By our Promoters*** | Nil | Nil | Nil | N.A. | Nil | Nil |
| ***Subsidiary*** | | | | | | |
| ***Against our Subsidiary*** | Nil | Nil | Nil | N.A. | Nil | Nil |
| ***By our Subsidiary*** | Nil | Nil | Nil | N.A. | Nil | Nil |

(1)*To the extent ascertainable*
(2)*Excluding Directors who are also our Promoters*

Our Group Companies are not a party to any pending litigation which has a material impact on our Company.

For further details, see *"Outstanding Litigation and Material Developments"* on page 379.

### Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 33.

### Summary table of contingent liabilities and commitments

The following is a summary table of our contingent liabilities and commitments as of March 31, 2024, derived from our Restated Financial Information:

*(in ₹ million)*

| Contingent Liabilities and commitments | As of March 31, 2024 |
|---|---|
| **a. Contingent liabilities** | |
| **Claims against the Company not acknowledged as debts:** | |
| Excise/Goods & service tax demands (Goods & Services tax demand, Demand of GST & penalty because of incomplete E-way bill is pending before Appellate Authority, Jabalpur M.P.) | 0.66 |
| Income Tax Demands | 4.45 |
| **b. Outstanding bank guarantees** | 58.77 |
| **c. Capital commitments** | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,063.75 |
| **Export promotion capital goods scheme** | |
| • Duty saved | 1.82 |
| **Export Obligation** | |
| • Obligation fulfilled | - |
| • Obligation yet to be fulfilled | 10.93 |

For further details of our contingent liabilities, see "*Financial Statements*" on page 265.

### Summary of related party transactions

The details of related party transactions entered into by our Company for the Financial Years ended March 31, 2024, 2023 and 2022, as per Ind AS 24 – Related Party Disclosures read with SEBI ICDR Regulations are as set out in the table below:

*(in ₹ million)*

| Nature of transactions | Name of related party | For the financial year ended March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| **Advances given** | Brijwasi Plastic Private Limited | 12.50 | - | - |
| | Ganpati Sponge Iron Private Limited | - | - | 40.00 |
| | Niros Ispat Private Limited | 120.00 | - | - |
| | S. Pyarelal Ispat Private Limited | 95.00 | 60.00 | - |
| | Sambhv Tubes Private Limited | 43.50 | - | - |
| **Advances received back** | Brijwasi Plastic Private Limited | 12.50 | - | - |
| | Ganpati Sponge Iron Private Limited | - | - | 40.00 |
| | Niros Ispat Private Limited | 120.00 | - | - |
| | S. Pyarelal Ispat Private Limited | 95.00 | 60.00 | - |
| | Sambhv Tubes Private Limited | 43.50 | - | - |
| **Remuneration to KMP** | Bhavesh Khetan | 6.75 | -` | - |
| | Manoj Kumar Goyal | - | 8.40 | 9.60 |
| | Suresh Kumar Goyal | 16.50 | 9.60 | 9.60 |
| | Vikas Kumar Goyal | 18.00 | 9.60 | - |
| | Latika Bakhru | - | 0.02 | 0.14 |
| | Archi Goel | - | 0.04 | - |
| | Trisha Bajpai | 0.14 | - | - |
| **Remuneration to Relatives of KMP** | Harsheet Goyal | 9.60 | - | - |
| | Palak Goyal | 9.60 | - | - |
| | Shashank Goyal | 9.60 | - | - |
| | Rama Khetan | 1.75 | - | - |
| **Other service income** | Sadhguru Pipes LLP | 0.32 | - | - |
| **Interest on unsecured loan** | Vikas Kumar Goyal & Sons HUF | 2.36 | 1.44 | 1.89 |
| | Archana Goyal | 0.06 | 0.22 | 0.23 |
| | Ashish Goyal | 0.52 | 0.86 | 0.55 |
| | Ashish Kumar Goyal & Sons (HUF) | 2.53 | 2.88 | 2.76 |
| | Bhavesh Khetan | 0.75 | - | - |
| | Ajay Khetan | 0.24 | - | - |
| | Brijlal Goyal | 0.46 | 1.30 | 0.96 |
| | Brijlal Goyal & Sons (HUF) | 0.12 | 0.11 | 0.10 |
| | Ganpati Sponge Iron Private Limited | - | - | 1.01 |

*(in ₹ million)*

| Nature of transactions | Name of related party | For the financial year ended March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | Goyal Realty & Agriculture Pvt Ltd | 0.02 | 0.15 | 1.01 |
| | Harsheet Goyal | 0.37 | 0.35 | 0.24 |
| | Kaushalya Devi Goyal | 0.51 | 0.74 | 0.81 |
| | Manoj Kumar Goyal | 0.25 | 0.66 | 0.39 |
| | Manoj Kumar Goyal & Sons (HUF) | 0.83 | 0.79 | 0.75 |
| | Niros Ispat Private Limited | - | - | 1.41 |
| | Rinku Goyal | 0.09 | 0.50 | 0.59 |
| | Rohit Goyal | 0.34 | 0.15 | 0.07 |
| | S. Pyarelal Ispat Private Limited | 4.67 | 0.13 | 1.78 |
| | Shashank Goyal | 0.36 | 0.07 | - |
| | Sheetal Goyal | 0.41 | 0.45 | 1.07 |
| | Suman Goyal | 0.30 | 1.34 | 1.47 |
| | Suresh Kumar Goyal | 0.20 | 0.52 | 1.83 |
| | Suresh Kumar Goyal & Sons(HUF) | 0.41 | 0.85 | 0.78 |
| | Vikas Kumar Goyal | 0.27 | 0.65 | 1.12 |
| **Interest received on advances given** | Ganpati Sponge Iron Private Limited | - | - | 1.05 |
| | Niros Ispat Private Limited | 0.73 | - | - |
| | Brijwasi Plastic Private Limited | 0.02 | - | - |
| | Sambhv Tubes Private Limited | 0.98 | - | - |
| | S. Pyarelal Ispat Private Limited | 0.32 | 0.99 | - |
| **Interest received on Late Payment** | Sadhguru Pipes LLP | 0.15 | - | - |
| **Other service income** | Niros Ispat Private Limited | 0.03 | - | - |
| **Jobwork Charges Paid** | Ganpati Sponge Iron Private Limited | 78.13 | - | - |
| | Sadhguru Pipes LLP | 1.61 | - | 0.99 |
| **Purchase of Capital Goods** | Agarsen Rerollers Pvt Ltd | 2.37 | - | - |
| | Brijwasi Plastic Private Limited | 0.02 | - | - |
| | Ganpati Sponge Iron Private Limited | 0.29 | - | 1.64 |
| | S. Pyarelal Ispat Private Limited | - | - | 4.49 |
| | Sadhguru Pipes LLP | - | 0.05 | 1.23 |
| **Purchase of Material (Excl. GST)** | Agarsen Rerollers Pvt Ltd | 85.34 | 59.65 | 0.10 |
| | Vikas Kumar Goyal & Sons HUF | 59.85 | - | - |
| | Brijdham Minerals Pvt Ltd | 6.87 | 59.01 | - |
| | Brijwasi Plastic Private Limited | 0.05 | - | - |
| | Ganpati Sponge Iron Private Limited | 460.99 | 461.00 | 94.62 |
| | Lingraj Steel And Power Private Limited | - | 20.49 | - |
| | Niros Ispat Private Limited | 29.32 | 22.85 | 19.70 |
| | S. Pyarelal Ispat Private Limited | 34.17 | 23.64 | 37.75 |
| | Sadhguru Pipes LLP | 29.92 | 14.96 | 0.58 |
| **Purchase of Investment** | Sambhv Green Steel Private Limited | 0.10 | - | - |
| **Reimbursement of Expenses** | Sambhv Life Science Pvt. Ltd. | 0.10 | - | - |
| **Rent Paid** | Ganpati Sponge Iron Private Limited | 0.60 | 0.60 | 0.60 |
| | Sambhv Tubes Private Limited | 2.20 | - | - |
| **Rent Received** | Vikas Kumar Goyal & Sons HUF | 4.80 | 4.80 | 4.82 |
| **Repayment of Unsecured Loan (including interest accrued)** | Vikas Kumar Goyal & Sons HUF | 22.71 | 2.06 | 8.15 |
| | Archana Goyal | 1.85 | 3.93 | 5.92 |
| | Ashish Goyal | 31.16 | 18.43 | 20.12 |
| | Ashish Kumar Goyal & Sons (HUF) | 24.15 | 5.50 | 0.75 |
| | Bhavesh Khetan | 10.53 | - | - |
| | Brijlal Goyal | 15.09 | 23.35 | 8.60 |
| | Brijlal Goyal & Sons (HUF) | 1.13 | - | - |
| | Brijwasi Plastic Private Limited | - | 5.75 | 0.32 |
| | Ganpati Sponge Iron Private Limited | - | - | 40.91 |
| | Goyal Realty & Agriculture Pvt Ltd | 0.20 | 6.32 | 5.30 |
| | Ajay Khetan | 6.22 | - | - |
| | Harsheet Goyal | 9.56 | 0.82 | 0.58 |
| | Kaushalya Devi Goyal | 8.41 | 0.50 | 2.82 |
| | Manoj Kumar Goyal | 8.26 | 17.55 | 14.17 |
| | Manoj Kumar Goyal & Sons (HUF) | 10.26 | - | - |
| | Niros Ispat Private Limited | - | - | 13.77 |

*(in ₹ million)*

| Nature of transactions | Name of related party | For the financial year ended March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | Rinku Goyal | 1.26 | 6.72 | 2.10 |
| | Rohit Goyal | 3.83 | 0.54 | 0.18 |
| | S. Pyarelal Ispat Private Limited | 204.32 | - | 61.60 |
| | Shashank Goyal | 7.99 | 0.25 | - |
| | Sheetal Goyal | 4.59 | 20.53 | 1.84 |
| | Suman Goyal | 9.27 | 5.87 | 2.65 |
| | Suresh Kumar Goyal | 10.07 | 52.67 | 37.35 |
| | Suresh Kumar Goyal & Sons(HUF) | 8.19 | 0.12 | 0.05 |
| | Vikas Kumar Goyal | 7.86 | 26.10 | 64.82 |
| **Sale of Capital Goods** | Agarsen Rerollers Pvt Ltd | 3.77 | 2.95 | - |
| | Avinash Ispat Private Limited | - | 0.01 | - |
| | Brijwasi Plastic Private Limited | - | 0.67 | - |
| | Ganpati Sponge Iron Private Limited | 3.07 | 2.01 | 0.67 |
| | Niros Ispat Private Limited | - | - | 2.87 |
| | S. Pyarelal Ispat Private Limited | 0.56 | 6.10 | 1.42 |
| | Sadhguru Pipes LLP | - | - | 0.02 |
| **Sale of Goods (Excl. GST)** | Agarsen Rerollers Pvt Ltd | 0.65 | 122.33 | 199.99 |
| | Avinash Ispat Private Limited | -0.04 | 0.02 | 0.03 |
| | Brijwasi Plastic Private Limited | 0.09 | 0.22 | - |
| | Ganpati Sponge Iron Private Limited | 415.30 | 876.01 | 498.54 |
| | Niros Ispat Private Limited | 51.98 | 200.20 | 141.38 |
| | S. Pyarelal Ispat Private Limited | 114.01 | 203.13 | 323.61 |
| | Sadhguru Pipes LLP | 117.74 | 342.34 | 171.75 |
| **Sale of Investment** | Suresh Kumar Goyal | 0.05 | - | - |
| | Vikas Kumar Goyal | 0.05 | - | - |
| **Share allotment** | Bhavesh Khetan | 14.59 | - | - |
| **Transportation Charges Paid** | Vikas Kumar Goyal & Sons HUF | 10.08 | 13.02 | 10.10 |
| | Niros Ispat Private Limited | - | - | 0.33 |
| **Unsecured Loan Taken** | Vikas Kumar Goyal & Sons HUF | - | 10.90 | - |
| | Archana Goyal | 1.20 | 2.22 | 0.70 |
| | Ashish Goyal | 10.90 | 37.30 | 19.30 |
| | Ashish Kumar Goyal & Sons (HUF) | - | - | 0.70 |
| | Brijlal Goyal | 13.36 | 11.30 | 7.60 |
| | Brijlal Goyal & Sons (HUF) | - | - | 0.60 |
| | Brijwasi Plastic Private Limited | - | 5.75 | 0.32 |
| | Ganpati Sponge Iron Private Limited | - | - | 40.00 |
| | Harsheet Goyal | 3.95 | 3.25 | 1.14 |
| | Kaushalya Devi Goyal | 0.20 | 0.40 | 2.70 |
| | Manoj Kumar Goyal | 4.15 | 10.85 | 14.39 |
| | Niros Ispat Pvt Ltd | - | - | 12.50 |
| | Rinku Goyal | 0.40 | 0.80 | 0.70 |
| | Rohit Goyal | - | 2.35 | 1.10 |
| | S. Pyarelal Ispat Private Limited | 100.00 | 100.00 | 60.00 |
| | Shashank Goyal | 4.30 | 3.55 | - |
| | Sheetal Goyal | - | 14.60 | 1.35 |
| | Suman Goyal | - | 0.60 | 0.80 |
| | Suresh Kumar Goyal | 4.65 | 41.72 | 41.65 |
| | Suresh Kumar Goyal & Sons(HUF) | - | - | 0.60 |
| | Vikas Kumar Goyal | 3.80 | 29.10 | 33.44 |
| **Corporate guarantee taken (Jointly and severally)** | S. Pyarelal Ispat Private Limited | 1,922.30 | 585.40 | - |
| | Ganpati Sponge Iron Private Limited | 2,672.30 | 1,154.50 | 285.50 |
| | Brijdham Minerals Private Limited | 1,000.00 | 369.10 | 117.50 |

### Balance with related Parties as at year end:

*(in ₹ million)*

| Nature of Balance | Party Name | As at March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| **Payables (including Trade Payables)** | Vikas Kumar Goyal & Sons HUF | 11.57 | 3.08 | 0.44 |
| | Brijdham Minerals Pvt Ltd | - | 7.84 | - |

*(in ₹ million)*

| Nature of Balance | Party Name | As at March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | Ganpati Sponge Iron Private Limited | 28.25 | 35.67 | - |
| | Sambhv Life Science Pvt. Ltd. | 0.09 | - | - |
| | Sadhguru Pipes LLP | 0.08 | - | - |
| | Niros Ispat Private Limited | 0.76 | 3.57 | - |
| | Agarsen Rerollers Pvt Ltd | - | 8.91 | - |
| | Sambhv Tubes Private Limited | 1.35 | - | - |
| **Employee dues payable** | Harsheet Goyal | 0.93 | - | - |
| | Bhavesh Khetan | 1.35 | - | - |
| | Vikas Kumar Goyal | 2.99 | - | - |
| | Palak Goyal | 1.08 | - | - |
| | Rama Khetan | 0.22 | - | - |
| | Suresh Kumar Goyal | 5.40 | - | - |
| | Shashank Goyal | 0.93 | - | - |
| **Unsecured Loan** | Vikas Kumar Goyal & Sons HUF | - | 20.58 | 10.45 |
| | Ashish Goyal | - | 19.79 | 0.14 |
| | Archana Goyal | - | 0.60 | 2.11 |
| | Rohit Goyal | - | 3.52 | 1.57 |
| | Rinku Goyal | - | 0.78 | 6.26 |
| | Sheetal Goyal | - | 4.22 | 9.75 |
| | Manoj Kumar Goyal | - | 3.88 | 9.99 |
| | Kaushalya Devi Goyal | - | 7.75 | 7.19 |
| | Brijlal Goyal | - | 1.32 | 12.21 |
| | Suman Goyal | - | 9.00 | 13.06 |
| | Ashish Kumar Goyal & Sons (HUF) | - | 21.87 | 24.78 |
| | Suresh Kumar Goyal & Sons(HUF) | - | 7.83 | 7.18 |
| | Suresh Kumar Goyal | - | 5.25 | 15.73 |
| | Manoj Kumar Goyal & Sons (HUF) | - | 9.52 | 8.81 |
| | Brijlal Goyal & Sons (HUF) | - | 1.02 | 0.92 |
| | Goyal Realty & Agriculture Pvt Ltd | - | 0.18 | 6.36 |
| | S. Pyarelal Ispat Private Limited | - | 100.12 | - |
| | Shashank Goyal | - | 3.37 | - |
| | Harsheet Goyal | - | 5.28 | 2.53 |
| | Vikas Kumar Goyal | - | 3.82 | 0.23 |
| **Receivables (including Trade Receivable)** | Agarsen Rerollers Pvt Ltd | 0.02 | 14.84 | 0.02 |
| | Avinash Ispat Private Limited | - | 0.05 | 0.01 |
| | Brijwasi Plastic Private Limited | 0.10 | - | - |
| | Ganpati Sponge Iron Private Limited | - | - | 0.91 |
| | Niros Ispat Private Limited | 0.76 | 23.71 | 1.54 |
| | S. Pyarelal Ispat Private Limited | - | - | 0.00 |
| | Sadhguru Pipes LLP | - | 2.78 | 18.58 |

**Off Balance Sheet Item**

*(in ₹ million)*

| Nature of Balance | Party Name | As at March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| **Corporate guarantee taken (Jointly and severally)** | S. Pyarelal Ispat Private Limited | 3,644.20 | 1,721.90 | 1,136.50 |
| | Ganpati Sponge Iron Private Limited | 5,730.80 | 3,058.50 | 1,904.00 |
| | Brijdham Minerals Private Limited | 1,736.60 | 736.60 | 367.50 |

For details of the related party transactions, see "*Related Party Transactions*" on page 378.

**Details of all financing arrangements**

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

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

Except as disclosed below, our Promoters have not acquired any Equity Shares of our Company in the year immediately preceding the date of this Draft Red Herring Prospectus.

| Name of the Promoter | Number of Equity Shares acquired | Weighted average price of acquisition per Equity Share *(in ₹)*[(1)] |
|---|---|---|
| Sheetal Goyal | 17,470,660 | Nil |
| Brijlal Goyal | 16,812,250 | Nil |
| Suresh Kumar Goyal | 16,812,250 | Nil |
| Vikas Kumar Goyal | 16,812,250 | Nil |
| Rohit Goyal* | 7,290,000 | Nil |
| Shashank Goyal* | 7,290,000 | Nil |

* *Also the Promoter Selling Shareholders*

(1) *As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

Except as disclosed below, the Selling Shareholders (other than Promoter Selling Shareholders) have not acquired any Equity Shares of our Company in the year immediately preceding the date of this Draft Red Herring Prospectus.

| Name of the Selling Shareholder | Number of Equity Shares acquired | Weighted average price of acquisition per Equity Share *(in ₹)*[(1)] |
|---|---|---|
| Kaushlya Goyal | 17,470,660 | Nil |
| Harsheet Goyal | 7,319,700 | Nil |
| Rinku Goyal | 14,562,090 | Nil |

(1) *As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

**Average cost of acquisition of Equity Shares for the Promoters and the Selling Shareholders**

The average cost of acquisition of Equity Shares for the Promoters as of the date of this Draft Red Herring Prospectus is as set out below:

| Name of the Promoters | Number of Equity Shares held | Average cost of acquisition per Equity Share *(in ₹)*[(1)] |
|---|---|---|
| Sheetal Goyal | 19,088,660 | 1.46 |
| Brijlal Goyal | 18,536,250 | 0.94 |
| Suresh Kumar Goyal | 18,536,250 | 0.94 |
| Vikas Kumar Goyal | 18,536,250 | 0.83 |
| Rohit Goyal* | 7,440,000 | 2.16 |
| Shashank Goyal* | 6,962,340 | Nil |

* *Also the Promoter Selling Shareholders*

(1) *As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

The average cost of acquisition of Equity Shares for the Selling Shareholders (other than the Promoter Selling Shareholders) as of the date of this Draft Red Herring Prospectus is as set out below:

| Name of the Selling Shareholders (other than Promoter Selling Shareholders) | Number of Equity Shares held | Average cost of acquisition per Equity Share *(in ₹)*[(1)] |
|---|---|---|
| Kaushlya Goyal | 19,088,660 | 1.82 |
| Harsheet Goyal | 7,378,000 | 0.85 |
| Rinku Goyal | 4,545,460 | Nil |

(1) *As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

**Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by the Promoters, members of the Promoter Group, the Selling Shareholders or Shareholder(s) with rights to nominate Director(s) or other special rights**

Our Company does not have any Shareholders with rights to nominate Directors or any other special rights. Further, the price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by the Promoters, members of the Promoter Group and Selling Shareholders is as below:

| Name of Shareholder | Date of acquisition/allotment of the Equity Sharees | Number of Equity Shares acquired | Face value *(in ₹)* | Nature of acquisition | Acquisition price per Equity Share *(in ₹)*[(1)] |
|---|---|---|---|---|---|
| ***Promoters*** | | | | | |
| Brijlal Goyal | March 12, 2024 | 15,516,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | April 5, 2024 | 1,296,250 | 10 | Transfer from Manoj Kumar Goyal by way of a gift | N.A. |
| Suresh Kumar Goyal | March 12, 2024 | 15,516,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | April 5, 2024 | 1,296,250 | 10 | Transfer from Manoj Kumar Goyal by way of a gift | N.A. |
| Vikas Kumar Goyal | October 10, 2021 | 10 | 10 | Transfer from Lalit Goyal | 60.00 |
| | October 10, 2021 | 10 | 10 | Transfer from Madhu Goyal | 60.00 |
| | February 4, 2023 | 207,050 | 10 | Transfer from Ashish Goyal by way of gift | N.A. |
| | April 29, 2023 | 10 | 10 | Transfer from Bhavesh Khetan | 107.00 |
| | March 12, 2024 | 15,516,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | April 5, 2024 | 1,296,250 | 10 | Transfer from Manoj Kumar Goyal by way of a gift | N.A. |
| Sheetal Goyal | February 4, 2023 | 678,000 | 10 | Transfer from Kaushlya Goyal by way of a gift | N.A. |
| | March 30, 2023 | 280,000 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 76.20 |
| | March 12, 2024 | 14,562,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | April 5, 2024 | 2,908,660 | 10 | Transfer from Rinku Goyal by way of a gift | N.A. |
| Shashank Goyal* | April 29, 2023 | 310,000 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 107.00 |
| | | 500,000 | 10 | Transfer from S. Pyarelal Ispat Private Limited | 107.00 |
| | March 12, 2024 | 7,290,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Rohit Goyal* | April 29, 2023 | 810,000 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 107.00 |
| | March 12, 2024 | 7,290,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| ***Promoter Group*** | | | | | |
| Kaushlya Goyal[#] | March 30, 2023 | 280,000 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 76.20 |
| | March 12, 2024 | 14,562,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | April 5, 2024 | 2,908,660 | 10 | Transfer from Rinku Goyal by way of a gift | N.A. |

| Name of Shareholder | Date of acquisition/allotment of the Equity Sharees | Number of Equity Shares acquired | Face value *(in ₹)* | Nature of acquisition | Acquisition price per Equity Share *(in ₹)*[(1)] |
|---|---|---|---|---|---|
| Harsheet Goyal[#] | April 29, 2023 | 813,300 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 107.00 |
| | March 12, 2024 | 7,319,700 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Ashish Goyal | March 12, 2024 | 15,515,550 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | March 26, 2024 | 100 | 10 | Transfer from Ajay Khetan | 37.50 |
| | April 5, 2024 | 1,296,250 | 10 | Transfer from Manoj Kumar Goyal by way of a gift | N.A. |
| Manoj Kumar Goyal | March 31, 2022 | 10 | 10 | Transfer from Gopal Agrawal | 60.00 |
| | February 4, 2023 | 802,500 | 10 | Transfer from Brijlal Goyal by way of a gift | N.A. |
| | February 4, 2023 | 672,000 | 10 | Transfer from Suresh Kumar Goyal by way of a gift | N.A. |
| | February 4, 2023 | 250,000 | 10 | Transfer from Ashish Goyal by way of a gift | N.A. |
| | March 12, 2024 | 15,511,590 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Raj Agrawal | October 27, 2023 | 10,000 | 10 | Private placement | 375.00 |
| | March 12, 2024 | 90,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Ayush Agrawal | November 2, 2023 | 10,000 | 10 | Private placement | 375.00 |
| | March 12, 2024 | 90,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Suresh Kumar Goyal & Sons HUF | March 12, 2024 | 9,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Vikas Kumar Goyal & Sons HUF | March 12, 2024 | 9,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Suman Goyal | March 30, 2023 | 280,000 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 76.20 |
| | March 12, 2024 | 14,584,500 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| | April 5, 2024 | 2,908,660 | 10 | Transfer from Rinku Goyal by way of a gift | N.A. |
| Brijlal Goyal & Sons HUF | March 12, 2024 | 9,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Manoj Goyal & Sons (HUF) | March 12, 2024 | 9,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Ashish Kumar Goyal (HUF) | March 12, 2024 | 9,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| Goyal Realty & Agriculture Private Limited | March 12, 2024 | 6,840,000 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| ***Selling Shareholders (other than the Promoter Selling Shareholders and the Promoter Group Selling Shareholders)*** | | | | | |
| Rinku Goyal (Other Selling Shareholder) | February 4, 2023 | 490,500 | 10 | Transfer from Suman Goyal by way of a gift | N.A. |
| | March 30, 2023 | 280,000 | 10 | Transfer from Ganpati Sponge Iron Private Limited | 76.20 |
| | March 12, 2024 | 14,562,090 | 10 | Bonus issue in the ratio of 9:1 | N.A. |
| ***Shareholders with the right to nominate directors or any other special rights*** | | | | | |
| Nil | | | | | |

**Also the Promoter Selling Shareholders*
*[#]Also the Promoter Group Selling Shareholders*
*[(1)]As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*

**Weighted average cost of acquisition for Equity Shares transacted by Promoters, Promoter Group and Selling Shareholders over the preceding three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus**

| Period | Weighted Average Cost of Acquisition (WACA) *(in ₹)*[1] | Upper end of the Price Band is 'X' times the WACA[1][2] | Lower end of the Price Band is 'X' times the WACA[1][2] | Range of acquisition price: Lowest Price – Highest Price *(in ₹)*[1] |
|---|---|---|---|---|
| Last three years | 1.91 | [●] | [●] | 0.00-375.00 |
| Last 18 months | 1.94 | [●] | [●] | 0.00-375.00 |
| Last one year | 0.04 | [●] | [●] | 0.00-375.00 |

(1) *As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.*
(2) *To be updated at the Prospectus stage*

**Pre-IPO Placement**

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus.

**Any issuance of Equity Shares in the last one year for consideration other than cash in the last one year**

Except as disclosed below, our Company has not issued any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus, for consideration other than cash or by way of bonus issue:

| Date of allotment | Number of equity shares allotted | Face value per Equity Share *(in ₹)* | Reason for Allotment | Details of allottees |
|---|---|---|---|---|
| March 12, 2024 | 216,901,800 | 10 | Bonus issue | Bonus issue of nine equity shares for existing one equity share (9:1) held by our Shareholders, as of February 24, 2024 (being the record date) through capitalization of such sum standing to the credit of securities premium and free reserves of our Company. |

**Any split / consolidation of Equity Shares in the last one year**

Our Company has not split or consolidated the face value of the Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by Securities and Exchange Board of India**

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

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

### Certain Conventions

All references to "India" contained 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 to the "U.S.", "USA" or the "United States" are to the United States of America and its territories and possessions.

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

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

### Financial Data

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, so all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from the restated statement of assets and liabilities of the Company as of 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, the restated statement of cash flow, each for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material accounting policies and other explanatory information prepared by the Company in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see "*Financial Statements*" on page 265.

There are significant differences between Ind-AS, U.S. GAAP and IFRS. Accordingly, 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 practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/ U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factor – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider them material to their assessment of our financial condition.*" on page 66.

All figures, including financial information, in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 195, and 344, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

### Non-GAAP Measures

In evaluating our business, we consider and use non-GAAP financial measures and key performance indicators, including but not limited to EBITDA, EBITDA margin, operating EBITDA, operating EBITDA margin, EBIT, EBIT margin, which have been included in this Draft Red Herring Prospectus. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with Ind-AS. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance and formulate business plans.

These non-GAAP financial measures are not defined under Ind-AS and are not presented in accordance with Ind-AS. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and therefore their comparability may be limited. Therefore, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

For further details, see "*Risk Factor – This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian steel industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*" on page 62.

**Currency and Units of Presentation**

All references to "₹" or "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India.

All references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

**Exchange Rates**

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

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

| **Currency** | **Exchange Rate as of:* (*in ₹*)** | | |
|---|---|---|---|
| | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| 1 USD | 83.37 | 82.22 | 75.81 |

*Source: RBI reference rate and www.fbil.org.in*
*Note: Exchange rate is rounded off to two decimal places*
** Since March 31, 2024, was a Sunday, the exchange rate was considered as of March 28, 2024, being the last working day prior to March 31, 2024.*

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources such as a report dated September, 2024 and titled "*The steel pipes value chain*" that has been prepared by CRISIL MI&A, which report has been commissioned and paid for by our Company for the purposes of confirming our understanding of the industry in connection with the Offer (the "**CRISIL Report**"). Additionally, certain industry related information in "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 147, 195 and 344, respectively, has been derived from the CRISIL Report. The CRISIL Report is available on the website of our Company at www.sambhv.com. The CRISIL MI&A vide their letter dated September 30, 2024 has accorded their no objection and consent to use the CRISIL Report, in full or in part, in relation to the Offer. Further, CRISIL MI&A, vide their letter has confirmed that they are an independent agency, and confirmed that they are not related to our Company, our Directors, our Promoters, KMPs, Senior Management or the Book Running Lead Managers. For further details in relation to risks involving in this regard, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks*" on page 63.

"***About CRISIL Market Intelligence & Analytics***

*CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

*For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is prepared for use in the Offer Documents to be filed by the Company with the RoC, SEBI and the Stock Exchanges in India."*

Excerpts of the CRISIL Report, are disclosed in this Draft Red Herring Prospectus and there are no parts, information or data from the CRISIL Report, which would be relevant for the Offer that have been left out or changed in any manner by our Company for the purposes of this Draft Red Herring Prospectus. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable, on account of there being no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 123 includes information relating to our peer group companies, which has been derived from publicly available sources.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "expect", "estimate", "intend", "objective", "plan", "goal", "project", "propose", "seek to", "shall", "likely", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exhaustive means of identifying forward looking statements. All forward-looking statements are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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 we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities
2. Increase in the cost of or a shortfall in the availability of raw materials from our suppliers
3. Dependency on certain key suppliers and failure by our suppliers to meet their obligations
4. Loss of sales due to reduction in demand for our products and inability to successfully diversify product offerings
5. Disruption or shortage of essential utilities
6. Adverse changes in the region where our Registered and Corporate Office and our manufacturing facilities are located
7. Concentration of revenue in north and west India
8. Unexpected shutdown or slowdown of operations at our manufacturing facilities
9. Decrease in the revenue we earn from key distributors and direct customers and inability to expand distribution network
10. Competition from other structural steel tubes, pipes and steel producers

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 195 and 344, 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 in the future could materially differ from those that have been estimated and are not a guarantee of future performance.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given the uncertainties, 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.

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 and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, our Promoters, our Promoter Group, our Directors, our KMPs, the Selling Shareholders, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company, will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment. In accordance with regulatory requirements including requirements including requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares from the date of the Red Herring Prospectus until the date of Allotment pursuant to the Offer.

## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, profitability and margins, cash flows and financial condition as of the date of this Draft Red Herring Prospectus. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry segments in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, profitability and margins, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. The risk factors have been presented below on the basis of their materiality. Furthermore, some events may be material collectively rather than individually. Some events may not be material at present but may have a material impact in the future. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer, including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of purchasing our Equity Shares.*

*In this Draft Red Herring Prospectus, unless specified otherwise, any reference to "the Company" or "our Company" refers to Sambhv Steel Tubes Limited, on a standalone basis, and a reference to "we", "us" or "our" for any period prior to September 16, 2024 refers to our Company and for any period on or after September 16, 2024, is a reference to our Company and our Subsidiary, on a consolidated basis.*

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", `Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Outstanding Litigation and Material Developments" on pages 147, 195, 224, 265, 344 and 379, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involves risks, assumptions, estimates, uncertainties and other factors, many of which are beyond our control. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For more details, see "Forward-Looking Statements" on page 31.*

*Our financial year ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 that year, unless the context indicates otherwise.*

*Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from the Restated Financial Information included in this Draft Red Herring Prospectus on page 270. We have also included various financial and operational performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Financial Information. The manner of calculation and presentation of some of these financial and operational performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.*

*Unless stated otherwise, industry and market data used in this section have been extracted from the CRISIL Report, exclusively prepared, commissioned and paid for by our Company for the purposes of the Offer and issued by CRISIL MI&A who was appointed by our Company pursuant to a technical proposal dated June, 2024. The industry related data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation, however, there are no parts, data or information (which may be relevant for the Offer) that have been left out in any manner. A copy of the CRISIL Report is available on the Company's website at https://Sambhv.com/investor-page/ from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date. The CRISIL Report has also been included in "Material Contracts and Documents for Inspection" on page 470. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. 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. Also see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency* *of Presentation — Industry and Market Data" on page 28 for additional details regarding the industry and market data used in this Draft Red Herring Prospectus.*

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**Internal Risks**

1. ***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.***

We have one operational manufacturing facility at Sarora (Tilda), Raipur, Chhattisgarh ("**Sarora (Tilda) Facility**") with a total installed capacity of 1,122,400 MTPA as of March 31, 2024 and 1,540,000 MTPA as of September 20, 2024. We also intend to operationalize our second manufacturing facility at Kuthrel, Raipur, Chhattisgarh in the current Fiscal. We also intend to commission a greenfield manufacturing facility in Village - Kesda, District Baloda Bazar Bhatapara, Chhattisgarh, for which a no objection certificate from the Kesda gram panchayat has been received. The hot rolled ("**HR**") mill for this facility has also been procured by us and is in the process of being imported and approximately 350,653 square meters of land has been acquired by our subsidiary, Sambhv Tubes Private Limited.

The table below sets forth details of the installed capacity and capacity utilization at our Sarora (Tilda) Facility.

| Particular | Installed capacity | | | | Capacity utilization# | | |
|---|---|---|---|---|---|---|---|
| | September 20, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | *(in MTPA)* | | | | *(%)* | | |
| Sponge iron | 280,000 | 105,000 | 105,000 | 90,000 | 114.67 | 111.32 | 120.16 |
| Bloom/ slabs (mild steel) | 300,000** | 317,400 | 231,000 | 150,000 | 82.57 | 94.52 | 110.40 |
| Bloom/ Slabs with argon oxygen decarburization ("**AOD**") process (Stainless Steel) | 60,000** | - | - | - | - | - | - |
| HR coil (mild steel) | 390,000 | 350,000 | 350,000 | 150,000 | 58.71 | 54.63 | 102.66 |
| HR coil (Stainless Steel) | 60,000 | - | - | - | - | - | - |
| ERW and GI pipes | 350,000 | 250,000 | 250,000 | - | 74.04 | 41.78 | - |
| Cold rolled coils (Mild Steel)* | 100,000 | 100,000 | 100,000 | - | - | - | - |
| **Total Installed Capacity (MTPA)** | **1,540,000** | **1,122,400** | **1,036,000** | **390,000** | - | - | - |
| **Power** | 25 MW | 15 MW | 15 MW | 15 MW | 90.11% | 92.71% | 91.44% |

*As certified by Independent Chartered Engineer pursuant to his certificate dated September 30, 2024.*
*#Annualized*
***** *Capacity not utilized as of the date of this Draft Red Herring Prospectus*
*** Installed capacity of blooms/slabs has increased to 360,000 MTPA from the installed capacity of 317,400 MTPA as March 31, 2024; however due to change in product mix, the installed capacity has been apportioned into blooms/slabs (mild steel) and blooms/slabs (Stainless Steel).*

For further details in relation to our manufacturing facilities and installed capacity and capacity utilization of our products, see "*Our Business — Our Business Operations — Installed Capacity, Available Capacity, Actual Production and Capacity Utilization* " on page 215.

Our ability to maintain our profitability depends on our ability to maintain sufficient levels of capacity utilization. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, industry/ market conditions as well as overhead costs and manufacturing costs. In the event that there is a decline in the demand for our products, or if we face prolonged disruptions at our existing operational or proposed manufacturing facility including due to interruptions in the supply of water, electricity or as a result of labor unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

2. ***An increase in the cost of or a shortfall in the availability of our key raw materials such as iron ore, coal, iron ore pellets, sponge iron and mild steel scrap from our suppliers could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.***

We depend on third party suppliers for the supply of our raw materials such as iron ore, coal, iron ore pellets, sponge iron and mild steel scrap in the quantities required by us. While we manufacture sponge iron, we source a part of our requirement from third party suppliers.

Set forth below is the cost of raw materials consumed as a percentage of our revenue from operations for the last three Fiscals.

| **Particulars** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
|---|---|---|---|
| Cost of raw materials consumed *(in ₹ million)* | 8,287.16 | 6,700.23 | 6,344.50 |
| Cost of raw materials consumed (as a % of revenue from operations) | 64.45 | 71.49 | 77.43 |

Further, set forth below is our cost of iron ore, iron ore pellets, coal, sponge iron and mild steel scrap sourced from suppliers as a percentage of our total cost of raw materials consumed and revenue from operations in the last three Fiscals:

| **Particulars** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
|---|---|---|---|
| ***Iron ore*** | | | |
| Cost of iron ore sourced from suppliers (*₹ million*) | 1,350.73 | 1,034.12 | 2,036.34 |
| Cost of iron ore as a percentage of cost of raw materials consumed (%) | 16.30 | 15.43 | 32.10 |
| Cost of iron ore as a percentage of revenue from operations (%) | 10.51 | 11.03 | 24.85 |
| ***Iron ore pellets*** | | | |
| Cost of iron ore pellets sourced from suppliers (*₹ million*) | 458.21 | 562.64 | 510.36 |
| Cost of iron ore pellets as a percentage of cost of raw materials consumed (%) | 5.53 | 8.40 | 8.04 |
| Cost of iron ore pellets as a percentage of revenue from operations (%) | 3.56 | 6.00 | 6.23 |
| ***Coal*** | | | |
| Cost of coal sourced from suppliers (*₹ million*) | 1,105.75 | 1,376.04 | 823.02 |
| Cost of coal as a percentage of cost of raw materials consumed (%) | 13.34 | 20.54 | 12.97 |
| Cost of coal as a percentage of revenue from operations (%) | 8.60 | 14.68 | 10.04 |
| ***Sponge iron*** | | | |
| Cost of sponge iron sourced from suppliers (*₹ million*) | 2,752.08 | 1,452.14 | 879.53 |
| Cost of sponge iron as a percentage of cost of raw materials consumed (%) | 33.21 | 21.67 | 13.86 |
| Cost of sponge iron as a percentage of revenue from operations (%) | 21.40 | 15.49 | 10.73 |
| ***Mild steel scrap*** | | | |
| Cost of mild steel scrap sourced from suppliers (*₹ million*) | 1,828.96 | 1,508.51 | 1,993.11 |
| Cost of mild steel scrap as a percentage of cost of raw materials consumed (%) | 22.07 | 22.51 | 31.41 |
| Cost of mild steel scrap as a percentage of revenue from operations (%) | 14.22 | 16.10 | 24.33 |

We have recently expanded our Sarora (Tilda) Facility, enhancing the installed capacity of sponge iron from 105,000 MTPA as of March 31, 2024 to 280,000 MTPA as of September 20, 2024 which is aimed towards fulfilment of our major sponge iron requirement through in-house production, however, the requirement of our key raw materials for production of sponge iron such as coal, iron ore and iron ore pellets will increase substantially due to the expansion.We may experience volatility in the cost or availability of iron ore, coal, iron ore pellets, sponge iron and mild steel scrap. Our ability to pass through raw material costs or otherwise mitigate these cost increases could adversely affect our business. Therefore, any increase in prices of raw materials could have an impact on our working capital and strain our working capital availability as we would require additional funds to procure raw materials at higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing iron ore, coal and iron ore pellets to maintain our production levels. A failure by our suppliers to deliver some of our primary raw materials can adversely impact our ability to continue our manufacturing process. Also see "— *We have substantial working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial conditions*" on page 45. We may also be required to fund such increase in prices of raw materials through internal accruals or additional borrowings which may impact our financial performance.

3. ***We depend on certain key suppliers for certain raw materials and have not entered into definitive supply agreements with most of our suppliers. A failure by our suppliers to meet their obligations may affect the availability and cost of raw materials, which may adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. Further volatility in the raw material prices and our inability to pass on the increase in cost of raw materials to the customers may impact our results of operations, profitability and margins.***

We primarily source our raw materials from certain key suppliers. We source our major requirements of iron ore primarily from a "Navratna" public sector undertaking ("**PSU**"), iron ore pellets from Godawari Power and Ispat Limited, Sarda Energy and Minerals Limited and Shyam Metalics and Energy Limited, major requirements of coal from one of the major subsidiaries of a "Maharatna" PSU, Adani Enterprises Limited, Agarwal Coal Corporation Private Limited and Mahendra Strips Private Limited, major requirements of sponge iron from Shree Nakoda Ispat Limited and major requirements of mild steel scrap from Bajrang Traders (*Sole proprietorship*).

The table below sets forth the cost of raw materials sourced from our top supplier, top five and top 10 suppliers in the last three Fiscals:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|
| | Cost of raw materials | Percentage of raw materials consumed | Cost of raw materials | Percentage of raw materials consumed | Cost of raw materials | Percentage of raw materials consumed |
| | *(₹ million)* | *(%)* | *(₹ million)* | *(%)* | *(₹ million)* | *(%)* |
| Top supplier | 1,027.18 | 13.91 | 863.13 | 14.70 | 1,574.81 | 25.40 |
| Top five suppliers | 2,713.06 | 36.74 | 2,500.29 | 42.59 | 3,472.31 | 56.01 |
| Top 10 suppliers | 3,589.50 | 48.61 | 3,276.97 | 55.82 | 3,900.12 | 62.91 |

***Notes:***

*(1) Our top supplier, top five suppliers and top 10 suppliers are based on contribution to our total raw material consumed in the respective Fiscals.*

*(2) For Fiscal 2024, our top 10 suppliers include a "Navratna" PSU, Godawari Power and Ispat Limited, a "Maharatna" PSU, Ganpati Sponge Iron Private Limited, Shree Nakoda Ispat Limited, A-One Steels India Private Limited, Narayani Resources Private Limited, Crest Steel and Power Private Limited, Hanumant Alloys (India) Private Limited and one other entity. Certain suppliers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual supplier to total raw material consumed has not been separately disclosed to preserve confidentiality.*

*(3) For Fiscal 2023, our top 10 suppliers include Godawari Power and Ispat Limited, a "Navratna" PSU, Ganpati Sponge Iron Private Limited, Adani Enterprises Limited, a "Maharatna" PSU, Mahendra Strips Private Limited, Shri Bajrang Commodity, Mahendra Sponge and Power Limited and two other entities. Certain suppliers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual supplier to total raw material consumed has not been separately disclosed to preserve confidentiality.*

*(4) For Fiscal 2022, our top 10 suppliers include a "Navratna" PSU, Godawari Power and Ispat Limited, a "Maharatna" PSU, Bajrang Traders (Sole Proprietorship), Ganpati Sponge Iron Private Limited and five other entities. Certain suppliers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual supplier to total raw material consumed has not been separately disclosed to preserve confidentiality.*

Our reliance on a select group of suppliers may constrain our ability to negotiate our supply arrangements, which may have an impact on our ability to procure an uninterrupted supply of various raw materials, which in turn may affect our profit margins and financial performance. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards. While we have not had to replace any material supplier due to any failure of its products meeting our safety, quality or performance standards in the last three Fiscals, we cannot assure you that such instances will not arise in future.

Except certain PSU suppliers with whom we enter into long term supply contracts, which are between five to 10 years in duration, we typically do not enter into long-term contracts for the supply of raw materials with our suppliers. Further, the iron ore supply contract with one of our iron ore PSU suppliers has expired and we are in the process of renewing the contract. While we have received a letter from such PSU supplier confirming continued supply of the raw material, we cannot assure you that the contract will be renewed on favourable terms. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, among other reasons, our inability to procure raw materials for our products. 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 subjects us to risks such as termination of supply, price volatility caused by various factors such as commodity market 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 or excess quantities of such raw materials.

Further, we do not have exclusive arrangements for supply of raw materials with our suppliers. If these suppliers discontinue their relationship with our Company or enter into similar arrangements with our competitors, we may temporarily be unable to procure iron ore and coal from alternate sources in a timely manner and/or on commercially viable terms. Any disruption in the procurement of iron ore and coal could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial conditions. In addition, any disruptions in mining operations or government bidding process in relation to such raw materials could impact our ability to obtain raw materials at reasonable prices and in a timely manner. While in the past, our Company has received a notice in relation to termination of a supply agreement by one of our suppliers and we have also issued a legal notice in relation to inadequate delivery of raw materials by one of our suppliers, we have not experienced any instances where we were unable to procure the desired quantities or quality of the raw materials from our suppliers or where we could not find a replacement for any particular supplier in the last three Fiscals. We however cannot assure you that such instances will not arise in future.

In addition, the contractual arrangements entered into with certain suppliers may contain penalty provisions in relation to shortfall in the level of delivery or the level of lifting raw materials, in comparison to the annual contracted quantity. While, none of our suppliers with whom we have such contractual arrangements have levied penalties on us due to such shortfall in purchasing the minimum contracted quantity in the last three Fiscals, we cannot assure you that any such penalty provisions will not be enforced against us in the future. Any such action may have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

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

We majorly rely on revenue generated from the sale of our products such as electric resistance welded ("**ERW**") black pipes and tubes (hollow section) and galvanized iron ("**GI**") pipes. If there is a significant shift in the demand for our products, or if our customers start relying on other suppliers for such products, or if better substitutes are available in the market, or if there is any significant change in technology for production of such products, it could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. While we have not experienced any material decline in the sale of our finished products in the last three Fiscals, there is no assurance that we will not face any such decline in sale of our products in the future.

The table below sets forth the revenue generated from sale of our products as a percentage of our revenue from operations for the last three Fiscals.

| | **Fiscal 2024** | | **Fiscal 2023** | | **Fiscal 2022** | |
|---|---|---|---|---|---|---|
| | **Amount** | **Percentage of revenue from operations#** | **Amount** | **Percentage of revenue from operations#** | **Amount** | **Percentage of revenue from operations#** |
| | ***(₹ million)*** | ***(%)*** | ***(₹ million)*** | ***(%)*** | ***(₹ million)*** | ***(%)*** |
| ***Intermediate products**** | | | | | | |
| Blooms / Slabs | 1,363.51 | 11.62 | 2,026.47 | 23.08 | 2,252.16 | 27.49 |
| HR coils | 245.96 | 2.10 | 2,569.11 | 29.27 | 5,023.95 | 61.32 |
| Sponge iron | 64.46 | 0.55 | 273.78 | 3.12 | 451.67 | 5.51 |
| ***Finished products*** | | | | | | |
| ERW black pipes and tubes (hollow section) | 9,282.76 | 79.12 | 3,569.36 | 40.66 | - | - |
| GI pipes | 392.44 | 3.34 | 65.42 | 0.75 | - | - |
| Steel door frames | 165.39 | 1.41 | - | - | - | - |

** The captive consumption of intermediate products for production of our finished products increased in Fiscal 2024 and hence our sales volumes from the sales of intermediate products has declined.*

*# Revenue from operations does not include revenue from trading.*

We started the production of ERW black pipes and tubes (hollow section), GI pipes and steel door frames in Fiscal 2023 and Fiscal 2024, as applicable, and we do not have extensive experience in these product lines. Our future success will depend in part on our ability to reduce our dependence on the above products by introducing new products as well as producing or featuring enhancements based on the evolving market trends and/or customer feedback in a timely manner. We intend to add other value added products to our product portfolio and manufacture products such as galvanized (GP) coils, pre-galvanized (**GP**) pipes, cold rolled full hard (**CRFH**) pipes, SS HR annealed and pickled (**HRAP**) coils and stainless steel (SS) cold rolled coils. There can be no assurance that the products we introduce will achieve market acceptance. We may be unable to anticipate changes in technology and regulatory standards in the future. As a result, we may not be able to successfully develop, engineer, and bring to market new and innovative and/or improved products or respond to evolving business requirements. Any failure to successfully manufacture and market new products could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

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

We require power and fuel to operate our manufacturing facility and energy costs represent a key component of the production costs for our operations. While in Fiscal 2024, up to 43.70% of the total power requirement for our Sarora (Tilda) Facility was met through a captive power plant, we also source power from third parties including state electricity board to meet our power requirements. Further, while we have recently expanded the capacity of our captive power plant from 15 MW to 25 MW and also entered into long-term energy supply agreement ("**ESA**") dated September 20, 2024 for solar power under a group captive model, which is yet to be implemented, we cannot assure you that such arrangement will meet all of our energy requirements. We also source our fuel requirements from third parties. Further, while we have the permission to use groundwater and we also have obtained permission from irrigation department in relation to usage of surface water, any shortage or non-availability of water could result in temporary shut-down of a part, or all, of our operations.

If our power, water or fuel costs were to continue to rise, or if our electricity supply arrangements were disrupted, our operations could be disrupted, and our profitability could decline. If the per unit cost of electricity is increased by the state electricity board where our manufacturing facility is located then our power cost will consequently increase. The table below sets forth our power, water and fuel expenses as a percentage of total expenses for the last three Fiscals:

| **Particulars** | **Fiscal** | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | **2023** | | **2022** | |
| | **Amount (₹ *million*)** | **Percentage of Total Expenses (%)** | **Amount (₹ *million*)** | **Percentage of Total Expenses (%)** | **Amount (₹ *million*)** | **Percentage of Total Expenses (%)** |
| Power, water and fuel | 844.88 | 7.17 | 397.74 | 4.64 | 237.73 | 3.28 |

Inadequate electricity, and diesel for our generators could result in interruption or suspension of our production operations. In particular, any significant increase in the cost of electricity/ diesel could result in an unexpected increase in production cost.

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

6. ***Our existing and proposed manufacturing facilities and Registered and Corporate Office are located in Chhattisgarh and any adverse changes in the conditions affecting the region can adversely impact our business, results of operations, profitability and margins, cash flows and financial condition.***

As of the date of this Draft Red Herring Prospectus, we have one operational manufacturing facility, which is located in Sarora (Tilda), Raipur, Chhattisgarh. Further, we also intend to operationalize our second manufacturing facility which will be located in Kuthrel, Raipur, Chhattisgarh and are planning to commission a greenfield facility in Village Kesda, District Baloda Bazar Bhatapara, Chhattisgarh for which approximately 350,653 square meters of land has been acquired by our subsidiary, Sambhv Tubes Private Limited. Our existing and proposed manufacturing facilities are located in close proximity to each other. Our Registered and Corporate Office is also located in Chhattisgarh.

The concentration of all of our operations in Chhattisgarh heightens our exposure to adverse developments related to regulation, as well as political or economic, demographic and other changes in Chhattisgarh as well as the occurrence of natural and man-made disasters in Chhattisgarh, which may adversely affect business, financial condition and results of operations. Our manufacturing operations require significant labor and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government. As a result, any unfavorable policies of the state government or local government in this region, could adversely affect our business, financial condition and results of operations. While we have not experienced any major disruptions at our operations due to adverse developments in Chhattisgarh in the last three Fiscals, we cannot assure you that there will not be any such disruptions in the future.

7. ***Our revenues are concentrated in north and west India. Any adverse changes in the conditions affecting these regions and our inability to grow our business in new geographic markets may adversely impact our business, results of operations, profitability and margins, cash flows and financial condition.***

Details of our revenue from operations for sale of products in the domestic and export markets for the periods indicated are set out below:

| **Particular** | **Fiscal** | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| Revenue from operations *(in ₹ million)* | 12,818.23 | 9,362.12 | 8,193.49 |
| Sale of products (domestic) *(in ₹ million)* | 12,807.94 | 9,362.12 | 8,165.71 |
| As a percentage of total revenue from operations *(in %)* | 99.92 | 100.00 | 99.66 |
| Sale of products (exports) *(in ₹ million)* | 10.29 | - | 27.78 |
| As a percentage of total revenue from operations *(in %)* | 0.08 | - | 0.34 |

*Note: Revenue from operations represents total sale of products excluding other operating income.*

As of March 31, 2024, our products were distributed by 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39 in India and a major portion of sales value in Fiscal 2024 and Fiscal 2023 came from north and west India, respectively. The table below sets forth our revenue from different distributors in the identified Indian States for the years indicated:

| **State** | **Number of distributors as of March 31, 2024** | **Total sales through distributors as of March 31, 2024 (*in ₹ million*)** | **Percentage of Revenue from Operations (%)** | **Number of distributors as of March 31, 2023** | **Total sales through distributors as of March 31, 2023 (*in ₹ million*)** | **Percentage of Revenue from Operations (%)** |
|---|---|---|---|---|---|---|
| Maharashtra | 8 | 1,988.66 | 15.47 | 6 | 566.66 | 6.05 |
| Gujarat | 4 | 1,875.02 | 14.58 | 4 | 501.80 | 5.35 |
| Chhattisgarh | 1 | 967.30 | 7.52 | 1 | 440.59 | 4.70 |
| Haryana | 1 | 832.22 | 6.47 | 1 | 56.27 | 0.60 |
| Madhya Pradesh | 2 | 646.17 | 5.03 | 1 | 28.18 | 0.30 |
| Rajasthan | 1 | 624.47 | 4.86 | - | - | 0.00 |
| Uttar Pradesh | 8 | 550.61 | 4.28 | 1 | 70.39 | 0.75 |
| Andhra Pradesh | 3 | 87.34 | 0.68 | 1 | 53.36 | 0.57 |
| Uttarakhand | 1 | 78.83 | 0.61 | - | - | 0.00 |
| Tamil Nadu | 1 | 62.59 | 0.49 | 1 | 16.58 | 0.18 |
| Telangana | 2 | 60.62 | 0.47 | 2 | 100.72 | 1.07 |
| Punjab | 1 | 56.39 | 0.44 | - | - | 0.00 |
| Jammu | 2 | 26.08 | 0.20 | - | - | 0.00 |
| Karnataka | 2 | 23.94 | 0.19 | 2 | 21.06 | 0.22 |
| Delhi | 1 | 8.31 | 0.06 | - | - | 0.00 |
| Odisha | 1 | 1.16 | 0.01 | - | - | 0.00 |
| **Total** | **39** | **7,889.74** | **61.36** | 20 | **1,855.62** | **19.79** |

*Note: Corresponding data for state wise revenue in Fiscal 2022 has not been included as our Company had not started producing pipes and tubes during that period and was not using distributors for supply of its products.*

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

As part of our strategy, we plan to increase our distributor network in the coastal States and also certain other States/Union Territories such as Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Goa and Delhi, where we currently have limited or no presence. We also intend to further expand our presence in Maharashtra. Further, we also plan to expand our international footprint. For details, see "*Our Business- Our Strategies*" on page 205.

Accordingly, we may face additional risks with establishing and conducting operations in new geographic locations, including:

- Compliance with a range of laws, regulations and practices, including uncertainties associated with government actions, change in laws, regulations and practices and their interpretations;
- Uncertainties in relation to any new local distribution network;
- Increased advertising and brand building expenditure; and
- Political, economic and social instability.

Competing successfully in international markets may require additional resources due to the unique aspects of each geographic market. Some of our competitors in such markets may have greater resources which may make their products more competitive than ours. We cannot assure you that we will be able to grow our business in such new geographic markets. The risk involved in entering new markets and expanding operations may be higher than expected, and we may face significant competition in such markets. We have limited or no experience in such markets. Our inability to grow our business in such additional geographic areas could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

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

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

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

While we undertake measures such as mock drills to minimize the risk of any significant operational problems at our manufacturing facility, there can be no assurance that our business, results of operations, profitability and margins, cash flows and financial condition will not be adversely affected by disruption caused by operational problems at our manufacturing facility. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production to shut down or slowdown. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

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

9. ***Our business is dependent on certain key distributors and direct customers. A decrease in the revenue we earn from such key distributors and direct customers and an inability to expand or effectively manage our distributor network, or any disruptions in our distribution network could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

We depend largely on our distributors and direct customers to sell our finished products, i.e., ERW black pipes and tubes (hollow section) and GI pipes. In addition to our distribution network, we also supply our products to steel manufacturers and to construction and infrastructure companies and cater to government organizations and projects.

The table below sets forth our revenue from each of our top customer, top five customers and top 10 customers (based on revenue contribution) for the last three Fiscals:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|
| | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operations |
| | *(in ₹ million)* | *(%)* | *(in ₹ million)* | *(%)* | *(in ₹ million)* | *(%)* |
| Top customer | 1,114.09 | 8.66 | 874.52 | 9.33 | 497.91 | 6.08 |
| Top five customers | 3,952.94 | 30.74 | 2,589.41 | 27.63 | 2,166.54 | 26.44 |
| Top 10 customers | 6,359.97 | 49.46 | 3,730.98 | 39.81 | 3,364.27 | 41.06 |

***Notes:***

*(1) Our top customer, top five customers and top 10 customers are based on their contribution to our revenue from operations in the respective Fiscals.*

*(2) For Fiscal 2024, our top 10 customers include Best Steel Solutions Private Limited, K Mukund & Co, Banke Bihari Steel Traders, Bali Steel Tubes Private Limited, Krishna Kripa Tubes Private Limited, Nandan Steels and Power Limited, SS Khandelwal Tubes and Fittings, Jai Vikas Steel Corporation Private Limited, Ganpati Sponge Iron Private Limited and ASP Arvind Steel Private Limited. Contribution of each individual customer to total revenue from operations has not been separately disclosed to preserve confidentiality. Further, our top 10 customers did not contribute to more than 50% of our revenue from operations in the last three Fiscals. However, we have included names of customers for Fiscal 2024 since they contributed to approximately 50% of our revenue from operations.*

We cannot assure you that we will be able to maintain historic levels of business from our top 10 customers, or that we will be able to significantly reduce customer concentration in the future. The loss of any of our top 10 customers for any reason (including due to loss of contracts, disputes with customers, delay in fulfilling existing orders, adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

Our contracts with our top 10 customers (including our distributors) (based on their contribution to our revenue from operations in Fiscal 2024) typically have a tenure ranging up to one year. While we are generally not responsible for breakage and shortage of products that leave our facility and maintain an insurance policy to cover various risks during the transit of goods, we cannot assure you that our customers will not claim other deficiencies in our products. We do not have firm long term arrangements with our customers and hence may not be able to accurately forecast demand for our products. Our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences or the discontinuation of, or a lack of commercial success of any products of our Company.

In Fiscal 2024, our top 10 customers mostly comprised distributors. We increasingly moved towards a distribution model for sale of our products in Fiscal 2024 when we commenced production of ERW black pipes and tubes (hollow section). As of March 31, 2024, we had 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39 in India. For further information in relation to our distribution network, see "*Our Business — Overview*" on page 195.

Further, we derive a small portion of our revenue from government contracts, which are prone to delay and longer working capital cycles, which could in turn adversely affect our business and results of operations.

We continuously seek to increase the penetration of our products by appointing new distributors to ensure a wide distribution network targeted at different regions. We cannot assure you that we will be able to successfully identify or appoint new distributors, maintain and strengthen our relationships with our existing distributors, or manage our distribution network. Further, we are also dependent on our existing relationship with our dealers, retailers and fabricators. As we rely on our distributors, dealers, retailers and fabricators for sale of our finished products, any one of the following events could adversely impact or result in a decrease in our sale of products and consequently impact our business, results of operations, profitability and margins, cash flows and financial condition:

- failure to maintain relationships with our existing distributors;
- disputes with our distributors, including disputes regarding pricing, performance, quality or supply chain
- failure to establish relationships with new distributors, on favourable terms or at all;
- reduction, delay or cancellation of orders from our distributors;
- disruption in delivery of our products to our distributors and by our distributors to dealers, retailers, end-customers.

Our distributors are not exclusive to us and also stock and sell products of multiple manufacturers, who could be our competitors. If the terms offered to such distributors by our competitors are more favourable than those offered by us, our distributors may terminate their arrangements with us. We cannot assure you that we will not lose any of our distributors to our competitors, which may result in the termination of our relationships with such distributors and may have a material adverse effect on our business in regions where such distributors conduct business. Alternately, if our distributors are not able to maintain a strong network of dealers, retailers and fabricators or other end customers, our products may not attain as much reach as our competitors in the market and we may lose consumers and thereby our market share. While we have not lost any of our critical distributors in the last three Fiscals, we cannot assure you that such loss will not occur in the future.

**10. *We face substantial competition from other structural steel tubes, pipes and steel producers. Our inability to compete effectively could result in the loss of customers and market share, which may affect our business.***

The Indian steel industry is highly competitive. Our competitors include APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries and Surya Roshni. (*Source: CRISIL Report*) As a manufacturer of sponge iron, blooms / slabs (mild steel and stainless steel), HR coils (mild steel and stainless steel), ERW black pipes and tubes (hollow section), GI pipes and steel door frames, we compete to varying degrees with other Indian tubes, pipes and steel manufacturers.

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

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

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

11. ***If we are unable to implement our expansion plans or retain demand for new product lines, our business, results of operations, profitability and margins, cash flows and financial condition could be adversely affected.***

We intend to implement our expansion plans. The expansion plan would involve risks, including risks associated with the timely completion of these plans and our failure to adequately manage these risks could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. Factors that could affect our ability to complete the expansion plan on time or at all, include receipt of relevant regulatory approvals, a decline in demand for our products, increase in price of machinery or inputs and general economic conditions.

We have recently expanded our Sarora (Tilda) Facility which enables us to handle higher volume of production, thereby enhancing operational efficiency. We have increased the installed capacity of sponge iron from 105,000 MTPA as of March 31, 2024 to 280,000 MTPA as of September 20, 2024, power plant from 15 MW as of March 31, 2024 to 25 MW as of September 20, 2024, Blooms/Slabs from 317,400 MTPA as of March 31, 2024 to 360,000 MTPA (apportioned between mild steel and stainless steel) as of September 20, 2024, HR coils from 350,000 MTPA as of March 31, 2024 to 450,000 MTPA (apportioned between mild steel and stainless steel) as of September 20, 2024 and ERW and GI pipes from 250,000 as of March 31, 2024 to 350,000 MTPA as of September 20, 2024. We also intend to commission our second manufacturing facility which will be located in Kuthrel, Raipur within Fiscal 2025 and will primarily manufacture value added products such as GP coils, GP pipes, SS HRAP coils, SS CR coils. We are also planning to commission a greenfield manufacturing facility in Village - Kesda, District Baloda Bazar Bhatapara, Chhattisgarh for which approximately 350,653 square meters of land has been acquired by our subsidiary, Sambhv Tubes Private Limited and an HR mill has been procured by us, which is in the process of being imported. Further, a no objection certificate from the Kesda gram panchayat has been received in relation to this facility. For further details see "*Our Business — Our Strategies — Production capacity expansion with focus on value added products*" on page 205.

If we are unable to implement our expansion plans or create demand for our new product lines, such as GP coils, GP pipes, SS HRAP coils, SS CR coils within reasonable time, we may be unable to expand our business, realise economies of scales, maintain our competitive position or sustain profitability.

Further, the production of our products is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Expansion of existing capacities may require long lead times which may impact our business, results of operations, profitability and margins, cash flows and financial condition.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects.

12. ***We may require financing to support our current operations, expansion plans or adapt to changes in business conditions, but we may not be able to obtain additional financing on favorable terms or at all. Our inability to obtain additional financing on acceptable terms and in a timely manner could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

As of August 31, 2024, our Company's total borrowings were ₹5,362.38 million. We incur significant expenditure in maintaining and growing our existing operations including our expansion plans. We may need to raise additional capital in the future, depending on business conditions, and our growth strategy. The factors that would require us to raise additional capital could include future acquisitions, business growth beyond what our current balance sheet can sustain, additional capital requirements imposed due to changes in the regulatory regime or new guidelines, significant depletion in our existing capital base due to unusual operating losses and unforeseen events beyond our control. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments.

Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favorable to us or at all. If adequate capital is not available to us as required for our business and growth, our ability to fund our operations, take advantage of opportunities, implement any expansion or acquisition plans, or respond to competitive pressures could be significantly limited. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, profitability and margins, cash flows and financial condition could be adversely affected. While we have not faced any significant challenge in availing debt at commercially acceptable terms in the last three Fiscals, we cannot assure you that additional capital will be available in the future on terms favorable to us or at all.

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

We enter into certain transactions with related parties in the ordinary course of our business and may continue to enter into related party transactions in the future.

Our related party transactions include payment of rent, unsecured loans taken and repaid, sale of goods, sale of capital goods, payment of transportation charges, among other things. Our related party transactions, as a percentage of our revenue from operations, constituted 21.12%, 32.76% and 26.48% in Fiscals 2024, 2023 and 2022, respectively.

The transactions we may enter into with our related parties in the future could potentially involve conflicts of interest, which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority Shareholders and will not adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, all related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, our Board, or our Shareholders, as required under the Companies Act and the SEBI Listing Regulations.

The table below sets forth details of absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations in the last three Fiscals:

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|
| | *(in ₹ million, except percentages)* | | |
| Absolute sum of all related party transactions* | 2,715.00 | 3,070.61 | 2,170.01 |
| Revenue from operations | 12,857.57 | 9,372.20 | 8,193.49 |
| Absolute sum of all related party transactions as a percentage of revenue from operations (%) | 21.12 | 32.76 | 26.48 |

** Absolute sum of all related party transaction is excluding any off balance sheet items*

For details of our related party transactions in Fiscals 2024, 2023 and 2022, see "*Offer Document Summary —Summary of related party transactions*" and "*Related Party Transactions*" on pages 20 and 378, respectively.

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

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

Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact our inventory levels. In addition, disruptions to the delivery of product to our customers may occur for reasons such as poor handling, transportation bottlenecks, or labor strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. To improve our line capability, we try to stock our inventory at our existing manufacturing facility. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planned and actual sales could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

**15. *We have substantial working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial conditions.***

As our business grows, our business requires a significant amount of working capital primarily due to cost of our raw materials and power and fuel requirements, and due to limited availability of credit lines for procurement of our raw materials. The table below sets forth details of our working capital requirements during Fiscals 2024, 2023 and 2022:

| **Particulars** | **Fiscal** | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| | *(in ₹ million)* | | |
| Total Current Assets (A) | 3,153.12 | 2,063.71 | 1,889.92 |
| Total Current Liabilities* (B) | 1,688.34 | 757.29 | 834.59 |
| Net Working Capital Requirements (A-B) | 1,464.78 | 1,306.42 | 1,055.33 |
| Means of finance (sanction amount of fund based working capital facilities) | 2,720.00 | 1,930.00 | 1,020.00 |

**In order to calculate the working capital gap, working capital loans from bank have been excluded from the Total Current Liabilities.*

We have continuously expanded our Sarora (Tilda) Facility and intend to operationalize our second manufacturing facility at Kuthrel, Raipur, Chhattisgarh in the current Fiscal and are also planning to commission a greenfield manufacturing facility in Village – Kesda, District Baloda Bazar Bhatapara, Chhattisgarh.

During the course of such expansion, if our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. If we decide to raise additional funds through the incurrence of debt or issuance of debt securities or a combination of both, our interest and debt repayment obligations will increase, which could have a significant effect on our profitability and cash flows. We may also become subject to restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations and undertake certain types of transactions. If we experience insufficient cash flows or are unable to borrow funds in a timely basis or at all to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the ownership of existing shareholders and our earnings per Equity Share. As on March 31, 2024, our Company's debt to equity ratio was 0.80.

Our working capital requirements may increase if the payment terms in our agreements with our customers or distributors or purchase orders include reduced advance payments or longer payment schedules, or if our customers' access to channel financing is reduced. These factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements or our inability to obtain financing at favorable terms, or at all may have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

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

We are exposed to counterparty credit risk in the usual course of our business due to the nature of, and the inherent risks involved in, dealings and arrangements with our customers who may delay or fail to make payments or perform other contractual obligations. The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 7 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 customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay.

Set forth below are details relating to bad debts for the last three Fiscals:

| **Particulars** | **Fiscal** | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| | ***(in ₹ million, unless indicated otherwise)*** | | |

| | | | |
|---|---|---|---|
| Balance written off for doubtful receivables and advances | 0.68 | 0.43 | - |
| Trade receivables | 940.97 | 345.65 | 156.44 |
| Bad debts written off as a percentage of trade receivables (%) | 0.07 | 0.12 | - |

Set forth below are details relating to holding levels of our trade payables, trade receivables, inventory turnover and working capital cycle, for the periods indicated.

| **Particulars** | **Number of days for Fiscal** | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| Trade receivables days(1) | 27 | 13 | 7 |
| Inventory days(2) | 42 | 55 | 54 |
| Trade payables days(3) | 28 | 11 | 14 |
| Working capital days(4) | 41 | 57 | 47 |

(1) *Trade receivables days is calculated as trade receivables divided by revenue from operations multiplied by 365 days.*
(2) *Inventory days is calculated as inventory divided by revenue from operations multiplied by 365 days.*
(3) *Trade payables days is calculated as trade payable divided by revenue from operations multiplied by 365 days.*
(4) *Working capital days is computed as inventory days plus trade receivable days minus trade payable days.*

Any increase in our trade receivable days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could adversely affect our business, financial condition and results of operations. Further, if our key suppliers reduce the time period for demanding payment from us, it could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. In addition, an increase in our inventory days could give rise to risk in relation to proliferation and theft and could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

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

**17.** ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and we may experience delays in obtaining, renewing or maintaining such licenses or permits or be unable to obtain such licenses and approvals. Our inability to obtain, maintain or renew such regulatory approvals and licenses in a timely manner or at all, may adversely affect our business, results of operations, cash flow and financial condition.***

Our operations are subject to government regulation, and we are required to obtain a number of statutory and regulatory permits and approvals under central and state government rules in the geographies in which we operate. Some of the permits and approvals that we have obtained are valid only for a definite period of time and require renewal. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

For information on the nature of approvals and licenses required for our business and for information on the material approvals applied for, see "*Government and Other Approvals*" on page 383. Certain of our approvals which we have applied for but not received include the consent to operate from the Chhattisgarh Environment Conservation Board for our Kuthrel manufacturing facility and the fire NOC in relation to our Sarora (Tilda) Facility. Further, some of our approvals are in our Company's previous name and we are in the process of updating the relevant records. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. Any inability on our part to adequately detect and rectify any defects in our internal controls and compliance systems which in turn assist in ensuring compliance with regulatory or statutory requirements, may impact our ability to accurately comply and obtain necessary consents and approvals. While there has been no instance in the last three Fiscals where our license was suspended or cancelled by any regulatory authority which impacted our operations, we cannot assure you that such instance will not arise in the future.

18. ***There are outstanding legal proceedings involving our Company, our Directors and our Promoters. Any adverse outcome in such proceedings may adversely affect our reputation, business, results of operations, profitability and margins, cash flows and financial condition.***

There are outstanding legal proceedings involving our Company, our Directors and our Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention and consume financial resources in their defence. Furthermore, an adverse judgment in some of these proceedings could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

A summary of the outstanding proceedings involving our Company, Directors and our Promoters in accordance with requirements under the SEBI ICDR Regulations, as disclosed in this Draft Red Herring Prospectus, to the extent quantifiable, have been set forth below.

| Name of Entity | Number of Criminal Proceedings | Number of Tax Proceedings | Number of Statutory or Regulatory Proceedings | Number of Disciplinary Actions by the SEBI or the Stock Exchanges against our Promoters in the last five years | Number of Material Civil Proceedings | Aggregate amount involved *(in ₹ million)* [(1)] |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| *Against our Company* | Nil | 2 | 1 | N.A. | Nil | 4.29 |
| *By our Company* | Nil | Nil | Nil | N.A. | Nil | Nil |
| **Directors**[(2)] | | | | | | |
| *Against our Directors* | Nil | 1 | Nil | N.A. | Nil | 0.09 |
| *By our Directors* | Nil | Nil | Nil | N.A. | Nil | Nil |
| **Promoters** | | | | | | |
| *Against our Promoters* | Nil | 15 | Nil | Nil | Nil | 0.89 |
| *By our Promoters* | Nil | Nil | Nil | N.A. | Nil | Nil |
| **Subsidiary** | | | | | | |
| *Against our Subsidiary* | Nil | Nil | Nil | N.A. | Nil | Nil |
| *By our Subsidiary* | Nil | Nil | Nil | N.A. | Nil | Nil |

[(1)]*To the extent ascertainable*
[(2)]*Excluding Directors who are also our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no legal proceedings involving our Group Companies that may have a material impact on our Company. For further details, see "*Outstanding Litigation and Other Material Developments*" on page 379.

We cannot assure you that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may materially and adversely affect our reputation, business, results of operations, profitability and margins, cash flows and financial condition.

19. ***Conflicts of interest may arise out of business ventures in which certain of our Promoters and Directors are interested by virtue of, inter alia, shareholding and directorships. Our Promoters and a member of our Promoter Group have entered into a non-compete agreement with our Company, for avoiding any conflict of interest between our Company and / or our Subsidiary ("Group"), and any other entity owned and controlled by our Promoters and/ or any members of our Promoter Group ("Promoter Controlled Entities"). Any termination or variation of the non-compete agreement could result in a conflict of interest between Promoter Controlled Entities and us.***

Certain of our Promoters or Directors have or had interests in entities that are engaged in businesses similar to that of our Company or whose memorandum allow them to engage in businesses similar to that of our Company. We cannot assure you that our Promoters or Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. In the event that any conflicts of interest arise, our Promoters or Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest and may also offer opportunities to our competitors for advantages at our expense. Such decisions could materially and adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. Should we face any such conflicts in the future, we cannot assure you that they will get resolved in our favor.

Our Promoters and Ganpati Sponge Iron Private Limited, a member of our Promoter Group and a Group Company, have entered into a non-compete agreement dated August 23, 2024 ("**Non-compete Agreement**") with our Company, in order to avoid any conflict of interest between the Group and any of the Promoter Controlled Entities. Pursuant to the Non-compete Agreement, our Promoters and Ganpati Sponge Iron Private Limited have undertaken that the Promoter Controlled Entities will not, *inter alia,* (i) directly or indirectly, engage in any business which is similar to the business currently, or may in the future be, undertaken by the Group; (ii) persuade any person, firm or entity which is a client/ a customer of our Company to cease doing business or to reduce the amount of business which the said client/customer has customarily done or might propose doing with our Company in a manner that adversely affects our Company's business, financial performance, reputation, financial position, cash flows or prospects. We cannot assure you that this agreement will not be terminated or the terms of this agreement will not be varied. Any termination or variation of terms of the Non-compete Agreement could result in a conflict of interest, which could have a material adverse effect on our revenue from sales, results of operations and financial condition.

**20.** ***Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.***

Certain operations at our manufacturing facility can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters, discharges or releases of hazardous substances, chemicals or gases and other environmental risks. In the last three Fiscals, there were fatal accidents two each in Fiscals 2023 and 2024, however there was no disruption in our operations and no litigation is pending against us in this regard. Any such occurrence in the future may materially and adversely affect our reputation, business, results of operations and financial condition. \

The occurrence of any of these hazards or accidents could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. While there have been no such litigation in the last three Fiscals, however, we cannot assure you that such litigations will not happen going forward. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, cash flows and financial condition could be adversely affected.

**21.** ***We are dependent on stable and reliable third party logistics and transportation infrastructure for the delivery of our products and raw materials. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and may increase our transportation costs which may adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

We use third party logistics services in our operations. Set forth below are the details of our logistics costs in the last three Fiscals:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|
| | Amount | Percentage of Total Expenses | Amount | Percentage of Total Expenses | Amount | Percentage of Total Expenses |
| | *(in ₹ million)* | *(%)* | *(in ₹ million)* | *(%)* | *(in ₹ million)* | *(%)* |
| Logistics/ Freight inward costs | 611.61 | 5.19 | 485.59 | 5.66 | 549.00 | 7.58 |

Our domestic operations use a number of different modes of transportation, including road, air and rail. Where a shipment is outbound overseas, we use road and sea. Therefore, we face a risk that there could be deficiency or interruption in these third-party services.

Disruptions of transportation services because of weather related problems, strikes, lockouts, inadequacy of road infrastructure, lack of containers or other events may affect our delivery schedules and impair the supply from our suppliers or our supply to our customers. In addition, our products may be lost or damaged in transit for various reasons including due to accidents or natural disasters. To the extent that our losses are not covered by insurance, this may have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Delays (including delays in customs clearance), non-delivery of our products and increase in cost of fuel may also have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. While we maintain marine cargo policy to cover various risks during the transit of goods, any damage suffered by us in excess of coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. In Fiscal 2024, 2023 and 2022, there were no instances in relation to products getting damaged during transportation and hence no claim was made by our Company.

To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials and this may also resultantly increase our cost. While Chhattisgarh, where our manufacturing facility is located, has necessary operational transportation networks, any adverse development may disrupt the logistics services within the state and adversely affect our distribution across other parts of India.

We engage services of third-party logistic service providers on a spot basis and are exposed to fluctuations in transportation and logistics costs. However, in the event that these logistic service providers are unable to continue to provide these necessary services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations, financial condition, cash flows, future prospects and reputation may be materially adversely affected.

**22.** ***The steel industry is cyclical in nature. The pricing in the steel industry is subject to market demand, volatility and economic conditions. Fluctuations in industry dynamics including the steel prices may materially and adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material, steel demand, worldwide production and capacity, fluctuation in the volume of steel imports / exports, transportation costs and various social and political factors. (*Source: CRISIL Report*) Low steel prices adversely affect the results of operations of the industry, resulting in lower revenue and margins and write down of products and raw material inventories. (*Source: CRISIL Report*) Further, decreases in steel and steel product prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. (*Source: CRISIL Report*) We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export or plan to export our products, changes in trade agreements between countries, additional tariffs in the form of countervailing duty and anti-dumping duty on a number of items imported in India. (*Source: CRISIL Report*) Any such measure may have a material adverse affect on our results of operations and financial condition. In addition, the volatility, length and nature of business cycles affecting the steel and steel products industry may become increasingly unpredictable, and the recurrence of any major downturn in the industry may have a material adverse impact on our business, results of operations, profitability and margins, cash flows and financial condition.

**23.** ***We depend on our product quality and our failure to maintain or enhance our product quality could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. Further, any issues with the products we manufacture could result in potential product liability claims against us and reduced demand for our products.***

Our customers who use and recommend our products have come to expect certain standard of efficacy and quality from our products, and our failure to deliver on that expectation could adversely impact our brand and reputation.

The quality of raw materials will have an impact on the quality of the finished products and in turn affect our business and revenue from operations. There is no assurance that our products will satisfy our customer’s quality standards or our competitors will not manufacture products of superior quality than ours. In the event we are unable to meet such requirements or address customer complaints in the future, it may result in decrease in orders or cessation of business from affected customers and increase in product recalls and product liability claims. There could be, as a result of quality failure, significant consequential damages resulting from the use of such products. We do not currently carry any product liability insurance coverage, and a major claim for damages related to products sold could leave us uninsured against a portion or the entire award and, as a result, materially harm our business, financial condition and results of operations. Further, if counterfeit products are sold under our brand name, it would adversely affect our reputation.

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our Sarora (Tilda) Facility has obtained the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 quality certifications. For further information, see "*Our Business — Quality Assurance and Quality Control*" on page 220. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected. While we have not experienced any instances where we failed to obtain quality certifications and accreditations which had an adverse impact on our business, results of operations, financial condition or cash flows, we cannot assure you that such instances will not arise in the future.

Despite our quality control and quality assurance efforts, issues may occur, or may be alleged, in the design or manufacturing of products, including as a result of business continuity issues. Any failure on our part to manufacture products as per customer requirements could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Whether or not we are responsible for the issues in the products we manufacture, be it real or alleged, or in the manufacturing or design processes, or a component defect, may result in delayed shipments to our customers or, reduction or cancellation of customer orders. If any such problems were to occur in large numbers or too frequently, our business reputation may also be affected. These potential claims may include damages for the recall of a product or injury/bodily harm and other damages caused to person or property. We may also be required to repair the defective product or replace it with a new conforming product and the costs may also be required to be borne by us, or if they are borne by the customer, the costs may be capped. The successful assertion of any claim could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. While we have not experienced any major instances of defect issues or failure to comply with the quality standards in the last three Fiscals, which had an adverse impact on our business, results of operations, financial condition or cash flows, we cannot assure you that such instances will not arise in the future.

**24.** ***Our inability to maintain and protect our brand and business reputation could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

Our business reputation and brand under which we sell our products are critical to the success of our business. Our business and results of operations are influenced by the level of consumer recognition and perception of our brand. Maintaining and enhancing the recognition and reputation of our brand are, therefore, critical to our business and competitiveness. Various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand. These include our ability to effectively manage the quality of our products and address grievances, increase brand awareness among existing and potential customers, dealers, retailers and fabricators, adopt new technologies or adapt our systems to customer requirements or emerging industry standards, and protect the intellectual property related to our brand.

As part of our marketing initiatives, we run various advertisement campaigns. Our inability to conduct such campaigns in a timely and cost effective manner may adversely impact our brand recall value. Our brand could also be harmed if our products fail to meet the expectations of our customers, if we fail to maintain our established standards or if we become the subject of any negative media coverage. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers, and in turn adversely affect our business, financial condition and results of operations. In relation to the risk of failure to protect our trademark and other intellectual property, see also "— *Any failure to protect and leverage our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation. We may also inadvertently infringe on the intellectual property rights of others and infringement claims could subject us to significant liability for damages and potentially injunctive action.*" on page 57.

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

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

**26. *We have certain contingent liabilities which, if materialised, may adversely affect our financial condition.***

We have certain contingent liabilities which, if materialized, may adversely affect our financial condition. Set forth below are details of our contingent liabilities as of March 31, 2024.

| **Contingent Liabilities** | **Amount** |
|---|---|
| | ***(in ₹ million)*** |
| a. Claims against Company not acknowledged as debts: | |
| Excise / Goods and service tax demands (Demand of GST because of incomplete e-way bill is pending before appellate authority, Jabalpur, Madhya Pradesh | 0.66 |
| Income tax demands | 4.45 |
| b. Outstanding bank guarantees | 58.77 |

For further details, see "*Financial Statements — Note 40 - Contingent liabilities and commitments (to the extent not provided for)*" on page 318.

Any or all of the abovementioned contingent liabilities may crystallise and become actual liabilities. In the event that any of our contingent liabilities become non-contingent, business, results of operations, profitability and margins, cash flows and financial condition may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current financial year or in the future.

**27. *Information relating to the capacity utilization of our operational manufacturing facility included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the capacity utilization of our operational manufacturing facility included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account by Prakash Upadhyay, an independent chartered engineer, in his certificate dated September 30, 2024, in the calculation of capacity of our operational manufacturing facility and such calculations may not be computed on the basis of, or in accordance with, any standard methodology and may not be comparable to that employed by our competitors.

These assumptions and estimates include taking into account the standard capacity calculation practice in the steel industry and capacity of other ancillary equipment installed at the relevant manufacturing facility.

Future capacity utilization rates may vary from the estimated production capacities of our operational manufacturing facility and its historical capacity utilization rates. Undue reliance should therefore not be placed on the capacity utilization for our operational manufacturing facility included in this Draft Red Herring Prospectus. Also see "*Our Business — Installed Capacity, Available Capacity, Actual Production and Capacity Utilisation*" on page 215.

**28. *Our operations are labor intensive and our manufacturing operations may be subject to strikes, work stoppages or increased wage demands by our employees or the employees of our sub-contractors, which could adversely affect our business, results of operations, cash flow and financial condition.***

Our operations are labor intensive and we are dependent on a large force for our manufacturing operations. As of July 31, 2024, our work-force comprised 1,292 on roll employees and 644 contract workers. The success of our operations depends on the availability of labor and maintaining good relationships with our workforce. Shortage of skilled and unskilled personnel or work stoppages caused by disagreements with employees could materially and adversely affect our business and results of operations. We may also have to incur additional expense to train and retain skilled labor.

India has stringent labor legislations that protect the interests of workers. We are also subject to laws and regulations governing relationships with employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. For further details of such laws and regulations, see "*Key Regulations and Policies*" on page 224. Although our employees are currently not unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to address their demands and retain them.

While we have not experienced disruption in our business operations due to disputes with our workforce in the last three Fiscals, and have taken measures to mitigate any disruptions, there can be no assurance that we will not experience disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert our management's attention and result in increased costs.

**29.** ***Our financing arrangements contain restrictive covenants. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry including our plans for expansion and diversification.***

As of August 31, 2024, our Company's total borrowings were ₹5,362.38 million. Our existing operations and execution of our business strategy may require substantial capital resources and we may incur additional debt to finance these requirements in the future. However, we may be unable to obtain sufficient financing on terms favourable to us, or at all. If interest rates increase it will be more difficult to obtain credit. As a result, our expansion plans may have to be curtailed or eliminated and our financial performance and our ability to continue operations may be adversely affected. Since the interest rates on certain of our borrowings may be subject to changes based on the prime lending rate of the respective lenders, such borrowings may be subject to renegotiation and/or escalation on a periodic basis. For further details, see "*Financial Indebtedness*" on page 342.

We will continue to incur significant expenditure in maintaining and growing our existing operations. We cannot assure you that we will have sufficient capital for our current operations, any future expansion plans that we may have and our ability to complete such expansion plans.

The agreements governing certain of our Company's debt obligations include terms that restrict our ability to, *inter alia*, without the prior consent of lenders change the capital structure of our Company, implement any scheme of expansion, diversification, modernisation other than incurring routine capital expenditure, change the practice with regard to remuneration of directors or transfer any controlling interest or effect any drastic changes in the management set up. As of the date of this Draft Red Herring Prospectus, our Company has received all required consents from the relevant lenders in relation to the Offer.

Additionally, these financing agreements also require us to maintain certain financial ratios/covenants such as debt service coverage ratio, total outside liability / total net worth, debt/earnings before interest, tax and depreciation, current ratio, fixed assets coverage ratio, interest coverage ratio and total net worth. While no lender has called a default in the last three Fiscals, we cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, while there has been no re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the last three Fiscals, there is no assurance that we will not need to re-schedule / re-structure our indebtedness in the future.

In terms of security, our Company's borrowings are secured by, among other things, a first exclusive charge by way of hypothecation on our Company's entire current assets including stock of raw materials, stock-in-process, semi-finished, finished goods, book debts both present and future, and personal guarantees of our Promoters including Suresh Kumar Goyal, Vikas Kumar Goyal, Brijlal Goyal and Sheetal Goyal. As of August 31, 2024, our Company had total secured borrowings (long term and short term) of ₹4,763.42 million. We may also be required to furnish additional security if required by our lenders. As these assets are hypothecated in favor of lenders, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

We cannot assure you that we will be able to comply with our current financing agreements or continue to access funds, including by way of short-term borrowings, on acceptable terms or at all. Any failure to obtain the requisite funds to meet our requirements or expansion or modernization of existing capabilities could result in our inability to effectively compete with other players in the steel pipes and tubes industry, which could have a material adverse effect on our profitability, cash flows and results of operations.

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

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

| Rating Agency | Instrument | Rating / Outlook - | | |
|---|---|---|---|---|
| | | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
| Acuite, Rating and Research | Bank loans | Long term rating – ACUITE A\| Stable<br><br>Short term rating – ACUITE A1 | Long term rating – ACUITE A - \| Positive \| Reaffirmed<br><br>Short term rating – ACUITE A2+ \| Reaffirmed | Long term rating – ACUITE A - \| Stable \| Reaffirmed<br><br>Short term rating – ACUITE A2+ \| Reaffirmed |

Credit ratings reflects the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle.

While there has been no downgrading in our credit ratings in the last three Fiscals, however, any revision or change in our credit ratings could increase borrowing costs, result in an event of default under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

31. ***Our Promoters and members of the Promoter Group have provided guarantees in connection with our borrowings and the revocation of all or any of such guarantees may adversely affect our business, results of operations and financial condition.***

Our Promoters, Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal and certain members of our Promoter Group have provided personal guarantees for certain of our borrowings, which amounted to ₹9,818.20 million as of August 31, 2024.

The table below sets forth details of the personal guarantees provided by certain of our Promoters and members of our Promoter Group as of August 31, 2024.

| S. No. | Guarantee given by | Entity in whose favour the guarantee has been provided | Guarantee Amount as of August 31, 2024 *(in ₹ million)* | Reason for guarantee |
|---|---|---|---|---|
| 1. | Suresh Kumar Goyal<br>Vikas Kumar Goyal<br>Ashish Goyal<br>Brijlal Goyal<br>Manoj Kumar Goyal<br>Suman Goyal<br>Kaushlya Goyal<br>Ganpati Sponge Iron Private Limited<br>S. Pyarelal Ispat Private Limited | IDBI Trusteeship Services Limited (SBI Led Consortium) | 6,331.60 | As security in relation to facilities availed by our Company |
| | | Kotak Mahindra Bank Ltd | 500.00 | |
| | | Federal Bank Limited | 350.00 | |
| | | Bajaj Finance Limited | 300.00 | |
| 2. | Suresh Kumar Goyal<br>Vikas Kumar Goyal<br>Ashish Goyal<br>Brijlal Goyal<br>Manoj Kumar Goyal<br>Sheetal Goyal<br>Kaushlya Goyal<br>Ganpati Sponge Iron Private Limited | HDFC Bank Limited | 2,336.60 | |

If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, results of operations, profitability and margins, cash flows and financial condition may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters and members of the Promoter Group in connection with our Company's borrowings.

32. ***The previous statutory auditor of our Company has included an emphasis of matter paragraph in their report on our audited financial statements for Fiscals 2023 and 2022 and Our Statutory Auditors have included in their report on our audited financial statements for Fiscals 2024, a 'Report on Other Legal and Regulatory Requirements'. We cannot assure that our financial information for future periods will not contain emphasis of matters, adverse remarks or observations or report on other legal and regulatory requirements.***

The auditor's report to the standalone financial statements of our Company for Fiscals 2023 and 2022, forming the basis for preparation of the Restated Financial Information includes an emphasis of matter. Our previous statutory auditors have included the following Emphasis of Matters:

For the year ended March 31, 2023:
"*We draw attention to the note No. 2.27 relating to Employees Benefit where no provision is made in the books of accounts for post employment and other long term benefits. Our opinion is not modified in this matter.*"

For the year ended March 31, 2022:
"*We draw attention to the note No. 2.26 relating to Employees Benefit where no provision is made in the books of accounts for post employment and other long term benefits.*"

The emphasis of matter paragraph have been given by previous auditors for the year ended March 31, 2023 and March 31, 2022 and the impact of which have been considered in the Special Purpose Audited Financial Statements and Restated Financial Statements.

Further, Our Statutory Auditor's 'Report on Other Legal and Regulatory Requirements' on the audited financial statements of the Company as of and for the year ended March 31, 2024 and in the Examination Report to the Restated Financial Information contains the following relating to the feature of recording audit trail (edit log) facility:

For the year ended March 31, 2024:

Report on other Legal and Regulatory Requirements

"*Based on our examination which included test checks, the Company, in respect of financial year commencing on April 1, 2023, has used an accounting software for maintaining its books of account which has feature of recording audit trail (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level of accounting software to log any direct data changes. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with on accounting software where this feature is enabled (refer note 50 of the financial statements).*"

We cannot assure you that our Statutory Auditors' observations for any future financial period will not contain similar emphasis of matter, remarks, a qualification or other matters prescribed under the Companies (Auditor's Report) Order, 2020, and that such matters will not adversely affect our results of operations and cash flows.

33. ***We are subject to risks arising from interest rate fluctuations, which could reduce our profitability and adversely affect our business, cash results of operations, cash flows and financial condition.***

Our operations are partly funded by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. As of August 31, 2024, our Company's total outstanding borrowings were ₹5,362.38 million, of which the entire outstanding amount was subject to variable interest rates. Interest rates for borrowings have been volatile in India in recent periods. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and may have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. The table below sets forth our interest expenses as a percentage of total expenses for the last three Fiscals.

| **Particulars** | **Fiscal** | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | **2023** | | **2022** | |
| | **Amount** ***(in ₹ million)*** | **Percentage of Total Expenses (%)** | **Amount** ***(in ₹ million)*** | **Percentage of Total Expenses (%)** | **Amount** ***(in ₹ million)*** | **Percentage of Total Expenses (%)** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Interest expenses | 304.29 | 2.58 | 213.83 | 2.49 | 180.94 | 2.50 |

For a description of interest typically payable under our financing agreements, see "*Financial Indebtedness*" on page 342.

Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

34. ***Our insurance coverage may not be adequate to protect us against all material risks, which may adversely affect our business, results of operations and financial condition.***

Our operations are subject to various risks and our insurance may not be adequate to completely cover any or all of our risks and liabilities. Our principal type of insurance coverage include among others, vehicle insurance, industrial all risk policy, marine cargo endorsement, public liability insurance policy, fire and special perils policy, employees compensation insurance and group personal accident policy. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Any successful claims against us in excess of the insurance coverage may adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. There are many events, other than the ones covered in the insurance policies specified above, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost, or at all.

The table below sets forth details of our insurance coverage:

| **Particulars** | **As of March 31, 2024** | **As of March 31, 2023** | **As of March 31, 2022** |
|---|---|---|---|
| Total tangible assets* *(in ₹ million)* | 6,920.44 | 4,498.48 | 3,682.69 |
| Total insurance coverage *(in ₹ million)* | 5,241.53 | 4,146.49 | 3,249.19 |
| **Insurance coverage as a percentage of total assets *(%)*** | 75.74 | 92.17 | 88.23 |

**Total tangible assets include property, plant and equipment, capital work-in progress and inventory.*

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, profitability and margins, cash flows and financial condition could be adversely affected. Also see "*Our Business — Insurance*" on page 222. While there has been no instance where we experienced losses exceeding our insurance coverage in the last three Fiscals, we cannot assure you that such instances will not arise in the future. Set out below is a table in relation to our insurance claims for the periods indicated.

| **Particulars** | **Fiscal** | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | **2023** | | **2022** | |
| | **Amount *(in ₹ million)*** | **Percentage of Total Assets(%)** | **Amount *(in ₹ million)*** | **Percentage of Total Assets(%)** | **Amount *(in ₹ million)*** | **Percentage of Total Assets(%)** |
| Damages | Nil | Nil | 1.37 | 0.02 | Nil | Nil |
| Insurance claimed | Nil | Nil | 1.07 | 0.01 | Nil | Nil |
| Insurance claim received | Nil | Nil | 0.07* | 0.00 | Nil | Nil |

**The insurance claim received is lower than the insurance claimed due to certain deductions and calculation of net adjusted loss.*

Further, as of March 31, 2024, March 31, 2023 and March 31, 2022, our total uninsured tangible assets which include property, plant and equipment and inventory were ₹ 1,678.91 million, ₹ 352.29 million and ₹ 433.50 million, representing 24.26%, 7.83% and 11.77% of our total assets as of March 31, 2024, 2023 and 2022, respectively. While there has not been any instance of damage or loss of uninsured assets in the last three Fiscals which had an adverse impact on the Company's business and results of operations, we cannot assure you that such instance will not arise in the future.

**35. *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 control 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 instances of failure to maintain effective internal controls and compliance system in the last three Fiscals. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

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

**36. *Any disruption or failure of our technology systems may adversely affect our business and operations. Additionally, challenges in implementation of new technologies for our operations could be significant.***

Our business is dependent on the efficient and uninterrupted operation of our technology infrastructure and systems. We leverage our technology infrastructure to maintain our inventory levels and track our production levels, stock and financial data. For instance, we have implemented a customized ERP which assists in various business functions such as material management, inventory management, finance and accounting, production management, procurement planning and human resource management. For further details, see "*Our Business — Information Technology*" on page 222.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure or tackle instances of employee misconduct and / or frauds, we could be subject to mapping errors and inefficiencies in oversight. Our technology infrastructure is vulnerable to interruption by events beyond our control such as fire, earthquake, power loss, telecommunications or internet failures, terrorist attacks and computer viruses. There have been no such major instances of failures and interruptions to our IT systems in the last three Fiscals which have adversely affected our business operations.

Unauthorized use of, or inappropriate access to, our networks, computer systems or services could potentially jeopardize the security of confidential information. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target. We may be unable to anticipate these techniques or to implement adequate preventative measures. Non-technical means, such as actions (or inactions) by an employee, can also result in a data breach. We cannot assure you that any security measures taken by us will be effective in preventing these activities. We may need to expend significant resources to protect against security breaches or to address problems caused by such breaches. While there have been no material data breach during the last three Fiscals which had a significant impact on our operations, we cannot assure you that such data breaches will not occur in the future.

Any breaches of our IT systems may require us to incur further expenditure on repairs or more advanced security systems. A significant system failure could adversely affect our ability to manage overall operations, thereby adversely affecting our ability to deliver our services to our customers, our reputation and our revenues. If such interruption is prolonged, our business, results of operations profitability and margins, cash flows and financial condition may be materially and adversely affected. We cannot assure you that our IT systems' service providers will continue to co-operate with us and we will be able to maintain similar relationship with them in the future. In case we decide to change our IT systems' service providers, our services to our customers may get affected.

Further, we may be required to upgrade our technology infrastructure and system to upscale our brand image and maintain the quality of our products. Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could adversely affect our financial condition. Implementation of technology enhancements also entail risks such as administrative delays and failure to effectively train our personnel to operate new, emerging technologies. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete or performing less efficiently compared to newer and better technologies and processes in the future. Certain of our competitors may have access to similar or superior technology or may have better adapted themselves to technological changes. Moreover, we may be unable to anticipate, understand and address the preferences of our existing and prospective customers or to understand evolving industry trends. Our competitors may succeed in developing and offering products that are more effective and cheaper, which may render our products obsolete or uncompetitive. Any of these risks may place us at a competitive disadvantage, limit our growth opportunities and adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

**37.** ***Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and cash flows.***

Our operations may be subject to incidents of theft or damage to inventory or raw materials in transit and prior to or during godown stocking. The business may also encounter some inventory loss on account of employee theft, vendor fraud, security lapse and general administrative error. While we have not experienced any instance of fraud, theft or employee negligence in the last three Fiscals which had an adverse effect on our business operations, we cannot assure you that such instance will not arise in the future.

**38.** ***Any failure to protect and leverage our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation. We may also inadvertently infringe on the intellectual property rights of others and infringement claims could subject us to significant liability for damages and potentially injunctive action.***

As of the date of this Draft Red Herring Prospectus, we have two registered trademarks including under class 6, and have filed three applications for trademarks including in relation to our corporate logo . For further details, see "*Our Business — Intellectual Property*" and "*Government and Other Approvals – Intellectual Property*" on pages 222 and 385, respectively. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that registration of trademarks is granted. If our trademarks or other intellectual property are improperly used, the value and reputation of our business could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorised use of our intellectual property by third parties. Despite the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. Accordingly, we may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

Further, while we ensure through our practices and processes that we do not infringe on any existing third-party intellectual property rights, and we typically confirm that our products do not violate existing intellectual property rights of third parties, we may face claims that our products or processes infringe third-party intellectual property rights, which may require us to alter our technologies or obtain licenses or cease some of our operations. Such license modifications can be extremely costly or may not be available to us on satisfactory terms, if at all. Infringement claims could subject us to significant liability for damages and potentially injunctive action and, regardless of merits, could be time-consuming and expensive to resolve. Any of the foregoing could adversely affect our business, reputation and results of operations.

Further, certain other companies in the group founded by our Promoter, Brijlal Goyal, which our Company is a part of, use the name 'Sambhv' as part of their corporate name. Such companies are members of the Promoter Group over which our Company does not have control. In the event there is any negative publicity surrounding the Sambhv brand on account of these companies, our brand image can be harmed, which could adversely affect our business, financial condition and results of operations. While we have entered into a non-compete agreement dated August 23, 2024 with our Promoters and Ganpati Sponge Iron Private Limited, a member of our Promoter Group and a Group Company, which imposes an obligation on the Promoters to ensure that none of the entities controlled by them use the "Sambhv" device mark/logo used by our Promoters other than through inter alia, our Company or its Subsidiary without the prior written consent of our Company and to cease the use of the "Sambhv" name in its corporate name or otherwise within six (6) months of the agreement, there is no assurance that such agreement will be effectively implemented and our brand will not be diluted, which may adversely affect our reputation and business.

**39.** ***We are highly dependent on our Promoters, our Key Managerial Personnel and our Senior Management. Any inability on our part to retain or recruit skilled personnel could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

We are highly dependent on our Promoters, Suresh Kumar Goyal, Vikas Kumar Goyal, and our other Key Managerial Personnel and Senior Management for setting our strategic business direction and managing our business. Our Promoters, Brijlal Goyal, Suresh Kumar Goyal and Vikas Kumar Goyal, have significant experience in the steel industry and guide or lead our business and operations. They play a vital role in providing us strategic guidance and direction. Our other Promoters, Sheetal Goyal, Shashank Goyal and Rohit Goyal, however have limited operational or sectoral experience.

Our success also depends, in part, on key customer and supplier relationships forged by our Key Managerial Personnel and Senior Management and we cannot assure you that we will be able to continue to maintain these relationships, or renew them, if we are unable to retain such members of our Key Managerial Personnel and Senior Management, which could adversely affect our business and results of operations. For further details, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 236 and 255, respectively. A loss of the services of any of Suresh Kumar Goyal, Vikas Kumar Goyal, other Key Managerial Personnel and Senior Management could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

Our business is manpower intensive and our continued success and ability to meet future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. As of July 31, 2024 we had 1,292 permanent employees. Set forth below is our attrition rate for the last three Fiscals.

| Particulars | As of/ for the year ended March 31, 2024 | As of/ for the year ended March 31, 2023 | As of for the year ended March 31, 2022 |
|---|---|---|---|
| Opening Number of Employee | 784 | 745 | 355 |
| Number of Employees joined | 582 | 359 | 457 |
| Number of Employees Exited | 255 | 320 | 67 |
| Closing number of Employees | 1,111 | 784 | 745 |
| Average number of Employees | 947.5 | 764.5 | 550 |
| Attrition Rate (%)* | 26.91 | 41.86 | 12.18 |

**Attrition rate is calculated as overall exits including retired employees divided by average number of employees in the relevant Fiscal / period.*

For further details, see "*Our Business — Human Resource*" on page 221.

Set forth below are the details of expenses incurred towards our employees for the last three Fiscals.

| Particular | Fiscal | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Employee benefits expense *(in ₹ million)* | 571.33 | 414.61 | 234.65 |
| Total number of employees | 1,111 | 784 | 745 |
| Employee benefits expense as a percentage of total expenses *(%)* | 4.85 | 4.83 | 3.24 |

If one or more of these individuals or any other member of our senior management team are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, which could have a material adverse effect on our business, financial results, results of operations and cash flows. We may take a significant period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results, results of operations and cash flows may be materially and adversely affected.

**40. *There have been certain instances of delays in payment of employee state insurance contributions, employee provident fund contributions and other statutory dues by our Company in Fiscals 2024, 2023 and 2022. Inability to make timely payment of our statutory dues could require us to pay interest and penalty on the delay in payment of statutory dues which could adversely affect our business, our results of operations and financial condition.***

Our Company, in the regular course of its operations, is required to pay the employee state insurance contributions, employee provident fund contributions and other statutory dues including the income tax payments, tax deductions at source, goods and services tax, equilization levies and professional taxes. In compliance with applicable laws, during the Fiscals 2024, 2023 and 2022, our Company has paid an aggregate amount of ₹711.97 million, ₹689.53 million and ₹551.90 million.

Set forth below are the details of employee state insurance contributions, employee provident fund contributions and other statutory dues paid by our Company during the last three Fiscals:

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | *(in ₹ million)* | | |
| Contribution to employee state insurance corporation and employees deposit linked insurance | 3.12 | 2.94 | 1.91 |
| Contribution to provident fund and family pension fund | 4.15 | 2.74 | 2.01 |
| Income tax | 238.24 | 164.71 | 200.07 |
| Tax deductions at source | 62.67 | 37.95 | 31.46 |
| Goods and services tax | 403.72 | 455.04 | 316.41 |
| Professional Tax | Nil | Nil | Nil |
| Labor welfare fund | 0.07 | 0.06 | 0.04 |
| **Total** | **711.97** | **663.44** | **551.90** |

Except as set forth below, there have been no delays in depositing undisputed dues, including contribution towards provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, goods and services tax and other material statutory dues applicable to our Company in the last three Fiscals:

| Statutory due(s) | Amount involved *(in ₹ million)* | Period of delay |
|---|---|---|
| **Fiscal 2024** | | |
| **Tax deducted at source** | | |
| April, 2023 | 0.02 | 31 |
| May, 2023 | 0.03 | 61 |
| June, 2023 | 0.01 | 31 |
| September, 2023 | 0.02 | 91 |
| October, 2023 | 0.00 | 60 |
| November, 2023 | 0.03 | 30 |
| January, 2024 | 0.02 | 136 |
| February, 2024 | 0.00 | 54 |
| March, 2024 | 0.70 | 31 |
| | 0.07 | 49 |
| | 0.24 | 53 |
| | 0.87 | 87 |
| | 0.00 | 55 |
| **Total** | **2.01** | |
| **Tax collected at source** | | |
| March, 2024 | 0.19 | 23 |
| | 0.01 | 76 |
| **Total** | **0.19** | |
| **Goods and Service Tax** | | |
| February, 2024 | 32.23 | 12 |
| March, 2024 | 4.81 | 21 |
| **Total** | **37.04** | |
| **Fiscal 2023** | | |
| **Tax deducted at source** | | |
| April, 2022 | 0.09 | 31 |
| June, 2022 | 0.27 | 13 |
| | 0.00 | 15 |
| September, 2022 | 0.02 | 6 |
| | 0.00 | 5 |
| | 0.02 | 12 |
| | 0.01 | 175 |
| November, 2022 | 0.00 | 34 |
| December, 2022 | 0.01 | 10 |
| March, 2023 | 0.33 | 24 |
| | 0.30 | 29 |
| | 0.01 | 30 |
| | 0.01 | 59 |
| | 0.01 | 68 |

| Statutory due(s) | Amount involved *(in ₹ million)* | Period of delay |
|---|---|---|
| **Fiscal 2024** | | |
| | 0.08 | 82 |
| | 0.08 | 83 |
| | 0.00 | 116 |
| **Total** | **1.24** | |
| **Goods and Service Tax** | | |
| March, 2023 | 25.04 | 20 |
| **Total** | **25.04** | |
| **Employee Provident Fund** | | |
| April, 2022 | 0.01 | 31 |
| **Total** | **0.01** | |
| **Fiscal 2022** | | |
| **Tax deducted at source** | | |
| April, 2021 | 1.30 | 5 |
| | 0.04 | 61 |
| August, 2021 | 0.05 | 30 |
| | 0.00 | 61 |
| | 0.00 | 84 |
| | 0.00 | 122 |
| | 0.01 | 264 |
| October, 2021 | 0.67 | 23 |
| November, 2021 | 0.00 | 31 |
| | 0.00 | 173 |
| January, 2022 | 0.30 | 8 |
| February, 2022 | 0.06 | 83 |
| March, 2022 | 3.02 | 29 |
| | 0.00 | 81 |
| **Total** | **5.47** | |
| **Goods and Service Tax** | | |
| March, 2022 | 24.70 | 19 |
| **Total** | **24.70** | |
| **Employee State Insurance Contribution** | | |
| January, 2022 | **0.01** | 3 |
| **Total** | **0.01** | |

*As certified by S D T & Co., Chartered Accountants pursuant to their certificate dated September 30, 2024.*

Further, the number of employees for which the employee state insurance, provident fund, income tax (tax deductions at source) is applicable along with the details of the paid and unpaid dues in the last three Fiscals is set forth below:

| Particulars | Number of employees covered | Total dues paid *(in ₹ million)* | Unpaid dues, if any *(in ₹ million)* |
|---|---|---|---|
| **Fiscal 2024** | | | |
| Employee state insurance contributions | 802 | 3.84 | Nil |
| Employee provident fund contributions | 383 | 7.90 | Nil |
| Tax deductions at source* | 51 | 14.87 | Nil |
| Labor welfare fund** | 616 | 0.07 | Nil |
| **Fiscal 2023** | | | |
| Employee state insurance contributions | 743 | 3.62 | Nil |
| Employee provident fund contributions | 342 | 5.11 | Nil |
| Tax deductions at source* | 33 | 11.19 | Nil |
| Labor welfare fund** | 475 | 0.06 | Nil |
| **Fiscal 2022** | | | |
| Employee state insurance contributions | 651 | 2.34 | Nil |
| Employee provident fund contributions | 420 | 3.82 | Nil |
| Tax deductions at source* | 20 | 3.96 | Nil |
| Labor welfare fund** | 402 | 0.04 | Nil |

*As certified by S D T & Co., Chartered Accountants pursuant to their certificate dated September 30, 2024.*
*Notes:*
**TDS returns are filed on a quarterly basis.*
*** Labor welfare returns are filed on a half-yearly basis, with the number of employees reported as of December, since the returns are submitted in both June and December, and the total dues are calculated as the sum of payments made during these two periods and not for the year.*

We cannot assure you that going forward we will be able to make payment of our statutory dues in a timely manner or at all, which could result in penal or other regulatory action including payment of interest on the delay in payment of statutory dues, which could adversely affect our business and our results of operations and financial condition.

41. ***All of our Directors are not directors of listed companies and hence lack of adequate experience to address complexities associated with listed companies could have an adverse impact on our business and operations.***

Our Directors hold directorships in other private or public companies. For further details, see "*Our Management — Board of Directors*" on page 236. As of the date of this Draft Red Herring Prospectus, none of our Directors are directors on the board of any listed companies. We cannot assure you that lack of adequate experience and uncertainty regarding their ability to effectively address the specific complexities associated with being a listed company, may not have any adverse impact on our operations as a listed company.

42. ***Our Registered and Corporate Office and certain other properties are not owned by us. In the event that we lose such rights or are required to renegotiate arrangements for such rights, our business results of operations, profitability and margins, cash flows and financial condition could be adversely affected. Further, certain portions of land owned by us and our Subsidiary are agricultural land.***

Our Registered and Corporate Office and certain other properties have been leased by us from certain members of the Promoter Group and certain third parties. Set forth below are certain details with respect to our material real properties which have been leased.

| S. No. | Details of lease / rent agreement | Location | Purpose | Rent amount |
|---|---|---|---|---|
| 1. | Lease Deed dated August 1, 2024 entered into between Ganpati Sponge Iron Private Limited (a member of the Promoter Group and a Group Company) and our Company.<br><br>Term – 5 years (*From August 1, 2024 to July 31, 2029*) | Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh | Registered and Corporate Office | Monthly lease rent of ₹0.05 million |
| 2. | Rent Agreement dated September 20, 2024 entered into between Ganpati Sponge Iron Private Limited (a member of the Promoter Group and a Group Company) and our Subsidiary, Sambhv Tubes Private Limited<br><br>Tenure – 11 months commencing from September 20, 2024 | Office No. 501, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh | Registered office of our subsidiary, Sambhv Tubes Private Limited | Monthly rent of ₹0.02 million |
| 3. | Lease deed entered into between Sambhv Tubes Private Limited (*our Subsidiary*) and our Company<br><br>Tenure – 30 years (*From November 11, 2022 to October 31, 2052*) | Village – Kuthrel, Tehsil – Dharsiwa, District – Raipur 493 116, Chhattisgarh | Manufacturing facility | Rent – ₹1.50 million per annum |
| 4. | Space Subscription Agreement dated April 20, 2024 entered into third parties and our Company<br><br>Tenure - 36 months (April 22, 2024 onwards) | A-57, Sector -136, 5th, Noida 201 301, Uttar Pradesh | Commercial office (branch office) | Monthly rent of ₹0.04 million |

For further details, see "*Our Business — Properties*" on page 222.

The table below reflects the rent and facility fees as a percentage of our total expenses for the last three Fiscals:

| Particulars | Fiscal | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | |
| | **Amount** *(in ₹ million)* | **Percentage of Total Expenses** *(%)* | **Amount** *(in ₹ million)* | **Percentage of Total Expenses** *(%)* | **Amount** *(in ₹ million)* | **Percentage of Total Expenses** *(%)* |
| Rent and facility fees | 36.29 | 0.31 | 27.09 | 0.32 | 15.03 | 0.21 |

Termination of such lease / rent arrangements, or our failure to renew such agreements, on favourable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our business.

Such lease / rent agreements also include escalation clauses that provide for an increase in rent/license fee payable by us during the term of such agreements. The failure to identify suitable premises for relocation of existing properties, if required, could have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. We cannot assure you that we will be able to renew any such arrangements when the term of the original arrangement expires, on similar terms or terms reasonable for us or that such arrangements will not be prematurely terminated including for reasons that may be beyond our control.

In addition, certain land in which we are planning to commission a greenfield facility in Kesda is owned by our Subsidiary, Sambhv Tubes Private Limited and as of the date of this Draft Red Herring Prospectus, such land is agricultural land and will require to be diverted before we can use it for industrial use. We cannot assure you that the land will be diverted on time or at all. Any unreasonable delay may cause delay in commissioning the said facility and could materially and adversely affect our business results of operations, profitability and margins, cash flows and financial results.

Further, the site of the Kuthrel manufacturing plant also includes certain excess land owned by us which is agricultural land and will require to be diverted before we can use such land to further expand the manufacturing plant in the future. Certain portions of land adjacent to our manufacturing facility in Sarora (Tilda) Facility is also classified as agricultural land as of the date of this Draft Red Herring Prospectus. Any refusal of permissions in relation to diversion requests in future may impact our expansion plans and have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

43. ***We will continue to be controlled by our Promoters and Promoter Group after the completion of the Offer and there may be a conflict of interest between the interests of our Promoters and Promoter Group and other shareholders.***

As of date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group hold 173,116,120 Equity Shares constituting approximately 71.83% of the issued, subscribed and paid-up share capital of our Company, and will hold [●]% of our Equity Share capital after the completion of the Offer. For further information on their shareholding pre and post-Offer, see "*Capital Structure*" on page 89. After the Offer, our Promoters and members of the Promoter Group will continue to exercise significant control or exert significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure or any other matter requiring special resolution. Accordingly, the interests of our Promoters and members of the Promoter Group, in their capacity as shareholders of the Company, may conflict with your interests and the interests of other shareholders of the Company. We cannot assure you that the Promoters and members of the Promoter Group will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters and members of the Promoter Group in our Company, see "*Our Management*" and "*Our Promoter and Promoter Group*" on pages 236 and 255, respectively.

44. ***This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian steel industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

EBITDA, EBITDA Margin, Net Profit Ratio, Free Cash Flow, Return on Capital Employed, Return on Equity, Debt to Equity Ratio, Interest Coverage Ratio, Current Ratio, Trade Receivable Days, Trade Payable Days, Inventory Days and Working Capital Cycle (together, "**Non-GAAP Measures**") and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We have disclosed such Non-GAAP Measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies engaged in the Indian steel tubes and pipes industry, 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 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 to 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 steel tube and pipe manufacturers in India. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures*" on page 348.

**45.** ***Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks.***

Certain sections of this Draft Red Herring Prospectus include information that is based on or derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer pursuant to a technical proposal dated June 2024. CRISIL MI&A is not related to our Company, our Promoters, our Directors, Key Managerial Personnel, Senior Management and the Book Running Lead Managers. A copy of the CRISIL Report will be available on the Company's website at *https://Sambhv.com/investor-page/* from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date.

The CRISIL Report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. Statements in the CRISIL Report that involve estimates are subject to change, and actual amounts may differ materially from those included therein. The CRISIL Report uses certain selected methodologies for market sizing and forecasting and, accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. The CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner.

In view of the foregoing, 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 CRISIL Report before making any investment decision regarding the Offer. Also see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation — Industry and Market Data*" and "*Industry Overview*" on pages 28 and 147, respectively.

**46.** ***Our operations are subject to environmental and workers' health and safety laws. Any instances of non-compliance with such laws may have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial conditions.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labor. These laws and regulations impose controls on air and water discharge, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our operating manufacturing facility may release into the air and water. The discharge of materials that hazardous into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facility, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

For instance, the GoI has recently introduced the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes.

We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations, profitability and margins, cash flows or financial condition.

**47.** ***We appoint contract labor for carrying out certain of our operations and we outsource job work to certain third parties. We may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labor for performance of certain of our operations. Although our Company does not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract laborers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

Further, we outsource job work to certain third parties in relation to our manufacturing process. The table below reflects the expense incurred on job work as a percentage of our Total Expenses for the last three Fiscals:

| **Particulars** | **Fiscal** | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | **2023** | | **2022** | |
| | **Amount *(in ₹ million)*** | **Percentage of Total expenses *(%)*** | **Amount *(in ₹ million)*** | **Percentage of Total expenses *(%)*** | **Amount *(in ₹ million)*** | **Percentage of Total expenses *(%)*** |
| Job work expense | 79.81 | 0.68 | 12.29 | 0.14 | 3.83 | 0.05 |

Such dependency on third parties in relation to quality of certain products may have an adverse affect on our brand image and on our business, results of operations and financial condition.

**48. *A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce our market share and reduce margins on our products.***

The import duty on steel products is subject to fluctuations. Any policy change by the GoI, resulting in a reduction in import duties may impact our sales due to increase in competition which could adversely affect our market share and reduce our margins.

Further, reduction in import duties and lower priced imports from countries that benefit from bilateral or multilateral trade agreements with India may have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

**49. *The average cost of acquisition of Equity Shares held by our Promoters and the Selling Shareholders may be less than the Offer Price.***

The average cost of acquisition of Equity Shares for our Promoters and Selling Shareholder may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoters and Selling Shareholders as of the date of this Draft Red Herring Prospectus is set forth below.

| **Name** | **Number of Equity Shares held*** | **Average cost of acquisition per Equity Share (in ₹)*** |
|---|---|---|
| **Promoters** | | |
| Suresh Kumar Goyal | 18,536,250 | 0.94 |
| Vikas Kumar Goyal | 18,536,250 | 0.83 |
| Brijlal Goyal | 18,536,250 | 0.94 |
| Sheetal Goyal | 19,088,660 | 1.46 |
| Rohit Goyal | 7,440,000 | 2.16 |
| Shashank Goyal | 6,962,340 | Nil |
| **Selling Shareholders (other than Promoter Selling Shareholders)** | | |
| Kaushlya Goyal | 19,088,660 | 1.82 |
| Rinku Goyal | 4,545,460 | Nil |
| Harsheet Goyal | 7,378,000 | 0.85 |

** As certified by S D T & Co., Chartered Accountants pursuant to their certificate dated September 30, 2024.*

For further details regarding average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders, see "*Offer Document Summary — Average cost of acquisition of Equity Shares for the Promoters and the Selling Shareholders*" on page 24.

**50. *Our Promoters, our Directors, and Key Managerial Personnel have interests in our business other than the reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in our Company: (i) to the extent that they the promoters of our Company; (ii) to the extent of their shareholding in our Company, the shareholding of their relatives in our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any; and (iii) in respect of our Promoters who are also employees and/or Directors of our Company, to the extent of regular remuneration or benefits and reimbursement of expenses. Our Promoters, Suresh Kumar Goyal is an Executive Director and Vikas Kumary Goyal is the Managing Director and Chief Executive Officer of our Company; Sheetal Goyal is Head – Corporate Social Responsibility of our Company; Shashank Goyal is GM (Market Communication) of our Company; and Rohit Goyal is AGM (Production) of our Company. For further details, see "*Capital Structure*", "*Our Management"* and "*Our Promoters and Promoter Group"* on pages 89, 236 and 255, respectively.

The table below sets forth the details of remuneration and shareholding of our Promoters, Directors, Key Managerial Personnel and Senior Management:

| Name and Designation | Number of Equity Shares | Pre - Offer Equity Share capital (*in %*) | Remuneration in Fiscal 2024 by our Company *(in ₹ million)* |
|---|---|---|---|
| Brijlal Goyal* | 18,536,250 | 7.69 | NA |
| Shashank Goyal* | 6,962,340 | 2.89 | 9.60 |
| Rohit Goyal* | 7,440,000 | 3.09 | NA |
| Suresh Kumar Goyal - Chairman and Executive Director* | 18,536,250 | 7.69 | 16.50 |
| Vikas Kumar Goyal - Managing Director and Chief Executive Officer* | 18,536,250 | 7.69 | 18.00 |
| Bhavesh Khetan - Executive Director and Chief Operating Officer | 4,666,660 | 1.94 | 6.75 |
| Anu Garg - Chief Financial Officer | 80,000 | 0.03 | 1.88# |
| Niraj Shrivastava - Company Secretary and Compliance Officer | Nil | Nil | Nil |
| Syed Ahmad Mehdi Husaini - Chief Marketing Officer | Nil | Nil | Nil |
| Pushpendra Singh Baghel - Vice President – - Direct Reduced Iron & Alloy | Nil | Nil | 1.58# |
| Mayank Agrawal - Assistant Vice President— Investor Relations | 20,000 | 0.01 | 1.52# |
| Upendra Kumar - Senior General Manager (Techno Commercial) | Nil | Nil | Nil |
| Bahadur Singh Rautela - Vice President – Hot Rolling Mill | Nil | Nil | 4.25# |
| Sheetal Goyal - Head – corporate social responsibility* | 19,088,660 | 7.92 | Nil |

**Also one of our Promoters*
*#Remuneration paid in their prior role*

Other than as disclosed above, none of our Promoters, Directors, Key Managerial Personnel and Senior Management hold Equity Shares in our Company. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and Senior Management, will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "*Capital Structure — Details of the Shareholding of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management*" and "*Our Management - Interest of Key Managerial Personnel and Senior Management*" on pages 109 and 254, respectively.

In addition to payment of remuneration, we have entered into related party transactions with our Promoters, Directors and Key Managerial Personnel for, among other things, payment of interest on unsecured loans and repayment of unsecured loans. For details, see *"Related Party Transactions"* on page 378. We enter into certain related party transactions in the ordinary course of our business, and we cannot assure you that such transactions will not adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

Additionally, our Promoters, Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal and Sheetal Goyal and certain members of the Promoter Group, have provided personal guarantees for certain of our borrowings and our business, results of operations, profitability and margins, cash flows and financial conditions may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings. For details, see "— *Our Promoters and members of the Promoter Group have provided guarantees in connection with our borrowings and the revocation of all or any of such guarantees may adversely affect our business, results of operations and financial condition*" on page 53.

Further, our Promoters are interested to the extent of consideration paid by our Company in the form of lease rent or other payments to them and the entities in which our Promoters and/or their relatives or entities are interested. For further details, see "*Our Promoter and Promoter Group—Interests of our Promoters*" on page 258.

**51. *We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.***

We have, in the last 12 months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Offer Price. For further details, see "*Capital Structure — Notes to Capital Structure – Issue of Equity Shares at a price lower than the Offer Price in the last one year"* on page 97.

**52. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

While we have not declared dividend in the last three Fiscals and from April 1, 2024, until the date of this Draft Red Herring Prospectus on the Equity Shares, however, any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, our dividend policy, financial condition, cash flows, sufficient profitability, working capital requirements, and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in the future consistent with our past practices, or at all. For details pertaining to dividends declared by our Company in the past, see "*Dividend Policy*" on page 264.

**53. *The withdrawal/ cessation/ reversal of benefits and exemptions availed by our Company could have a material adverse effect on our business, operations, prospects or financial results***

We benefit from the Export Promotion Capital Goods Scheme (the "**EPCG Scheme**"), which allows import of capital goods including spares for pre-production, production and post-production at zero customs duty, subject to the condition that we export goods of a defined amount pursuant to the grant of our license under the EPCG Scheme.

Set out below is the quantum of benefits that we have availed under certain government schemes and initiatives in the Financial Years indicated.

| Particulars | Financial Year 2024 | Financial Year 2023 | Financial Year 2022 |
|---|---|---|---|
| | *(in ₹ million)* | | |
| Benefits under EPCG Scheme | 1.82 | - | - |

The withdrawal/ cessation/ reversal of benefits could have a material adverse effect on our business, operations, prospects or financial results.

**54. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider them material to their assessment of our financial condition.***

Our Restated Financial Information for Fiscals 2024, 2023 and 2022, have been prepared and presented in conformity with Ind AS. Our Restated Financial Information have been compiled from the audited financial statements as of and for the year ended March 31, 2024 prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the Special Purpose Audited Financial Statements as of and for the year ended March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended prepared based on the audited financial statements as of and for the year ended March 31, 2022 and March 31, 2023 which was audited by the previous statutory auditors of our Company, *ADB & Company, Chartered Accountants* and prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("**Indian GAAP**"). Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP, and other accounting principles with which prospective investors may be familiar with in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**External Risks**

**55.** ***Adverse macroeconomic conditions in India and globally could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any slowdown in the Indian economy would materially and adversely affect our business, financial condition, results of operations and cash flows. An increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. Further, financial turmoil in United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy. Further, geopolitical developments in other regions of the world including the conflict between Ukraine and Russia and the Israel-Palestine conflict may also affect our business. Moreover, a potential China-Taiwan conflict could have adverse impacts on our customers thereby indirectly harming our business.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies; political instability, terrorism or military conflict in India or in countries in the region or globally; the occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

**56.** ***The emergence and effects related to a pandemic, epidemic or outbreak of an infectious disease could adversely affect our operations.***

We might be adversely affected by events outside of our control, including widespread public health issues, such as epidemic or pandemic infectious diseases, natural disasters such as earthquakes, floods or severe weather, political events such as terrorism, military conflicts and trade wars, and other catastrophic events. We face risks related to health epidemics and pandemics, including risks related to any responses thereto by the government of India, as well as our customers and suppliers.

Any future disruption in our ability to service our customers could have an adverse effect on our revenue, results of operations, and cash flows. We also face risks related to a downturn in our customers' respective businesses, due to government restrictions such as lockdowns. An economic slowdown or recession due to health epidemics and pandemics, including the recurrence of the COVID-19 pandemic or a similar variant of the disease, may affect our customers' ability to obtain credit to finance their business on acceptable terms, which could result in reduced spending on our product offerings.

**57.** ***Any adverse change in India's sovereign credit rating by an international rating agency could adversely affect our business and results of operations.***

Our borrowing costs and our access to the international debt capital markets depend significantly on India's sovereign ratings. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. Any adverse revisions to India's credit ratings by international rating agencies may adversely affect the terms on which we are able to raise additional finances or refinance any existing indebtedness. This could have an adverse effect on our business growth and financial performance, ability to obtain financing and the price of the Equity Shares.

**58.** ***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. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules or regulations and policies applicable to us and our business could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. In such instances, our business, results of operations, profitability and margins, cash flows and financial condition may be adversely affected to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may adversely affect our future business, results of operations, profitability and margins, cash flows and financial condition.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may adversely affect our future business, prospects, results of operations and financial condition. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

**59.** ***If inflation rises in India, increased costs could result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. While the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees and other expenses.

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, results of operations, profitability and margins, cash flows and financial condition. In particular, we might not be able to control the increase in our expenses related to salaries or wages payable to our employees or increase the price of our services to pass the increase in costs on to our customers. In such case, our business, results of operations, profitability and margins, cash flows and financial condition may be adversely affected.

**60.** ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") prohibits any anti-competitive agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. 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 provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India ("**CCI**"). The Competition Act was amended in April 2023 and the amendment strengthens the merger control by providing for faster timelines for merger approvals and strengthens the punishment for violations. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, results of operations, profitability and margins, cash flows and financial condition.

61. ***Changes in tax and other laws may materially and adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, may adversely affect our business, results of operations, profitability and margins, cash flows and financial conditions, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For details in relation to the regulations and policies which affect our business and operations, see "*Key Regulations and Policies*" on page 224. The GoI introduced new labor laws relating to social security (Code on Social Security, 2020), occupational safety (Occupational Safety, Health and Working Conditions Code, 2020), industrial relations (Industrial Relations Code, 2020) and wages (Code on Wages, 2019), which were to take effect from April 1, 2021. The GoI has notified the effective date of implementation of certain provisions of the Code on Wages, 2019 and Code on Social Security, 2020, it has deferred the effective date of implementation of the other labor laws listed above, and they shall come into force from such dates as may be notified. Further, the Government of India has introduced the Bharatiya Nyaya Sanhita, 2023, the Bharatiya Nagarik Suraksha Sanhita, 2023 and the Bharatiya Sakshya Adhiniyam, 2023, which have replaced the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively, which have received the assent of the President of India on December 25, 2023 and have come into effect from July 1, 2024. The effect of the provisions of these on us and the litigations involving us cannot be predicted with certainty at this stage.

In addition. earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company. Such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the Income Tax Act, 1961 to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Uncertainty in the applicability, interpretation, implementation or compliance costs of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may impact the viability of our current businesses, adversely affect our reputation and restrict our ability to grow our businesses in the future. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial conditions.

***Risk relating to the Equity Shares and the Offer***

62. ***The Offer Price may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices. You may be unable to resell the Equity Shares you purchase in the Offer at or above the Offer Price or at all.***

The Offer Price may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors:

- quarterly variations in our results of operations;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- changes in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

- announcements by third-parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of Key Managerial Personnel and Senior Management;
- a downgrade in the Government's credit rating;
- changes in exchange rates;
- fluctuations in stock market prices and volumes; and
- general economic and stock market conditions.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures — Price information of past issues handled by the Book Running Lead Managers*" on page 395.

You may be unable to resell the Equity Shares you purchase in the Offer at or above the Offer Price or at all.

**63.** ***Investors may have difficulty enforcing foreign judgments against our Company or our management.***

Our Company is incorporated under the laws of India as a company limited by shares. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with certain countries including the United Kingdom, the United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

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

A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and 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 Finance Act, 2020, has, among other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The 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 from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. 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.

The Government of India has recently announced the Union Budget for Fiscal 2025 ("**Budget**"), pursuant to which, the Finance Act, 2024 was notified on August 16, 2024, which inter alia, amends the capital gains tax rates, with effect from the date of announcement of the Budget. Bidders are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations may materially and adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors 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/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, profitability and margins, cash flows and 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 pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**66.** ***Any future issuance of Equity Shares or convertible securities or any other equity linked instruments may dilute your shareholding and adversely affect the trading price of the Equity Shares and sales of the Equity Shares by our major Shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares, may lead to the dilution of an investor's shareholdings in us. Any future issuances of Equity Shares or the disposal of Equity Shares by our major 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. We cannot assure you that we will not issue further Equity Shares or that major Shareholders will not dispose of Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares.

**67.** ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are permitted (subject to certain 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert 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 authorities.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)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, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Neither the Consolidated FDI Policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change may differ in practice, which may have an adverse effect on our ability to raise foreign capital.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 434.

**68.** ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 123 and the Offer Price determined by the Book Building Process may not be indicative of the market price for the Equity Shares after the Offer.

The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**69.** ***Pursuant to listing of our Equity Shares on the Stock Exchanges, our Company may be subject to pre-emptive surveillance measures such as additional surveillance measures and graded surveillance measures by the Stock Exchanges.***

The SEBI and the Stock Exchanges, in the past, have introduced various enhanced pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to maintain market integrity and detect 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 introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**") on Listed Securities.

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as share price, 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 and overall financial position of the concerned listed company, the Listed Securities of which are subject to GSM.

For further details in relation to the ASM and GSM Surveillance Measures, including criteria for shortlisting and review of Listed Securities, exemptions from shortlisting and frequently asked questions (FAQs), among other details, refer to the websites of the NSE and the BSE. Also see "*Definitions and Abbreviations*" on page 1.

We cannot assure you that our Equity Shares will not be subject to the ASM and GSM Surveillance Measures by the Stock Exchanges. If the ASM and GSM Surveillance Measures are implemented, it is possible that the investors in our Equity Shares may experience a decline in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows. Investors may not be able to sell our Equity Shares and be subject to restrictions in trading of the Equity Shares, due to implementation of the ASM and GSM Surveillance Measures. 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.

**70. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. In accordance with current regulations and circulars issued by SEBI, the Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing and trading of the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of the Equity Shares after the Offer 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. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after the Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

**72. *A third-party could be prevented from acquiring control of us post Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. 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 our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

## SECTION III: INTRODUCTION

### THE OFFER

The details of the Offer are summarized below.

| | |
|---|---|
| **Offer of Equity Shares(1)(2)(6)** | Up to [●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ 5,400.00 million |
| *of which*: | |
| Fresh Issue (1) (6) | Up to [●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ 4,400.00 million |
| Offer for Sale (2) | Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 1,000 million |
| *of which:* | |
| Employee Reservation Portion(7) | Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million |
| Net Offer | Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million |
| | |
| **The Net Offer consists of:** | |
| **A) QIB Portion (3) (5)** | Not more than [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million |
| *of which*: | |
| Anchor Investor Portion | Up to [●] Equity Shares of face value ₹ 10 each |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares of face value ₹ 10 each |
| *of which:* | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | [●] Equity Shares of face value ₹ 10 each |
| (b) Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares of face value ₹ 10 each |
| **B) Non-Institutional Portion(4)(5)** | Not less than [●] Equity Shares of face value ₹ 10 each |
| *of which:* | |
| One-third of the shall be available for allocation to Bidders with an application size more than ₹ 200,000 to ₹ ₹1,000,000 | [●] Equity Shares of face value ₹ 10 each |
| Two-third of the shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 | [●] Equity Shares of face value ₹ 10 each |
| **C) Retail Portion (5)** | Not less than [●] Equity Shares of face value ₹ 10 each |
| | |
| **Pre and post-Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus) | 241,002,000 Equity Shares of face value ₹ 10 each |
| Equity Shares outstanding after the Offer | [●] Equity Shares of face value ₹ 10 each |
| | |
| **Use of Net Proceeds** | See "*Objects of the Offer*" on page 112 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale. |

*(1) The Offer has been authorized by our Board pursuant to a resolution adopted at its meeting held on September 5, 2024 and the Fresh Issue has been approved by our Shareholders pursuant to a special resolution adopted at their meeting held on September 12, 2024, in accordance with Section 62(1)(c) of the Companies Act, 2013.*

*(2) Our Board has taken on record the consent of each of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to its resolution dated September 30, 2024. Each of the Selling Shareholders have, severally and not jointly, specifically authorized their respective participation in the Offer for Sale to the extent of their respective portion of the Offered Shares pursuant to their respective consent letters. The details of such authorisations are provided below:*

| Name of the Selling Shareholder | Aggregate amount of Offer for Sale | Number of Equity Shares offered in the Offer for Sale | Date of consent letter |
|---|---|---|---|
| Shashank Goyal | Up to ₹ 100.00 million | Up to [●]Equity Shares of face value of ₹10 each | September 30, 2024 |
| Rohit Goyal | Up to ₹ 100.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |
| Kaushlya Goyal | Up to ₹ 100.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |
| Harsheet Goyal | Up to ₹ 100.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |
| Rinku Goyal | Up to ₹ 600.00 million | Up to [●] Equity Shares of face value of ₹10 each | September 30, 2024 |

*The Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulations 8 of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus.*

(3) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 413.*

(4) *Further, (a) one-third of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000 and (b) two-third of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 1,000,000. 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 NIBs. The allocation to each NIB shall not be less than the applicable minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

(5) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Non Institutional Bidder and Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Non Institutional Portion and the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 413.*

(6) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(7) *The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). Such portion shall not exceed 5% of the post-Offer Equity Share capital of our Company. An Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or the Retail Portion and such Bids will not be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. Further, our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees, which shall be announced at least two Working Days prior to the Bid /Offer Opening Date. For details, see "Offer Structure" on page 409.*

For details, including in relation to grounds for rejection of Bids, see "*Offer Procedure*" on page 413. For details of the terms of the Offer, see "*Terms of the Offer*" on page 402.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 265 and 344, respectively.

*(Remainder of this page has been intentionally left blank)*

## SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

*(in ₹ million, except where stated otherwise)*

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| **ASSETS** | | | |
| **A. Non-current assets** | | | |
| (a) Property, plant and equipment | 3,367.36 | 2,940.38 | 2,352.79 |
| (b) Capital work-in-progress | 2,156.08 | 215.08 | 166.96 |
| (c) Other intangible assets | 0.51 | 1.28 | 1.87 |
| (d) Financial assets | | | |
| (i) Loans | 0.90 | 0.49 | 0.19 |
| (ii) Other financial assets | 152.74 | 86.78 | 58.24 |
| (e) Other non-current assets | 570.63 | 213.64 | 115.12 |
| **Total non-current assets (A)** | **6,248.22** | **3,457.65** | **2,695.17** |
| **B. Current assets** | | | |
| (a) Inventories | 1,490.59 | 1,414.47 | 1,215.12 |
| (b) Financial assets | | | |
| (i) Investments | - | - | - |
| (ii) Trade receivables | 940.97 | 345.65 | 156.44 |
| (iii) Cash & cash equivalents | 75.84 | 1.97 | 0.60 |
| (iv) Bank balances other than (iii) above | 354.03 | 75.06 | 83.29 |
| (v) Loans | 4.65 | 1.77 | 1.88 |
| (vi) Other financial assets | 16.75 | 3.62 | 1.96 |
| (c) Other current assets | 270.29 | 221.17 | 430.63 |
| **Total current assets (B)** | **3,153.12** | **2,063.71** | **1,889.92** |
| **Total Assets (A+B)** | **9,401.34** | **5,521.36** | **4,585.09** |
| **EQUITY & LIABILITIES** | | | |
| **A. Equity** | | | |
| (a) Equity share capital | 2,410.02 | 200.90 | 200.90 |
| (b) Other equity | 1,972.80 | 1,903.07 | 1,292.07 |
| **Total equity (A)** | **4,382.82** | **2,103.97** | **1,492.97** |
| **Liabilities** | | | |
| **B. Non-current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 1,814.28 | 1,689.92 | 1,365.00 |
| (ii) Lease liabilities | 35.35 | 22.36 | 2.04 |
| (b) Provisions | 14.01 | 8.46 | 8.94 |
| (c) Deferred tax liabilities (net) | 187.50 | 142.07 | 97.02 |
| **Total non-current liabilities (B)** | **2,051.14** | **1,862.81** | **1,473.00** |
| **C. Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 1,654.48 | 1,137.80 | 1,047.88 |
| (ii) Lease liabilities | 1.29 | 0.45 | 1.48 |
| (iii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 17.98 | 1.26 | 8.13 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 959.70 | 281.59 | 301.65 |
| (iv) Other financial liabilities | 127.61 | 68.73 | 49.42 |
| (b) Other current liabilities | 134.79 | 56.54 | 79.88 |
| (c) Provisions | 2.48 | 1.49 | 0.29 |
| (d) Current tax liabilities (net) | 69.05 | 6.72 | 130.39 |
| **Total current liabilities (C)** | **2,967.38** | **1,554.58** | **1,619.12** |
| **Total liabilities (B+C)** | **5,018.52** | **3,417.39** | **3,092.12** |
| **Total Equity & Liabilities (A+B+C)** | **9,401.34** | **5,521.36** | **4,585.09** |

## SUMMARY OF THE RESTATED STATEMENTS OF PROFIT AND LOSS

(*in ₹ million, except where stated otherwise*)

| Particulars | For the year ended | | |
|---|---|---|---|
| | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| **I. Income** | | | |
| (a) Revenue from operations | 12,857.57 | 9,372.20 | 8,193.49 |
| (b) Other income | 36.18 | 17.84 | 14.04 |
| **Total income (I)** | **12,893.75** | **9,390.04** | **8,207.53** |
| **II. Expenses** | | | |
| (a) Cost of materials consumed | 8,287.16 | 6,700.23 | 6,344.50 |
| (b) Purchases of stock-in-trade | 1,056.93 | 569.19 | 135.44 |
| (c) Changes in inventories of stock-in-trade and finished goods | (142.25) | (302.41) | (281.87) |
| (d) Employee benefits expense | 571.33 | 414.61 | 234.65 |
| (e) Finance costs | 318.15 | 218.16 | 191.24 |
| (f) Depreciation and amortization expense | 209.10 | 161.51 | 101.20 |
| (g) Other expenses | 1,485.68 | 817.58 | 515.62 |
| **Total expenses (II)** | **11,786.10** | **8,578.87** | **7,240.78** |
| **III. Profit before exceptional item and tax (I - II)** | **1,107.65** | **811.17** | **966.75** |
| **IV. Exceptional item** | - | - | - |
| **V. Profit before tax (III- IV)** | **1,107.65** | **811.17** | **966.75** |
| **VI. Tax expense :** | | | |
| (a) Current tax | 238.24 | 164.71 | 200.07 |
| (b) Deferred tax | 45.02 | 42.63 | 45.60 |
| **Total tax expense** | **283.26** | **207.34** | **245.67** |
| **VII. Profit for the year (V - VI)** | 824.39 | 603.83 | 721.08 |
| **VIII. Other comprehensive income** | | | |
| Items that will not be reclassified to the statement of profit or loss | | | |
| a. Remeasurement gains / (losses) on the defined benefit plans | 1.64 | 9.59 | (1.02) |
| b. Income tax relating to above | (0.41) | (2.42) | 0.26 |
| **Total other comprehensive income for the year (net of tax)** | **1.23** | **7.17** | **(0.76)** |
| **IX. Total comprehensive income for the year (VII + VIII)** | **825.62** | **611.00** | **720.32** |
| **X. Earnings per equity share face value per equity share INR 10/- (March 31,2023 INR 10/-) (March31,2022 INR 10/-)** | | | |
| Basic (In INR) | 3.79 | 3.01 | 3.59 |
| Diluted (In INR) | 3.79 | 3.01 | 3.59 |

## SUMMARY OF THE RESTATED STATEMENT OF CASH FLOW

(*in ₹ million, except where stated otherwise*)

| Particulars | For the year ended | | |
|---|---|---|---|
| | March 31,2024 | March 31, 2023 | March 31, 2022 |
| **A. Cash flow from operating activities** | | | |
| **Profit before tax** | **1,107.65** | **811.17** | **966.75** |
| **Adjustments for:** | | | |
| Depreciation and amortisation expenses | 209.09 | 161.51 | 101.19 |
| Loss on sale of property, plant & equipment (net) | 3.25 | 1.65 | 0.83 |
| Balance written off for receivables & advances | 0.68 | 0.43 | - |
| Allowance for doubtful debts, loans, advances and others | 0.08 | 0.08 | 0.17 |
| Fair value amortisation on loan to employees | 0.09 | 0.07 | 0.01 |
| Gain on sale of current investments | (2.68) | - | - |
| Gain on account of remeasurement in lease term | (0.07) | (0.20) | - |
| Finance cost | 304.28 | 213.83 | 180.94 |
| Interest income | (22.95) | (8.70) | (6.86) |
| **Operating profit before working capital changes** | **1,599.42** | **1,179.84** | **1,243.03** |
| **Adjustments for:** | | | |
| (Increase)/ decrease in loans | (3.39) | (0.26) | (1.05) |
| (Increase)/ decrease in other financial assets | (63.66) | (16.68) | (18.97) |
| (Increase)/ decrease in other assets | (49.14) | 209.36 | (37.72) |
| (Increase)/ decrease in inventories | (76.11) | (199.34) | (860.34) |
| (Increase)/ decrease in trade receivables | (596.09) | (189.72) | (80.47) |
| Increase / (decrease) in provisions | 8.19 | 10.28 | 4.48 |
| Increase / (decrease) in trade payables | 694.83 | (26.92) | 167.68 |
| Increase / (decrease) in other financial liabilities | 13.14 | 3.48 | 7.48 |
| Increase / (decrease) in other current liabilities | 78.24 | (23.33) | 18.92 |
| **Cash flow from operations** | **1,605.43** | **946.71** | **443.04** |
| Less : Income tax paid (net) | (181.15) | (291.19) | (98.09) |
| **Net cash generated from operating activities (A)** | **1,424.28** | **655.52** | **344.95** |
| **B. Cash flow from investing activities** | | | |
| Payments for purchase of property plant and equipment including capital work-in-progress, intangible assets and capital advances | (2,849.29) | (871.04) | (988.72) |
| Proceeds from sale of property plant and equipment and intangible assets | 2.06 | 18.63 | 1.90 |
| Investment/(matured) in fixed deposit (net) | (282.76) | (3.77) | (21.90) |
| Investment in subsidiary | 0.10 | - | - |
| Proceed from sales of investment in subsidiary | (0.10) | - | - |
| Purchase of current investments | (500.00) | - | - |
| Proceeds from sale of current investments | 502.68 | - | - |
| Interest received | 11.31 | 7.18 | 6.24 |
| **Net cash (used in) / from investing activities (B)** | **(3,116.00)** | **(849.00)** | **(1,002.48)** |
| **C. Cash flow from financing activities (refer note 45)** | | | |
| Proceeds from non-current borrowings | 1,240.69 | 979.47 | 1,312.19 |
| Repayment of non-current borrowings | (1,081.40) | (577.40) | (1,023.74) |
| Proceeds / (repayment) of current borrowings (net) (excluding current maturities of non-current borrowings) | 481.75 | 12.76 | 544.63 |
| Repayment towards principal portion of lease liabilities | (0.45) | (1.59) | (0.39) |
| Payment of interest on lease liabilities | (2.18) | (1.32) | (0.07) |
| Proceeds from issue of equity shares (Refer Note 17) | 1,503.71 | - | - |
| Share issue expenses | (50.48) | - | - |
| Finance cost paid | (326.05) | (217.07) | (175.78) |
| **Net cash (used in)/ from financing activities (C)** | **1,765.59** | **194.85** | **656.84** |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **73.87** | **1.37** | **(0.69)** |
| Cash and cash equivalents at the beginning of the year | 1.97 | 0.60 | 1.29 |
| **Cash and cash equivalents at the end of the year** | **75.84** | **1.97** | **0.60** |

# GENERAL INFORMATION

**Registered and Corporate Office of our Company**

**Sambhv Steel Tubes Limited**
Office No. 501 to 511,
Harshit Corporate, Amanaka,
Raipur 492 001,
Chhattisgarh, India.

CIN: U27320CT2017PLC007918

**Details of incorporation and changes in the name of our Company**

For details on our incorporation and changes to our name and registered office, see "*History and Certain Corporate Matters"* on page 229.

**Address of the RoC**

Our Company is registered with the RoC, situated at 1st Floor, Ashok Pingley Bhawan, Municipal Corporation, Nehru Chowk, Bilaspur- 495001, Chhattisgarh.

**Board of Directors**

As of the date of this Draft Red Herring Prospectus, the Board of Directors comprises the following:

| S. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 1. | Suresh Kumar Goyal | Chairman and Executive Director | 00318141 | House No. A-42, Walfort City, Ring Road No. 1, Bhatagaon, Raipur, Chhattisgarh 492 013, India |
| 2. | Vikas Kumar Goyal | Managing Director and Chief Executive Officer | 00318182 | A-43, Wallfort City, Bhatagaon, PO: Sunder Nagar, Raipur, Chhattisgarh 492 013, India |
| 3. | Bhavesh Khetan | Executive Director and Chief Operating Officer | 10249740 | E-18, Behind Krishana Adlab Cinema, Samta Colony, in front of Sankalp Vatika Garden, Raipur, Chhattisgarh 492 001, India |
| 4. | Nidhi Thakkar | Independent Director | 07587986 | 602, block D2, VIP Karishma Khamardih, Shankar Nagar, Raipur, Chhattisgarh 492 007, India |
| 5. | Manoj Khetan | Independent Director | 06395265 | A-9, 603, Flower Velly, Panchpakhedi, Cadbury Junction Thane, Naupada, Thane, Maharashtra 400 602, India |
| 6. | Kishore Kumar Singh | Independent Director | 00097156 | E-1/115, Arera Colony, Huzur, R.S. Nagar, Bhopal, Madhya Pradesh 462 016, India |

For further details of our Board, see "*Our Management*" on page 236.

**Company Secretary and Compliance Officer**

**Niraj Shrivastava**
Sambhv Steel Tubes Limited
Office No. 501 to 511
Harshit Corporate, Amanaka
Raipur 492 001
Chhattisgarh, India
**Tel**: +91 771 2222 360
**E-mail**: cs@sambhv.com

**Filing of this Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular. Physical copies of this Draft Red Herring Prospectus will also be filed with the 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 shall be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

**Book Running Lead Managers**

**Nuvama Wealth Management Limited**
801 - 804, Wing A, Building No 3,
Inspire BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai – 400 051
Maharashtra, India
**Tel**: + 91 22 4009 4400
**E-mail**: sambhv.ipo@nuvama.com
**Website**:www.nuvama.com
**Investor grievance e-mail**: customerservice.mb@nuvama.com
**Contact person**: Pari Vaya
**SEBI Registration No.**: INM000013004

**Motilal Oswal Investment Advisors Limited**
Motilal Oswal Tower, Rahimtullah
Sayani Road, Opposite Parel ST Depot
Prabhadevi, Mumbai 400 025
Maharashtra, India
**Tel:** +91 22 7193 4380
**E-mail:** sambhv@motilaloswal.com
**Website:** www.motilaloswalgroup.com
**Investor grievance e-mail:**
moiaplredressal@motilaloswal.com
**Contact person:** Ritu Sharma/Sankita Ajinkya
**SEBI Registration No.:** INM000011005

**Syndicate Members**

[●]

**Legal Advisers to our Company as to Indian Law**

**S&R Associates**
Max House, Tower C, 4th Floor
Okhla Industrial Estate, Phase III
New Delhi 110 020, India
**Tel:** +91 11 4069 8000

**Statutory Auditors of our Company**

**S S Kothari Mehta & Co. LLP**
Plot No.68, Okhla Industrial Area, Phase III,
New Delhi -110020
**Tel.**: +91 11 4670 8888
**E-mail**: delhi@sskmin.com
**Firm Registration No.**: 000756N/N500441
**Peer Review Certificate No.**: 014441

**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:

| Name of Auditor | Date of Change | Reason for Change |
|---|---|---|
| **S S Kothari Mehta and Co. LLP**<br>Plot No.68, Okhla Industrial Area, Phase III,<br>New Delhi -110020<br>**Firm Registration No.**: 000756N/N500441<br>**Peer Review Certificate No.**: 014441 dated August 3, 2022 | September 18, 2024 | Re-appointment |
| **S S Kothari Mehta and Co. LLP**<br>Plot No.68, Okhla Industrial Area, Phase III,<br>New Delhi -110020<br>**Firm Registration No.**: 000756N/ N500441<br>**Peer Review Certificate No.**: 014441 dated August 3, 2022 | March 25, 2024 | Appointment due to casual vacancy |
| **A D B & Company, Chartered Accountants**<br>First floor, Mahavir Gaushala Complex,<br>K.K. Road, Moudhapara, Raipur, Chhattisgarh-492 001<br>**Firm Registration No.**: 005593C<br>**Peer Review Certificate No.**: 012288 dated July 20, 2020 | February 20, 2024 | Resigned due to pre-occupation in other assignments and other unavoidable circumstances |

**Registrar to the Offer**

**KFin Technologies Limited**
Selenium, Tower-B
Plot No. 31 & 32, Gachibowli
Financial District
Nanakramguda, Hyderabad
Telangana 500 032, India
**Tel**: +91 40 6716 2222
**Website**: www.kfintech.com
**E-mail**: sstl.ipo@kfintech.com
**Investor grievance e-mail**: einward.ris@kfintech.com
**Contact person**: M. Murali Krishna
**SEBI Registration No.**: INR000000221

**Banker(s) to the Offer**

***Escrow Collection Bank(s)***

**[●]**

***Refund Bank(s)***

**[●]**

***Public Offer Account Bank(s)***

**[●]**

***Sponsor Banks***

**[●]**

**Bankers to our Company**

**State Bank of India**
Commercial Branch, 2nd floor
Pujari Chambers, Pachpedinaka
Raipur 492 001
Chhattisgarh, India

**Axis Bank Limited**
Wholesale banking service unit, main branch
1st floor, Pandri, Jeevan Bima Marg
Raipur 492 001
Chhattisgarh, India

**Tel:** +91 771 4040128
**E-mail**: anshu.singh@sbi.co.in
**Website**: sbi.co.in
**Contact Person:** Anshu Kumar Singh

**Tel:** +91 78944 09190, +91 90227 47933
**E-mail:** sushmita.patnaik@axisbank.com, rahul.gandhi@axisbank.com
**Website**: www.axisbank.com
**Contact Person:** Sushmita Patnaik, Rahul Gandhi

**Kotak Mahindra Bank Limited**
2nd floor, 27 BKC, C-27
G-Block, Bandra Kurla Complex, Bandra (E)
Mumbai
Maharashtra, India
**Tel:** +91 22 0616 61203
**E-mail:** prachi.kothari1@kotak.com
**Website:** www.kotak.com
**Contact Person:** Prachi Kothari

**Yes Bank Limited**
4th floor, Pujari Chamber
C Building, Right Wing
Tagore Nagar, Dhamtari road
near Pachpedi Naka, Raipur, Chhattisgarh – 492 001
**Tel:** +91 90098 06000
**E-mail**: kunal.baghel@yesbank.in, somu.agrawal@yesbank.in
**Website:** www.yesbank.in

**HDFC Bank Limited**
Plot No 280, 1st Floor
Mahadev Ghat Road, Sunder Nagar
Raipur – 492 013, Chhattisgarh, India
**Tel:** +91 88894 11911
**Email:** abhishekk.shekhar@hdfcbank.com
**Website:** www.hdfcbank.com/
**Contact Person:** Abhishek Shekhar

**Union Bank of India**
Mid-Corporate Branch
LIC Investment Building
Phase III, 3rd Floor, Pandri
Raipur, Chhattisgarh, India
**Tel:** +91 98443 02803
**Email:** ubin0573361@unionbankofindia.bank
**Website:** https://www.unionbankofindia.co.in
**Contact Person:** Rajeev Lal Madaan

**Federal Bank Limited**
Shankar Nagar Branch 18/1421
New Shanti Nagar, Shankar Nagar
Raipur 492 007
Chhattisgarh, India
**Tel:** +91 98316 32616
**Email:** alokkumar@federalbank.co.in
**Website:** https://www.federalbank.co.in
**Contact Person:** Alok Kumar Singh

**Designated Intermediaries**

***SCSBs and mobile applications enabled for UPI mechanism***

The banks registered with the SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Offer 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 no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investors 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 (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, as updated from time to time.

**Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, 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 Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

**CDPs**

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 websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

**Credit Rating**

As the Offer is an initial public offering of Equity Shares, the appointment of a credit rating agency is not required.

**IPO Grading**

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

**Debenture Trustees**

As the Offer is an initial public offering of Equity Shares, the appointment of debenture trustees is not required.

**Monitoring Agency**

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a credit rating agency registered with SEBI as the monitoring agency for the Fresh Issue prior to the filing of the Red Herring Prospectus with the RoC. The details of the monitoring agency shall be included in the Red Herring Prospectus.

**Appraising Agency**

The objects of the Offer for which the Net Proceeds will be utilized have not been appraised by any agency.

**Green Shoe Option**

No green shoe option is contemplated under the Offer.

**Experts**

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

Our Company has received written consent dated September 30, 2024 from the Statutory Auditors to include their name as required under the Companies Act in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of their (i) examination report dated September 28, 2024 on the Restated Financial Information; and (ii) the statement of possible special tax benefits dated September 30, 2024, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 30, 2024 from the Independent Chartered Accountants to include their name as required under the Companies Act in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 30, 2024 from Rohtash Agrawal & Co., practising company secretary to include their name as the independent practicing company secretary as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 30, 2024 from Prakash Upadhyay, chartered engineer to include their name as the independent chartered engineer as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

**Inter-se Allocation of Responsibilities between the BRLMs**

The table below sets forth the *inter-se* allocation of responsibilities for various activities among the BRLMs.

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

| S. No. | Activity | Responsibility | Coordination |
|---|---|---|---|
| 1. | Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing. | Nuvama and Motilal Oswal | Nuvama |
| 2. | Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc. | Nuvama and Motilal Oswal | Nuvama |
| 3. | Drafting and approval of all statutory advertisements | Nuvama and Motilal Oswal | Nuvama |
| 4. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report with SEBI | Nuvama and Motilal Oswal | Motilal Oswal |
| 5. | Appointment of Registrar and Ad agency (including coordination of agreements) | Nuvama and Motilal Oswal | Nuvama |
| 6. | Appointment of intermediaries - Banker(s) to the Offer, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries | Nuvama and Motilal Oswal | Motilal Oswal |
| 7. | Preparation of road show presentation and frequently asked questions | Nuvama and Motilal Oswal | Motilal Oswal |
| 8. | International institutional marketing of the Offer, which will cover, *inter alia*:<br>Marketing strategy;<br>Finalizing the list and division of investors for one-to-one meetings; and<br>Finalizing international road show and investor meeting schedule | Nuvama and Motilal Oswal | Motilal Oswal |
| 9. | Domestic institutional marketing of the Offer, which will cover, *inter alia*:<br>Finalizing the list and division of investors for one-to-one meetings; and<br>Finalizing road show and investor meeting schedule | Nuvama and Motilal Oswal | Nuvama |
| 10. | Non-Institutional marketing of the Issue, which will cover, *inter alia*: | Nuvama and Motilal Oswal | Nuvama |
| 11. | Retail marketing of the Offer, which will cover, inter alia,<br>Finalizing media, marketing and public relations strategy;<br>Finalising collection centres<br>Finalising centres for holding conferences for brokers etc.<br>Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material | Nuvama and Motilal Oswal | Motilal Oswal |
| 12. | Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation | Nuvama and Motilal Oswal | Motilal Oswal |
| 13. | Managing the book and finalization of pricing in consultation with the Company | Nuvama and Motilal Oswal | Nuvama |

| S. No. | Activity | Responsibility | Coordination |
|---|---|---|---|
| 14. | Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable.<br>Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI | Nuvama and Motilal Oswal | Motilal Oswal |

**Book Building Process**

Book building process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid Lot. The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and shall be advertised [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 413.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders 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. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and can withdraw their Bids on or before the Bid/Offer Closing Date. Except for allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Date. Allocation to the Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as prescribed under the SEBI ICDR Regulations. See "*Offer Structure*" and "*Offer Procedure*" on pages 409 and 413, respectively.**

Except for Allocation to RIBs, NIBs and Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For allocation to the Non-Institutional Bidders, the following shall be followed:

a) One-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and

b) Two-thirds of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 1,000,000.

Provided that the unsubscribed portion in either of the sub-categories specified under clauses (a) or (b), may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

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

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

**Bidders should note that the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and filing of the Prospectus with the RoC.**

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 409 and 413 respectively.

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

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure"* on page 413.

**Underwriting Agreement**

The Underwriting Agreement has not been executed as of the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters, for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be in accordance with the Underwriting Agreement. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below:

*(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)*

| Name, Address, Telephone Number and E-mail Address of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten *(in ₹ million)* |
|---|---|---|
| [●] | [●] | [●] |

The abovementioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment and the allocation of Equity Shares, subject to and in accordance with the provisions of the SEBI ICDR Regulations.

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

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity shares allocated to Bidders procured by them in accordance with the Underwriting Agreement.

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

*(Remainder of this page has been intentionally left blank)*

## CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Red Herring Prospectus, is disclosed below.

*(in ₹, except share data)*

| S. No. | Particulars | Aggregate Value at Face Value (*in ₹*) | Aggregate Value at Offer Price* |
|---|---|---|---|
| **A.** | **AUTHORIZED SHARE CAPITAL**(1) | | |
| | 1,000,000,000 Equity Shares of face value of ₹10 each | 10,000,000,000 | - |
| | | | |
| **B.** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER** | | |
| | 241,002,000 Equity Shares of face value of ₹10 each | 2,410,020,000 | - |
| | | | |
| **C.** | **PRESENT OFFER** | | |
| | Offer of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹5,400.00 million(2)(3)(4) | [●] | [●] |
| | *which includes* | | |
| | Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 4,400.00 million(3) | [●] | [●] |
| | Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹1,000.00 million(3)(4) | [●] | [●] |
| | *Offer includes* | | |
| | Employee Reservation Portion of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] million (5) | | |
| | Net Offer of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million | | |
| | | | |
| **D.** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***# | | |
| | [●] Equity Shares of face value of ₹10 each | [●] | - |
| | | | |
| **E.** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer | Nil | |
| | After the Offer* | [●] | |

* *To be included upon finalization of Offer Price.*

\# *Assuming full subscription in the Offer.*

(1) *For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see "History and Certain Corporate Matters - Amendments to our Memorandum of Association in the last 10 years" on page 230.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(3) *The Offer has been authorized by our Board pursuant to a resolution adopted at its meeting held on September 5, 2024 and the Fresh Issue has been approved by our Shareholders pursuant to a special resolution adopted at their meeting held on September 12, 2024, in accordance with Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 30, 2024.*

(4) *Each of the Selling Shareholders, severally and not jointly, has specifically confirmed that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. Each of the Selling Shareholders has, severally and not jointly authorised its respective participation in the Offer for Sale pursuant to its respective consent letters. For details on the authorizations and consents of each of the Selling Shareholders in relation to its respective portion of Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures – Authority for the Offer" on pages 75 and 387, respectively.*

(5) *The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). An Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or the Retail Portion and such Bids will not be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. Further, our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees, which shall be announced at least two Working Days prior to the Bid /Offer Opening Date. For details, see "Offer Structure" on page 409.*

**Notes to Capital Structure**

1. **Share Capital History of our Company**

(a) ***Equity share capital***

The history of the equity share capital of our Company is disclosed below:

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td>May 2, 2017[(1)]</td><td>10,000</td><td>10</td><td>10</td><td>Allotment pursuant to initial subscription to the Memorandum of Association</td><td>Cash</td><td>10,000</td><td>1,00,000</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Suresh Kumar Goyal</td><td>5,000</td></tr>
<tr><td>2.</td><td>Vikas Kumar Goyal</td><td>5,000</td></tr>
</table>
</td></tr>
<tr><td>June 15, 2017</td><td>5,480,000</td><td>10</td><td>10</td><td>Private placement</td><td>Cash</td><td>5,490,000</td><td>54,900,000</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Brijlal Goyal</td><td>1,000,000</td></tr>
<tr><td>2.</td><td>Kaushlya Goyal</td><td>400,000</td></tr>
<tr><td>3.</td><td>Suresh Kumar Goyal</td><td>800,000</td></tr>
<tr><td>4.</td><td>Ashish Goyal</td><td>865,000</td></tr>
<tr><td>5.</td><td>Suman Goyal</td><td>230,000</td></tr>
<tr><td>6.</td><td>Rinku Goyal</td><td>450,000</td></tr>
<tr><td>7.</td><td>Sheetal Goyal</td><td>630,000</td></tr>
<tr><td>8.</td><td>Archana Goyal</td><td>480,000</td></tr>
<tr><td>9.</td><td>Brijlal Goyal & Sons HUF</td><td>10,000</td></tr>
<tr><td>10.</td><td>Suresh Kumar Goyal & Sons HUF</td><td>100,000</td></tr>
<tr><td>11.</td><td>Ashish Kumar Goyal (HUF)</td><td>450,000</td></tr>
<tr><td>12.</td><td>Vikas Goyal & Sons (HUF)</td><td>65,000</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td>July 27, 2017</td><td>2,500,000</td><td>10</td><td>10</td><td>Private placement</td><td>Cash</td><td>7,990,000</td><td>79,900,000</td><td><table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Ganpati Sponge Iron Private Limited</td><td>2,500,000</td></tr>
</table></td></tr>
<tr><td>October 30, 2017</td><td>7,882,000</td><td>10</td><td>10</td><td>Allotment pursuant to conversion of unsecured loan into Equity Shares(2)</td><td>Cash</td><td>1,58,72,000</td><td>158,720,000</td><td><table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Brijlal Goyal</td><td>750,000</td></tr>
<tr><td>2.</td><td>Kaushlya Goyal</td><td>365,000</td></tr>
<tr><td>3.</td><td>Suresh Kumar Goyal</td><td>750,000</td></tr>
<tr><td>4.</td><td>Ashish Goyal</td><td>290,000</td></tr>
<tr><td>5.</td><td>Suman Goyal</td><td>550,000</td></tr>
<tr><td>6.</td><td>Rinku Goyal</td><td>397,500</td></tr>
<tr><td>7.</td><td>Sheetal Goyal</td><td>30,000</td></tr>
<tr><td>8.</td><td>Archana Goyal</td><td>275,000</td></tr>
<tr><td>9.</td><td>Brijlal Goyal & Sons HUF</td><td>767,500</td></tr>
<tr><td>10.</td><td>Suresh Kumar Goyal & Sons HUF</td><td>742,000</td></tr>
<tr><td>11.</td><td>Ashish Kumar Goyal (HUF)</td><td>577,000</td></tr>
<tr><td>12.</td><td>Vikas Kumar Goyal & Sons (HUF)</td><td>685,500</td></tr>
<tr><td>13.</td><td>Vikas Kumar Goyal</td><td>762,500</td></tr>
<tr><td>14.</td><td>Goyal Realty & Agriculture Private Limited</td><td>940,000</td></tr>
</table></td></tr>
<tr><td>February 26, 2018</td><td>2,885,000</td><td>10</td><td>10</td><td>Private placement(3)</td><td>Cash</td><td>18,757,000</td><td>187,570,000</td><td><table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Kaushlya Goyal</td><td>1,395,000</td></tr>
<tr><td>2.</td><td>Suman Goyal</td><td>1,490,000</td></tr>
</table></td></tr>
</table>

| Date of allotment | Number of equity shares allotted | Face value per equity share (*in ₹*) | Issue price per equity share (*in ₹*) | Reason for/ Nature of allotment | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up equity share capital (*in ₹*) | Name of allottees |
|---|---|---|---|---|---|---|---|---|
| June 21, 2018 | 833,300 | 10 | 60 | Rights issue | Cash | 19,590,300 | 195,903,000 | **S. No. \| Name of allottee/shareholder \| Number of Equity Shares allotted**<br>1. \| Ganpati Sponge Iron Private Limited \| 833,300 |
| January 7, 2020 | 500,000 | 10 | 60 | Rights issue | Cash | 20,090,300 | 200,903,000 | **S. No. \| Name of allottee/shareholder \| Number of Equity Shares allotted**<br>1. \| S. Pyarelal Ispat Private Limited \| 500,000 |
| October 27, 2023 | 1,890,832(4) | 10 | 375 | Private placement | Cash | 21,981,132 | 219,811,320 | **S. No. \| Name of allottee/shareholder \| Number of Equity Shares allotted**<br>1. \| Ashok Kumar Mittal \| 7,000<br>2. \| Rekha Sharma \| 4,000<br>3. \| Anu Garg \| 8,000<br>4. \| Ravi Garg \| 5,000<br>5. \| Kalpeshkumar Amrutlal Patel \| 6,500<br>6. \| Truptiben Kalpeshkumar Patel \| 6,500<br>7. \| Sujay Patel \| 6,500<br>8. \| Patel Khushali Sujay \| 6,500<br>9. \| Ashish Kumar Mahipal \| 17,500<br>10. \| Ayush Bansal \| 17,500<br>11. \| Amul Rajendra Chamaria \| 15,000<br>12. \| Gyan Manchanda \| 5,000<br>13. \| Raj Agrawal \| 10,000<br>14. \| Bhavesh Khetan \| 20,000<br>15. \| Vivek Jain \| 240,000<br>16. \| Camel Foods Private Limited \| 84,000<br>17. \| Tradelink Exim India Private Limited \| 108,000 |

| Date of allotment | Number of equity shares allotted | Face value per equity share (*in ₹*) | Issue price per equity share (*in ₹*) | Reason for/ Nature of allotment | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up equity share capital (*in ₹*) | Name of allottees | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 18. | Kapil Ahuja | 50,000 |
| | | | | | | | | 19. | Amit Jain | 50,000 |
| | | | | | | | | 20. | Santosh Kumar Sinha | 40,000 |
| | | | | | | | | 21. | Champalal Naveen Kumar | 12,500 |
| | | | | | | | | 22. | I Promod | 12,500 |
| | | | | | | | | 23. | Ajay Singhal HUF | 11,900 |
| | | | | | | | | 24. | Tanishq Singhal | 10,600 |
| | | | | | | | | 25. | Tatvarth | 25,000 |
| | | | | | | | | 26. | Vinay Jaiprakash Ambedkar | 25,000 |
| | | | | | | | | 27. | Hiteshkumar Arvindbhai Shah | 27,000 |
| | | | | | | | | 28. | Pratibha Singh Fauzdar | 20,000 |
| | | | | | | | | 29. | Ajay Kapur | 20,000 |
| | | | | | | | | 30. | Gurjeev Singh Anand | 13,000 |
| | | | | | | | | 31. | Aditya Kaul | 13,000 |
| | | | | | | | | 32. | Awadhesh Kumar Pandey | 13,000 |
| | | | | | | | | 33. | Sachin Subhash Arora | 10,000 |
| | | | | | | | | 34. | Sanjay Kayathwal | 13,000 |
| | | | | | | | | 35. | Vishal Agarwal | 13,000 |
| | | | | | | | | 36. | Ankit Mittal | 186,367 |
| | | | | | | | | 37. | Abhinav Gupta | 6,666 |
| | | | | | | | | 38. | Caprize Investment Managers Private Limited | 32,800 |
| | | | | | | | | 39. | Tanay Bheda | 48,889 |
| | | | | | | | | 40. | Dilip Vora | 48,889 |
| | | | | | | | | 41. | Rupesh Soni | 48,888 |
| | | | | | | | | 42. | Shashi Sharma | 20,000 |
| | | | | | | | | 43. | Priti C Kothari | 13,333 |
| | | | | | | | | 44. | Ansh Ashit Shah | 32,000 |
| | | | | | | | | 45. | Aashil Apurva Shah | 93,000 |
| | | | | | | | | 46. | Premier Looms Manufacture Rs Private Limited | 33,000 |
| | | | | | | | | 47. | Ashish Mulchandbhai Amin | 47,000 |
| | | | | | | | | 48. | Rakesh Laroia | 108,000 |

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>
<table>
<tr><td>49.</td><td>Sarthak Garg</td><td>33,000</td></tr>
<tr><td>50.</td><td>Verma Amit P</td><td>24,000</td></tr>
<tr><td>51.</td><td>Roopal Shah</td><td>50,000</td></tr>
<tr><td>52.</td><td>Jash Choraria</td><td>18,500</td></tr>
<tr><td>53.</td><td>Rakesh Mittal</td><td>25,000</td></tr>
<tr><td>54.</td><td>Waterman Industries Private Limited</td><td>20,000</td></tr>
<tr><td>55.</td><td>Manju Singhi</td><td>26,700</td></tr>
<tr><td>56.</td><td>Abhishek Singhvi</td><td>13,300</td></tr>
<tr><td>57.</td><td>Sanjay Kumar Goyal</td><td>15,000</td></tr>
</table>
</td></tr>
<tr><td>November 2, 2023</td><td>1,219,834</td><td>10</td><td>375</td><td>Private placement</td><td>Cash</td><td>23,200,966</td><td>232,009,660</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Ramesh Kumar Gupta</td><td>13,000</td></tr>
<tr><td>2.</td><td>Shekhar Bhatt</td><td>2,000</td></tr>
<tr><td>3.</td><td>Amit Goyal</td><td>13,000</td></tr>
<tr><td>4.</td><td>Ajay Gupta</td><td>5,000</td></tr>
<tr><td>5.</td><td>Sunita Gupta</td><td>7,000</td></tr>
<tr><td>6.</td><td>Shivanchal Gupta</td><td>2,500</td></tr>
<tr><td>7.</td><td>Nikita Gupta</td><td>2,500</td></tr>
<tr><td>8.</td><td>Ankita Goel</td><td>2,500</td></tr>
<tr><td>9.</td><td>Akanksha Shukla</td><td>23,000</td></tr>
<tr><td>10.</td><td>Sanjana Pravin Khanna</td><td>13,000</td></tr>
<tr><td>11.</td><td>Pravin Balkishan Khanna</td><td>13,000</td></tr>
<tr><td>12.</td><td>Sunny Mahipal Radheshyam</td><td>15,000</td></tr>
<tr><td>13.</td><td>Arjun Paresh Dasani</td><td>5,000</td></tr>
<tr><td>14.</td><td>Ayush Agrawal</td><td>10,000</td></tr>
<tr><td>15.</td><td>Nirmal Kumar Agrawal HUF</td><td>10,000</td></tr>
<tr><td>16.</td><td>Shree Balaji Investment</td><td>900,000</td></tr>
<tr><td>17.</td><td>Siddhant Nautiyal</td><td>33,000</td></tr>
<tr><td>18.</td><td>Ravi Saraf (HUF)</td><td>20,000</td></tr>
<tr><td>19.</td><td>Priyanka Agrawal</td><td>25,000</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>
<table>
<tr><td>20.</td><td>Share India Securities Limited</td><td>40,834</td></tr>
<tr><td>21.</td><td>Usha Agarwal</td><td>24,000</td></tr>
<tr><td>22.</td><td>Raghav Agarwal</td><td>12,000</td></tr>
<tr><td>23.</td><td>Dholai Tea Co Private Limited</td><td>16,500</td></tr>
<tr><td>24.</td><td>Urvashi Chayan Sarda</td><td>12,000</td></tr>
</table>
</td></tr>
<tr><td>November 6, 2023</td><td>710,334</td><td>10</td><td>375</td><td>Private placement</td><td>Cash</td><td>23,911,300</td><td>239,113,000</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr>
<tr><td>1.</td><td>Lalit Vikram</td><td>6,500</td></tr>
<tr><td>2.</td><td>Rajinder Parkash Aggarwal</td><td>6,500</td></tr>
<tr><td>3.</td><td>Seema Aggarwal</td><td>6,500</td></tr>
<tr><td>4.</td><td>Mohit Goyal</td><td>6,500</td></tr>
<tr><td>5.</td><td>Vimal Pankaj Sheth</td><td>13,000</td></tr>
<tr><td>6.</td><td>Nishil Nalinkanth Sheth</td><td>13,000</td></tr>
<tr><td>7.</td><td>Rahul Sharma</td><td>6,500</td></tr>
<tr><td>8.</td><td>Abhimanyu Sharma</td><td>6,500</td></tr>
<tr><td>9.</td><td>Radharani Sharma</td><td>6,500</td></tr>
<tr><td>10.</td><td>Pankaj Mahipal</td><td>17,500</td></tr>
<tr><td>11.</td><td>Vijaykumar K Mahipal</td><td>17,500</td></tr>
<tr><td>12.</td><td>Karuna Tripathi</td><td>2,000</td></tr>
<tr><td>13.</td><td>Shree Balaji Investment</td><td>160,000</td></tr>
<tr><td>14.</td><td>Ishmohit Arora</td><td>34,000</td></tr>
<tr><td>15.</td><td>Niveshaay Hedghehogs LLP</td><td>341,500</td></tr>
<tr><td>16.</td><td>Manuja Shroff</td><td>26,667</td></tr>
<tr><td>17.</td><td>Karan Maheswari</td><td>26,667</td></tr>
<tr><td>18.</td><td>Chayan Laxminarayan Sarda</td><td>13,000</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td>November 21, 2023</td><td>69,900</td><td>10</td><td>375</td><td>Private placement</td><td>Cash</td><td>23,981,200</td><td>239,812,000</td><td><table><tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr><tr><td>1.</td><td>Neetu Gupta</td><td>26,000</td></tr><tr><td>2.</td><td>Bhavesh Khetan</td><td>18,900</td></tr><tr><td>3.</td><td>Rajesh Agarwal</td><td>25,000</td></tr></table></td></tr>
<tr><td>November 25, 2023</td><td>119,000</td><td>10</td><td>375</td><td>Private placement</td><td>Cash</td><td>24,100,200</td><td>241,002,000</td><td><table><tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th></tr><tr><td>1.</td><td>Ashish Gujarati</td><td>28,000</td></tr><tr><td>2.</td><td>Gopal Venkatasamy</td><td>25,000</td></tr><tr><td>3.</td><td>Shalini Jain</td><td>36,000</td></tr><tr><td>4.</td><td>V V N D Suresh Kumar V</td><td>30,000</td></tr></table></td></tr>
<tr><td>March 12, 2024</td><td>216,901,800</td><td>10</td><td>N.A.</td><td>Bonus issue in the ratio of 9:1</td><td>N.A.</td><td>241,002,000</td><td>2,410,020,000</td><td>Bonus issue of nine equity shares for existing one equity share held by our Shareholders, as on February 24, 2024 (being the record date) through capitalization of such sum standing to the credit of securities premium and free reserves of our Company.</td></tr>
</table>

(1) *Our Company was incorporated on April 24, 2017. The date of subscription to the Memorandum of Association is April 17, 2017 and our Board allotted the Equity Shares pursuant to such subscription to the Memorandum of Association on May 2, 2017.*

(2) *Our Company converted unsecured loans availed from certain of its then directors, shareholders and Goyal Realty & Agriculture Private Limited into 7,882,000 Equity Shares.*

(3) *Our Company pursuant to the resolution adopted by the Board dated January 2, 2018 and by the Shareholders dated January 25, 2018 approved to offer, issue and allot 3,000,000 Equity Shares to Kaushlya Goyal and Suman Goyal through a private placement. However, pursuant to the resolution adopted by the Board dated February 26, 2018, our Company allotted 2,885,000 Equity Shares each to Kaushlya Goyal and Suman Goyal.*

(4) *The RoC sought an explanation from our Company in regard to the Form MGT 14 filed by our Company which was resubmitted with a revised explanatory statement to show cause why action under Section 447, 448 and 449 of the Companies Act should not be taken against our Company. Our Company responded to the RoC by its letter dated November 25, 2023 stating that due to clerical error a draft of the explanatory statement was filed with the Form MGT 14 and the said statement was not circulated to the shareholders. Further, our Company stated that a new Form MGT 14 had been filed on November 10, 2023 for registration of the resolution along with the correct explanatory statement as circulated to the shareholders. Our Company has not received any further communication from the RoC in this regard.*

(b) ***Preference share capital***

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

2. **Issue of Equity Shares at a price lower than the Offer Price in the last one year**

The Offer Price is [●]. Except as disclosed in "- *Notes to the Capital Structure - Share Capital History of our Company – Equity share capital*" beginning on page 90, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus. Further, our Company has not issued any equity shares to the members of the Promoter Group at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus. However, our Company has issued shares pursuant to a bonus issue on March 12, 2024, including to shareholders who are members of the Promoter Group.

3. **Issue of equity shares for consideration other than cash or by way of bonus issue**

Except as disclosed below, our Company has not issued any equity shares in the past for consideration other than cash or by way of bonus issue, as on the date of this Draft Red Herring Prospectus:

| Date of allotment | Number of equity shares allotted | Face value per equity share (*in ₹*) | Reason for Allotment | Details of allottees | Benefits accrued to our Company |
|---|---|---|---|---|---|
| March 12, 2024 | 216,901,800 | 10 | Bonus issue in the ratio of 9:1 | Bonus issue of nine equity shares for existing one equity share held by our Shareholders, as on February 24, 2024 (being the record date) through capitalization of such sum standing to the credit of securities premium and free reserves of our Company. | Nil |

4. **Issue of equity shares out of revaluation reserves**

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

5. **Issue of Equity Shares pursuant to schemes of arrangement**

Our Company has not issued any Equity Shares in the past in terms of a scheme of arrangement approved under Sections 230-234 of the Companies Act, 2013.

6. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares**

As on the date of this Draft Red Herring Prospectus, our Promoters hold Equity Shares constituting 36.97 % of the issued, subscribed and paid-up share capital of our Company.

The details regarding our Promoters' shareholding are set out below.

(a) *Build-up of Promoters' Equity shareholding in our Company*

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set out below:

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (*in ₹*) | Issue/ transfer price per Equity Share (*in ₹*) | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| ***Brijlal Goyal*** | | | | | | | |
| June 15, 2017 | Private placement | 1,000,000 | Cash | 10 | 10.00 | 0.41 | [●] |
| October 30, 2017 | Allotment pursuant to | 750,000 | Cash | 10 | 10.00 | 0.31 | [●] |

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (in ₹) | Issue/ transfer price per Equity Share (in ₹) | Pre- Offer Equity Share capital (in %) | Post-Offer Equity Share capital (in %) |
|---|---|---|---|---|---|---|---|
| | conversion of unsecured loan into Equity Shares# | | | | | | |
| April 30, 2018 | Transfer from Brijlal Goyal & Sons (HUF) | 776,500 | Cash | 10 | 10.17 | 0.32 | [●] |
| February 4, 2023 | Transfer to Manoj Kumar Goyal | (802,500) | Gift | 10 | N.A. | 0.33 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 15,516,000 | N.A. | 10 | N.A. | 6.44 | [●] |
| April 5, 2024 | Transfer from Manoj Kumar Goyal | 1,296,250 | Gift | 10 | N.A. | 0.54 | [●] |
| **Total (A)** | | **18,536,250(2)** | | | | **7.69** | **[●]** |
| ***Suresh Kumar Goyal*** | | | | | | | |
| May 2, 2017(1) | Allotment pursuant to initial subscription to the Memorandum of Association | 5,000 | Cash | 10 | 10.00 | Negligible | [●] |
| June 15, 2017 | Private placement | 800,000 | Cash | 10 | 10.00 | 0.33 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 750,000 | Cash | 10 | 10.00 | 0.31 | [●] |
| April 30, 2018 | Transfer from Suresh Kumar Goyal & Sons (HUF) | 841,000 | Cash | 10 | 10.17 | 0.35 | [●] |
| February 4, 2023 | Transfer to Manoj Kumar Goyal | (672,000) | Gift | 10 | N.A. | 0.28 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 15,516,000 | N.A. | 10 | N.A. | 6.44 | [●] |
| April 5, 2024 | Transfer from Manoj Kumar Goyal | 1,296,250 | Gift | 10 | N.A. | 0.54 | [●] |
| **Total (B)** | | **18,536,250(3)** | | | | **7.69** | **[●]** |
| ***Vikas Kumar Goyal*** | | | | | | | |
| May 2, 2017(1) | Allotment pursuant to initial subscription to the Memorandum of Association | 5,000 | Cash | 10 | 10.00 | Negligible | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 762,500 | Cash | 10 | 10.00 | 0.32 | [●] |
| April 30, 2018 | Transfer from Vikas Kumar Goyal & Sons HUF | 749,500 | Cash | 10 | 10.17 | 0.31 | [●] |
| July 1, 2018 | Transfer to | (10) | Cash | 10 | 60.00 | Negligible | [●] |

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share *(in ₹)* | Issue/ transfer price per Equity Share (*in ₹*) | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| | Akansha Shukla | | | | | | |
| | Transfer to M/s Balaji Steels through Suresh Jindal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| February 5, 2019 | Transfer to Bhavesh Khetan | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Gopal Agrawal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| June 1, 2019 | Transfer to Rinku Goyal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Manoj Goyal & Sons (HUF) | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Madhu Jain | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Asha Jain | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Rashmi Agrawal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Kanika Agrawal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| May 20, 2020 | Transfer to Madhu Goyal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer to Lalit Goyal | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| June 20, 2021 | Transfer from M/s Balaji Steels through Suresh Jindal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer from Asha Jain | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer from Rashmi Agrawal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer from Kanika Agrawal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer from Madhu Jain | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| October 10, 2021 | Transfer from Lalit Goyal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| | Transfer from Madhu Goyal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| March 31, 2022 | Transfer to Ajay Khetan | (10) | Cash | 10 | 60.00 | Negligible | [●] |
| February 4, 2023 | Transfer from Ashish Goyal | 207,050 | Gift | 10 | N.A. | 0.09 | [●] |
| April 29, 2023 | Transfer from Bhavesh Khetan | 10 | Cash | 10 | 107.00 | Negligible | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 15,516,000 | N.A. | 10 | N.A. | 6.44 | [●] |
| April 5, 2024 | Transfer from Manoj Kumar Goyal | 1,296,250 | Gift | 10 | N.A. | 0.54 | [●] |
| **Total (C)** | | **18,536,250(4)** | | | | **7.69** | **[●]** |
| ***Sheetal Goyal*** | | | | | | | |

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (in ₹) | Issue/ transfer price per Equity Share (in ₹) | Pre- Offer Equity Share capital (in %) | Post-Offer Equity Share capital (in %) |
|---|---|---|---|---|---|---|---|
| June 15, 2017 | Private placement | 630,000 | Cash | 10 | 10.00 | 0.26 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 30,000 | Cash | 10 | 10.00 | 0.01 | [●] |
| February 4, 2023 | Transfer from Kaushlya Goyal | 678,000 | Gift | 10 | N.A. | 0.28 | [●] |
| March 30, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 280,000 | Cash | 10 | 76.20 | 0.12 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 14,562,000 | N.A. | 10 | N.A. | 6.04 | [●] |
| April 5, 2024 | Transfer from Rinku Goyal | 2,908,660 | Gift | 10 | N.A. | 1.21 | [●] |
| **Total (D)** | | **19,088,660** | | | | **7.92** | **[●]** |
| ***Shashank Goyal**** | | | | | | | |
| April 29, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 310,000 | Cash | 10 | 107.00 | 0.13 | [●] |
| | Transfer from S. Pyarelal Ispat Private Limited | 500,000 | Cash | 10 | 107.00 | 0.21 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 7,290,000 | N.A. | 10 | N.A. | 3.02 | [●] |
| March 26, 2024 | Transfer to Bhavesh Khetan | (660,000) | Cash | 10 | 37.50 | 0.27 | [●] |
| April 5, 2024 | Transfer to Bhavesh Khetan | (477,660) | Cash | 10 | 37.50 | 0.20 | [●] |
| **Total (E)** | | **6,962,340** | | | | **2.89** | **[●]** |
| ***Rohit Goyal**** | | | | | | | |
| April 29, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 810,000 | Cash | 10 | 107.00 | 0.34 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 7,290,000 | N.A. | 10 | N.A. | 3.02 | [●] |
| March 26, 2024 | Transfer to Bhavesh Khetan | (660,000) | Cash | 10 | 37.50 | 0.27 | [●] |
| **Total (F)** | | **7,440,000** | | | | **3.09** | **[●]** |
| **Grand Total (A+B+C+D+E+F)** | | **89,099,750** | | | | **36.97** | **[●]** |

**Also the Promoter Selling Shareholders*

*#Our Company converted unsecured loans availed from certain of its then directors, shareholders and Goyal Realty & Agriculture Private Limited into 7,882,000 Equity Shares.*

*(1) Our Company was incorporated on April 24, 2017. The date of subscription to the Memorandum of Association is April 17, 2017 and our Board allotted the Equity Shares pursuant to such subscription to the Memorandum of Association on May 2, 2017.*

*(2) Does not include Equity Shares held by Brijlal Goyal in the capacity of karta of Brijlal Goyal & Sons (HUF).*

*(3) Does not include Equity Shares held by Suresh Kumar Goyal in the capacity of karta of Suresh Kumar Goyal & Sons (HUF).*

*(4) Does not include Equity Shares held by Vikas Kumar Goyal in the capacity of karta of Vikas Kumar Goyal & Sons (HUF).*

(b) *Details regarding build-up of the equity shareholding of the members of the Promoter Group (other than Promoters) and the Selling Shareholders:*

The details regarding the build-up of the equity shareholding of the members of the Promoter Group and the Selling

Shareholders are disclosed below:

Build-up of Promoter Group shareholding in our Company:

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (*in ₹*) | Issue/ transfer price per Equity Share (*in ₹*) | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| ***Kaushlya Goyal***** | | | | | | | |
| June 15, 2017 | Private placement | 400,000 | Cash | 10 | 10.00 | 0.17 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares[#] | 365,000 | Cash | 10 | 10.00 | 0.15 | [●] |
| February 26, 2018 | Private placement | 1,395,000 | Cash | 10 | 10.00 | 0.58 | [●] |
| February 4, 2023 | Transfer to Sheetal Goyal | (678,000) | Gift | 10 | N.A. | 0.28 | [●] |
| February 4, 2023 | Transfer to Archana Goyal | (144,000) | Gift | 10 | N.A. | 0.06 | [●] |
| March 30, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 280,000 | Cash | 10 | 76.20 | 0.12 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 14,562,000 | N.A. | 10 | N.A. | 6.04 | [●] |
| April 5, 2024 | Transfer from Rinku Goyal | 2,908,660 | Gift | 10 | N.A. | 1.21 | [●] |
| **Total (A)** | | **19,088,660** | | | | **7.92** | **[●]** |
| ***Harsheet Goyal***** | | | | | | | |
| April 29, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 813,300 | Cash | 10 | 107 | 0.34 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 7,319,700 | N.A. | 10 | N.A. | 3.04 | [●] |
| March 26, 2024 | Transfer to Bhavesh Khetan | (680,000) | Cash | 10 | 37.50 | 0.28 | [●] |
| April 5, 2024 | Transfer to Mayank Agrawal | (20,000) | Cash | 10 | 37.50 | 0.01 | [●] |
| April 5, 2024 | Transfer to Modani Dayanand Asaram HUF | (55,000) | Cash | 10 | 37.50 | 0.02 | [●] |
| **Total (B)** | | **7,378,000** | | | | **3.06** | **[●]** |
| ***Ashish Goyal*** | | | | | | | |
| June 15, 2017 | Private placement | 865,000 | Cash | 10 | 10.00 | 0.36 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares[#] | 290,000 | Cash | 10 | 10.00 | 0.12 | [●] |
| April 30, 2018 | Transfer from Ashish Kumar Goyal (HUF) | 1,026,000 | Cash | 10 | 10.17 | 0.43 | [●] |
| February 4, 2023 | Transfer to Manoj Kumar Goyal | (250,000) | Gift | 10 | N.A. | 0.10 | [●] |
| | Transfer to Vikas Kumar Goyal | (207,050) | Gift | 10 | N.A. | 0.09 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 15,515,550 | N.A. | 10 | N.A. | 6.44 | [●] |

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share *(in ₹)* | Issue/ transfer price per Equity Share *(in ₹)* | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| March 26, 2024 | Transfer from Ajay Khetan | 100 | Cash | 10 | 37.50 | Negligible | [●] |
| April 5, 2024 | Transfer from Manoj Kumar Goyal | 1,296,250 | Gift | 10 | N.A. | 0.54 | [●] |
| **Total (C)** | | **18,535,850(1)** | | | | **7.69** | **[●]** |
| ***Manoj Kumar Goyal*** | | | | | | | |
| March 31, 2022 | Transfer from Gopal Agrawal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| February 4, 2023 | Transfer from Brijlal Goyal | 802,500 | Gift | 10 | N.A. | 0.33 | [●] |
| February 4, 2023 | Transfer from Suresh Kumar Goyal | 672,000 | Gift | 10 | N.A. | 0.28 | [●] |
| February 4, 2023 | Transfer from Ashish Goyal | 250,000 | Gift | 10 | N.A. | 0.10 | [●] |
| February 20, 2023 | Transfer to Manoj Goyal & Sons (HUF) | (1,000) | Gift | 10 | N.A. | Negligible | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 15,511,590 | N.A. | 10 | N.A. | 6.44 | [●] |
| April 5, 2024 | Transfer to Vikas Kumar Goyal | (1,296,250) | Gift | 10 | N.A. | 0.54 | [●] |
| | Transfer to Ashish Goyal | (1,296,250) | Gift | 10 | N.A. | 0.54 | [●] |
| | Transfer to Suresh Kumar Goyal | (1,296,250) | Gift | 10 | N.A. | 0.54 | [●] |
| | Transfer to Brijlal Goyal | (1,296,250) | Gift | 10 | N.A. | 0.54 | [●] |
| **Total (D)** | | **12,050,100(2)** | | | | **5.00** | **[●]** |
| ***Raj Agrawal*** | | | | | | | |
| October 27, 2023 | Private placement | 10,000 | Cash | 10 | 375.00 | Negligible | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 90,000 | N.A. | 10 | N.A. | 0.04 | [●] |
| **Total (E)** | | **100,000** | | | | **0.04** | **[●]** |
| ***Ayush Agrawal*** | | | | | | | |
| November 2, 2023 | Private placement | 10,000 | Cash | 10 | 375.00 | Negligible | |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 90,000 | N.A. | 10 | N.A. | 0.04 | |
| **Total (F)** | | **100,000** | | | | **0.04** | **[●]** |
| ***Suresh Kumar Goyal & Sons HUF (Suresh Kumar Goyal is the Karta)*** | | | | | | | |
| June 15, 2017 | Private placement | 100,000 | Cash | 10 | 10.00 | 0.04 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 742,000 | Cash | 10 | 10.00 | 0.31 | [●] |
| April 30, 2018 | Transfer to Suresh Kumar Goyal | (841,000) | Gift | 10 | 10.17 | 0.35 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 9,000 | N.A. | 10 | N.A. | 0.04 | [●] |
| **Total (G)** | | **10,000** | | | | **Negligible** | **[●]** |
| ***Vikas Kumar Goyal & Sons HUF (Vikas Kumar Goyal is the Karta)*** | | | | | | | |
| June 15, 2017 | Private placement | 65,000 | Cash | 10 | 10.00 | 0.03 | [●] |
| October 30, | Allotment pursuant | 685,500 | Cash | 10 | 10.00 | 0.28 | [●] |

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (*in ₹*) | Issue/ transfer price per Equity Share (*in ₹*) | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| 2017 | to conversion of unsecured loan into Equity Shares# | | | | | | |
| April 30, 2018 | Transfer to Vikas Kumar Goyal | (749,500) | Cash | 10 | 10.17 | 0.31 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 9,000 | N.A. | 10 | N.A. | 0.03 | [●] |
| **Total (H)** | | **10,000** | | | | **Negligible** | **[●]** |
| ***Suman Goyal*** | | | | | | | |
| June 15, 2017 | Private placement | 230,000 | Cash | 10 | 10.00 | 0.10 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 550,000 | Cash | 10 | 10.00 | 0.23 | [●] |
| February 26, 2018 | Private placement | 1,490,000 | Cash | 10 | 10.00 | 0.62 | [●] |
| February 4, 2023 | Transfer to Rinku Goyal | (490,500) | Gift | 10 | N.A. | 0.20 | [●] |
| | Transfer to Archana Goyal | (439,000) | Gift | 10 | N.A. | 0.18 | [●] |
| March 30, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 280,000 | Cash | 10 | 76.20 | 0.18 | [●] |
| March 12, 2023 | Bonus issue in the ratio of 9:1 | 14,584,500 | N.A. | 10 | N.A. | 6.05 | [●] |
| April 5, 2023 | Transfer from Rinku Goyal | 2,908,660 | Gift | 10 | N.A. | 1.21 | [●] |
| **Total (I)** | | **19,113,660** | | | | **7.93** | **[●]** |
| ***Brijlal Goyal & Sons HUF (Brijlal Goyal is the Karta)*** | | | | | | | |
| June 15, 2017 | Private placement | 10,000 | Cash | 10 | 10.00 | Negligible | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 767,500 | Cash | 10 | 10.00 | 0.32 | [●] |
| April 30, 2018 | Transfer to Brijlal Goyal | (776,500) | Cash | 10 | 10.17 | 0.32 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 9,000 | N.A. | 10 | N.A. | Negligible | [●] |
| **Total (J)** | | **10,000** | | | | **Negligible** | **[●]** |
| ***Manoj Goyal & Sons (HUF) (Manoj Kumar Goyal is the Karta)*** | | | | | | | |
| June 1, 2019 | Transfer from Vikas Kumar Goyal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| October 30, 2017 | Transfer from Manoj Kumar Goyal | 1,000 | Gift | 10 | N.A. | Negligible | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 9,090 | N.A. | 10 | N.A. | Negligible | [●] |
| **Total (K)** | | **10,100** | | | | **Negligible** | **[●]** |
| ***Ashish Kumar Goyal (HUF) (Ashish Goyal is the Karta)*** | | | | | | | |
| June 15, 2017 | Private Placement | 450,000 | Cash | 10 | 10.00 | 0.19 | [●] |
| October 30, | Allotment | 577,000 | Cash | 10 | 10.00 | 0.24 | [●] |

| Date of allotment/transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (*in ₹*) | Issue/ transfer price per Equity Share (*in ₹*) | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| 2017 | pursuant to conversion of unsecured loan into equity shares# | | | | | | |
| April 30, 2018 | Transfer to Ashish Goyal | (1,026,000) | Cash | 10 | 10.00 | 0.43 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 9,000 | N.A. | 10 | N.A. | Negligible | [●] |
| **Total (L)** | | **10,000** | | | | **Negligible** | **[●]** |
| ***Goyal Realty & Agriculture Private Limited*** | | | | | | | |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into equity shares# | 940,000 | Cash | 10 | 10.00 | 0.39 | [●] |
| April 29, 2023 | Transfer to Bhavesh Khetan | (180,000) | Cash | 10 | 107.00 | 0.07 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 6,840,000 | N.A. | 10 | N.A. | 2.84 | [●] |
| **Total (M)** | | **7,600,000** | | | | **3.15** | **[●]** |
| **Grand Total (A+B+C+D+E+F+G+H+I+J+K+L+M)** | | **84,016,370** | | | | **34.83** | **[●]** |

***Also the Promoter Group Selling Shareholders*

*# Our Company converted unsecured loans availed from certain of its then directors, shareholders and Goyal Realty & Agriculture Private Limited into 7,882,000 Equity Shares*

*(1) Does not include Equity Shares held by Ashish Goyal in the capacity of karta of Ashish Kumar Goyal (HUF)*

*(2) Does not include Equity Shares held by Manoj Kumar Goyal in the capacity of karta of Manoj Goyal & Sons (HUF)*

Build-up of the Selling Shareholder's shareholding in our Company (other than the Promoter Selling Shareholders and the Promoter Group Selling Shareholders):

| Date of allotment/transfer | Nature of transaction | Number of equity shares | Nature of consideration | Face value per equity share (*in ₹*) | Issue/ transfer price per equity share (*in ₹*) | Pre- Offer Equity Share capital (*in %*) | Post-Offer Equity Share capital (*in %*) |
|---|---|---|---|---|---|---|---|
| ***Rinku Goyal (Other Selling Shareholder)*** | | | | | | | |
| June 15, 2017 | Private placement | 450,000 | Cash | 10 | 10.00 | 0.19 | [●] |
| October 30, 2017 | Allotment pursuant to conversion of unsecured loan into Equity Shares# | 397,500 | Cash | 10 | N.A. | 0.16 | [●] |
| June 1, 2019 | Transfer from Vikas Kumar Goyal | 10 | Cash | 10 | 60.00 | Negligible | [●] |
| February 4, 2023 | Transfer from Suman Goyal | 490,500 | Cash | 10 | N.A. | 0.12 | [●] |
| March 30, 2023 | Transfer from Ganpati Sponge Iron Private Limited | 280,000 | Cash | 10 | 76.20 | 6.04 | [●] |
| March 12, 2024 | Bonus issue in the ratio of 9:1 | 14,562,090 | N.A. | 10 | N.A. | 1.21 | [●] |
| April 5, | Transfer to | (2,908,660) | Gift | 10 | N.A. | 1.21 | [●] |

| Date of allotment/transfer | Nature of transaction | Number of equity shares | Nature of consideration | Face value per equity share *(in ₹)* | Issue/ transfer price per equity share *(in ₹)* | Pre- Offer Equity Share capital *(in %)* | Post-Offer Equity Share capital *(in %)* |
|---|---|---|---|---|---|---|---|
| 2024 | Kaushlya Goyal | | | | | | |
| April 5, 2024 | Transfer to Sheetal Goyal | (2,908,660) | Gift | 10 | N.A. | 1.21 | [●] |
| April 5, 2024 | Transfer to Suman Goyal | (2,908,660) | Gift | 10 | N.A. | 1.21 | [●] |
| April 5, 2024 | Transfer to Archana Goyal | (2,908,660) | Gift | 10 | N.A. | 0.19 | [●] |
| **Total** | | **4,545,460** | | | | **1.89** | **[●]** |

*#Our Company converted certain unsecured loan availed from certain of its then directors, shareholders and Goyal Realty & Agriculture Private Limited into 7,882,000 Equity Shares.*

(c) *Details of Promoters' contribution and lock-in*

Pursuant to Regulations 14 and 16 (1)(a) of the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Offer Equity Share capital of our Company held by our Promoters (or any non-individual public Shareholder holding at least 5% of the post-Offer Equity Share capital or any entity (individual or non-individual) forming part of the Promoter Group) shall be considered as the minimum Promoters' contribution and is required to be locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment. The Promoter's Contribution shall be locked-in for a period of three years from the date of Allotment and the excess of 20% shareholding of our Promoter shall be locked-in for a period of one year from the date of Allotment considering that the majority of the proceeds of the Fresh Issue are proposed to be utilized towards prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company, where majority of the outstanding borrowings proposed to be re-paid/prepaid by our Company have been availed for the purposes of capital expenditure. For details, see "*Objects of the Offer – Details of the Objects of the Fresh Issue*" on page 114.

The details of the Equity Shares held by our Promoters, which shall be locked-in for minimum Promoters' Contribution for a period of three years, from the date of Allotment are set out below:*

| Name of the Promoter | Number of Equity Shares locked-in | Date up to which Equity Shares are subject to lock-in | Date of acquisition of Equity Shares and when made fully paid-up | Nature of transaction | Face value *(in ₹)* | Issue/Acquisition price per Equity Share *(in ₹)* | Pre-Offer Equity Share capital *(in %)* | Post-Offer Equity Share capital *(in %)* |
|---|---|---|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

**To be completed prior to filing of the Prospectus with the RoC.*

The Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the post-Offer Equity Share capital of our Company as the Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the commencement of the lock-in 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 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.

Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of Promoters' 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 "—*Build-up of Promoters' Equity shareholding in our Company*" beginning on page 97.

In this connection, we confirm the following:

(i) The Equity Shares offered towards minimum Promoters' contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our

Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Equity Shares offered towards minimum Promoters' contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company;

(iv) The Equity Shares forming part of the Promoters' contribution are not subject to any pledge; and

(v) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

(d) *Details of Equity Shares locked-in for six months*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution and the Promoter's shareholding in excess of 20% of the post-Offer equity share capital of our Company, which will be locked in for one year as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (including any unsubscribed portion of the Offered Shares) will be locked-in for a period of six months from the date of Allotment of Equity Shares in the Offer including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations except the Equity Shares transferred pursuant to the Offer for Sale.

(e) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

50% of the Equity Shares Allotted to Anchor Investors under 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 under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(f) *Other requirements in respect of lock-in*

Pursuant to Regulation 20 of the SEBI ICDR Regulations, details of locked-in Equity Shares will be recorded by relevant depositories.

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

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

## 7. Shareholding Pattern of our Company

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

| Category (I) | Category of Shareholder (II) | Number of Shareholders (III) | Number of fully paid-up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of shares underlying depository receipts (VI) | Total number of 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) — No of voting rights | | | Number of voting rights held in each class of securities (IX) — Total as a % of (A+B+ C) | Number of shares underlying outstanding convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of locked-in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized Form* (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class: Equity Shares | Class: Others | Total | | | | Number (a) | As a % of total shares held (b) | Number (a) | As a % of total shares held (b) | |
| (A) | Promoters and Promoter Group | 19 | 173,116,120 | - | - | 17,311,6120 | 71.83 | 173,116,120 | 0 | 173,116,120 | 71.83 | - | 71.83 | | - | - | - | 165,506,020 |
| (B) | Public | 118 | 67,885,880 | - | - | 67,885,880 | 28.17 | 67,885,880 | 0 | 67,885,880 | 28.17 | - | 28.17 | | - | - | - | 23,734,120 |
| (C) | Non-Promoter-Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - |
| | **Total** | **137** | **241,002,000** | **-** | **-** | **241,002,000** | **100** | **241,002,000** | **0** | **241,002,000** | **100.00** | **-** | **100.00** | | **-** | **-** | **-** | **189,240,140** |

**Based on beneficiary position statement dated September 27, 2024*

8. **Details of the Shareholding of the major Shareholders of our Company**

(1) Set out below are details of the Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares held | Pre- Offer Equity Share capitals (*in %*) |
|---|---|---|---|
| 1. | Suman Goyal | 19,113,660 | 7.93 |
| 2. | Kaushlya Goyal | 19,088,660 | 7.92 |
| 3. | Sheetal Goyal | 19,088,660 | 7.92 |
| 4. | Archana Goyal | 19,088,660 | 7.92 |
| 5. | Suresh Kumar Goyal | 18,536,250 | 7.69 |
| 6. | Vikas Kumar Goyal | 18,536,250 | 7.69 |
| 7. | Brijlal Goyal | 18,536,250 | 7.69 |
| 8. | Ashish Goyal | 18,535,850 | 7.69 |
| 9. | Manoj Kumar Goyal | 12,050,100 | 5.00 |
| 10. | Shree Balaji Investment | 10,600,000 | 4.40 |
| 11. | Goyal Realty & Agriculture Private Limited | 7,600,000 | 3.15 |
| 12. | Rohit Goyal | 7,440,000 | 3.09 |
| 13. | Harsheet Goyal | 7,378,000 | 3.06 |
| 14. | Shashank Goyal | 6,962,340 | 2.89 |
| 15. | Bhavesh Khetan | 4,666,660 | 1.94 |
| 16. | Rinku Goyal | 4,545,460 | 1.89 |
| 17. | Vivek Jain | 2,400,000 | 1.00 |
| | **Total** | **214,166,800** | **88.87** |

(2) Set out below are details of the Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares held | Pre- Offer Equity Share capital (*in %*) |
|---|---|---|---|
| 1. | Suman Goyal | 19,113,660 | 7.93 |
| 2. | Kaushlya Goyal | 19,088,660 | 7.92 |
| 3. | Sheetal Goyal | 19,088,660 | 7.92 |
| 4. | Archana Goyal | 19,088,660 | 7.92 |
| 5. | Suresh Kumar Goyal | 18,536,250 | 7.69 |
| 6. | Vikas Kumar Goyal | 18,536,250 | 7.69 |
| 7. | Brijlal Goyal | 18,536,250 | 7.69 |
| 8. | Ashish Goyal | 18,535,850 | 7.69 |
| 9. | Manoj Kumar Goyal | 12,050,100 | 5.00 |
| 10. | Shree Balaji Investment | 10,600,000 | 4.40 |
| 11. | Goyal Realty & Agriculture Private Limited | 7,600,000 | 3.15 |
| 12. | Rohit Goyal | 7,440,000 | 3.09 |
| 13. | Harsheet Goyal | 7,378,000 | 3.06 |
| 14. | Shashank Goyal | 6,962,340 | 2.89 |
| 15. | Bhavesh Khetan | 4,666,660 | 1.94 |
| 16. | Rinku Goyal | 4,545,460 | 1.89 |
| 17. | Vivek Jain | 2,400,000 | 1.00 |
| | **Total** | **214,166,800** | **88.87** |

(3) Set out below are details of the Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them one year prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares held | Pre- Offer Equity Share capital (*in %*) |
|---|---|---|---|
| 1. | Suresh Kumar Goyal | 1,724,000 | 8.58 |
| 2. | Vikas Kumar Goyal | 1,724,000 | 8.58 |
| 3. | Brijlal Goyal | 1,724,000 | 8.58 |
| 4. | Ashish Goyal | 1,723,950 | 8.58 |
| 5. | Manoj Kumar Goyal | 1,723,510 | 8.58 |
| 6. | Suman Goyal | 1,620,500 | 8.07 |

| S. No. | Name of Shareholder | Number of Equity Shares held | Pre- Offer Equity Share capital (*in %*) |
|---|---|---|---|
| 7. | Kaushlya Goyal | 1,618,000 | 8.05 |
| 8. | Rinku Goyal | 1,618,010 | 8.05 |
| 9. | Sheetal Goyal | 1,618,000 | 8.05 |
| 10. | Archana Goyal | 1,618,000 | 8.05 |
| 11. | Harsheet Goyal | 813,300 | 4.05 |
| 12. | Rohit Goyal | 810,000 | 4.03 |
| 13. | Shashank Goyal | 810,000 | 4.03 |
| 14. | Goyal Realty & Agriculture Private Limited | 760,000 | 3.78 |
| | **Total** | **19,905,270** | **99.08** |

(4) Set out below are details of the Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them two years prior to the date of this Draft Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares held | Pre- Offer Equity Share capital (*in %*) |
|---|---|---|---|
| 1. | Ganpati Sponge Iron Private Limited | 3,333,300 | 16.59 |
| 2. | Brijlal Goyal | 2,526,500 | 12.58 |
| 3. | Suresh Kumar Goyal | 2,396,000 | 11.93 |
| 4. | Suman Goyal | 2,270,000 | 11.30 |
| 5. | Ashish Goyal | 2,181,000 | 10.86 |
| 6. | Kaushlya Goyal | 2,160,000 | 10.75 |
| 7. | Vikas Kumar Goyal | 1,516,940 | 7.55 |
| 8. | Goyal Realty & Agriculture Private Limited | 940,000 | 4.68 |
| 9. | Rinku Goyal | 847,510 | 4.22 |
| 10. | Archana Goyal | 755,000 | 3.76 |
| 11. | Sheetal Goyal | 660,000 | 3.29 |
| 12. | S. Pyarelal Ispat Private Limited | 500,000 | 2.49 |
| | **Total** | **20,086,250** | **99.98** |

9. **Details of the Shareholding of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management**

Except as disclosed in "- *Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares*" on page 97, as on the date of this Draft Red Herring Prospectus none of our Promoters and Promoter Group hold any Equity Shares in our Company. Further, none of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus other than as disclosed below:

| Name of the Shareholder | Number of Equity Shares | Pre - Offer Equity Share capital (*in %*) | Post-Offer of Equity Share capital (*in %*) |
|---|---|---|---|
| ***Directors*** | | | |
| Suresh Kumar Goyal* | 18,536,250 | 7.69 | [●] |
| Vikas Kumar Goyal* | 18,536,250 | 7.69 | [●] |
| Bhavesh Khetan | 4,666,660 | 1.94 | [●] |
| ***Key Managerial Personnel*** | | | |
| Anu Garg | 80,000 | 0.03 | [●] |
| ***Senior Managerial Personnel*** | | | |
| Sheetal Goyal* | 19,088,660 | 7.92 | |
| Mayank Agrawal | 20,000 | 0.01 | [●] |
| **Total** | **60,927,820** | **25.28** | [●] |

**Also the Promoters of our Company*

10. **Employee Stock Option Plan**

Our Company does not have any employee stock option scheme or employee stock purchase scheme as on date of this Draft Red Herring Prospectus.

11. As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options, debentures, loans or other instruments convertible into Equity Shares.

12. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act and as per definition of the term 'associate' under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

13. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares to be Allotted pursuant to the Offer.

14. Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment.

15. Except for (i) the Pre-IPO Placement; and (iii) the allotment of Equity Shares pursuant to the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be in the event there is a failure of the Offer.

16. Except as disclosed in "*-Build-up of Promoters' Equity shareholding in our Company", and "- Build-up of Promoter Group shareholding in our Company"*, on pages 97 and 100, respectively, none of our Promoters or the members of our Promoter Group 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. Further, except for Bhavesh Khetan who has purchased Equity Shares in the last six month, the details of which are set out below, none of our Directors nor any of 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.

| **Name of transferor** | **Name of transferee** | **Date of transfer** | **Number of Equity Shares** | **Nature of Consideration** | **Transfer price per Equity Share** |
|---|---|---|---|---|---|
| Shashank Goyal | Bhavesh Khetan (*Executive Director and Chief Operating Officer*) | April 5, 2024 | 477,660 | Cash | 37.50 |

17. Our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer 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, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided however, that the foregoing restrictions do not apply to the issuance of any Equity Shares under the Offer.

18. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and members of our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

19. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Promoters, members of our Promoter Group, our Directors or Group Companies, the Selling Shareholders shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

20. Our Promoters and the members of the Promoter Group shall not participate in the Offer, except to the extent of the Promoter Selling Shareholders and the Promoter Group Selling Shareholders participating in the Offer for Sale.

21. None of the Shareholders of our Company are directly or indirectly related to the BRLMs or their associates.

22. **Pre-IPO Placement**

Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus. Our Company confirms that the details pertaining to the price and the names of the allottees pursuant to the Pre-IPO Placement (if undertaken) shall be disclosed through a public advertisement. In the event the Pre-IPO Placement is undertaken, a confirmation in this regard will be included in the "*Material Contracts and Material Documents for Inspection*" section of the Red Herring Prospectus.

23. Our Company is in compliance with the Companies Act with respect to the issuances of securities from the date of incorporation of our Company until the date of filing of this Draft Red Herring Prospectus.

24. Our Company has not made any public issue since its incorporation and except as disclosed in " *– Notes to Capital Structure – Share Capital History of our Company – Equity share capital"* on page 90, our Company has not made any rights issue of any kind or class of securities since its incorporation.

25. As on the date of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is 137.

*(Remainder of this page has been intentionally left blank)*

## OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale. For further details of the Offer for Sale, see "*The Offer*" on page 75.

**Offer for Sale**

The proceeds from the Offer for Sale shall be received by the Selling Shareholders after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For details, see "- *Offer expenses*" on page 119.

**Fresh Issue**

***Net Proceeds***

The net proceeds of the Fresh Issue, *i.e.*, gross proceeds of the Fresh Issue less our Company's share of the Offer related expenses ("**Net Proceeds**"), are proposed to be utilized towards funding of the following objects:

1. Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company; and

2. General corporate purposes.

(collectively, referred to herein as the "**Objects**")

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to (i) undertake our existing business activities; (ii) undertake the activities for which the funds are being raised through the Fresh Issue; and (iii) undertake the activities towards which the borrowings proposed to be repaid/prepaid from the Net Proceeds were utilized. Further, the activities carried out by our Company are in accordance with the main objects clause of our Memorandum of Association.

Further, our Company expects to receive the benefits of listing of our Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers and to create a public market for our Equity Shares.

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

*(in ₹ million)*

| Particulars | | Estimated Amount |
|---|---|---|
| Gross proceeds from the Fresh Issue^ ("**Gross Proceeds**") | | 4,400.00** |
| *Less:* | Estimated Offer related expenses in relation to the Fresh Issue# | [●] |
| **Net Proceeds*** | | **[●]** |

*^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, our Company shall utilize the proceeds from such Pre-IPO Placement towards general corporate purposes.*
**To be finalized upon determination of the Offer Price and updated in the Prospectus at the time of filing with the RoC.*
***Subject to full subscription to the Fresh Issue component.*
*# For details, see "- Offer expenses" on page 119.*

***Requirement of Funds***

The following table sets forth details of the proposed utilisation of the Net Proceeds:

*(in ₹ million)*

| S. No. | Particulars | Estimated Amount[(1)] |
|---|---|---|
| | Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company | 3,900.00 |
| | General corporate purposes* | [●] |
| | **Total*** | [●] |

**To be determined upon finalization of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations.*

[(1)] *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, our Company shall utilize the proceeds from such Pre-IPO Placement towards general corporate purposes.*

**Utilization of Net Proceeds and Proposed schedule of implementation and deployment of Net Proceeds**

The Net Proceeds are currently expected to be deployed towards the Objects in accordance with the schedule set forth below:

*(in ₹ million)*

| Particulars | Estimated Amount to be funded from Net Proceeds^ | Estimated utilization of Net Proceeds | |
|---|---|---|---|
| | | Fiscal 2025 | Fiscal 2026 |
| Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company | 3,900.00 | 3,900.00 | Nil |
| General corporate purposes* | [●] | [●] | [●] |
| **Total*^** | [●] | [●] | [●] |

*^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement . Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, our Company shall utilize the proceeds from such Pre-IPO Placement towards general corporate purposes.*

**To be determined upon finalization of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations.*

The deployment of funds indicated above will be based on management estimates, existing circumstances of our business, prevailing market conditions and other commercial factors, which may be subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency.

Given the nature of our business, and since the amount of the Net Proceeds proposed to be utilized towards the Objects are not towards implementing any specific project, we may have to revise our funding requirements and deployment from time to time, on account of a variety of factors such as our financial condition, business strategies and external factors such as market conditions, any epidemic, competitive environment and other external factors, which would not be within the control of our management. This may entail rescheduling or revising the proposed utilization of the Net Proceeds, revising the planned expenditure, implementation schedule and funding requirements or increasing or decreasing the amounts earmarked towards any of the aforementioned objects, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth 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.

Subject to applicable law, if the actual utilization towards the identified Objects is lower than the proposed deployment, such balance will be used for general corporate purposes, to the extent that the total amount to be utilized will not exceed 25% of the Gross Proceeds.

If the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) economic and business conditions; (ii) the timing of completion of the Offer; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) until Fiscal 2026, in accordance with applicable laws.

**Details of the Objects of the Fresh Issue**

**1. Pre-payment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company**

Our Company has entered into various borrowing arrangements for borrowings in the form of working capital term facilities, overdraft and term loans, among others. As of August 31, 2024, the total outstanding borrowings of our Company are ₹ 5,362.38 million including ₹ 5,307.11 million of fund based borrowings and ₹ 55.27 million of non-fund borrowings. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 342.

Our Company intends to utilize ₹3,900.00 million from the Net Proceeds towards pre-payment or scheduled repayment of a portion of the principal amount on certain loans availed by our Company, the details of which are listed out in the table below. Pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, along with interest and other related costs, will also be funded out of the Net Proceeds. In the event the Net Proceeds are insufficient for payment of pre-payment penalty, interest or other related costs, as applicable, such payment shall be made from the internal accruals of our Company.

Further, given the nature of the borrowings and the terms of repayment or pre-payment, the aggregate outstanding amounts under the borrowings availed by our Company, may vary from time to time and our Company may repay/ pre-pay or refinance its borrowings from one or more financial institutions in the ordinary course of business, prior to filing of the Red Herring Prospectus with the RoC. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Additionally, owing to nature of our business, our Company may avail additional facilities, repay certain instalments of our borrowings and/ or draw down further funds under existing borrowing facilities, from time to time, after the filing of this Draft Red Herring Prospectus. Accordingly, in case any of the below mentioned borrowings are pre-paid or further drawn-down prior to the filing of the Red Herring Prospectus, we may utilize the Net Proceeds towards repayment and / or pre-payment of such additional indebtedness. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company. The amount allocated for estimated schedule of deployment of Net Proceeds in a particular Fiscal may be utilized for repayment or pre-payment of borrowings availed by our Company in the subsequent Fiscal, as may be deemed appropriate by our Board, subject to applicable law.

We believe that the repayment/ pre-payment of the borrowings by our Company, will help reduce our overall outstanding indebtedness, debt servicing costs, assist us in maintaining a favorable debt-equity ratio and enable better utilization of our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The selection of borrowings proposed to be pre-paid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for pre-payment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any pre-payment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The amounts proposed to be pre-paid and / or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to pre-pay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of pre-payment and / or repayment. For details in relation to key terms of our borrowings, see "*Financial Indebtedness*" on page 342.

For the purposes of the Offer, our Company has intimated and has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to the Offer and for the deployment of the Net Proceeds towards the objects set out in this section.

The following table sets forth details of borrowings availed by our Company, which were outstanding as of August 31, 2024, which are proposed to be repaid or pre-paid, from the Net Proceeds:

*(Remainder of this page has been intentionally left blank)*

| S. No | Name of the lender | Nature of borrowing | Date of the sanction letter(s) | Voluntary prepayment penalty | Tenor | Repayment schedule | Rate of Interest as of August 31, 2024 (% per annum) | % of total borrowings as of August 31, 2024 (%) | Amount Sanctioned *(in ₹ million)* | Total outstanding amount as of August 31, 2024 *(in ₹ million)* | Expected pre-payment or repayment from Net Proceeds *(in ₹ million)* | Purpose of Loan |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Yes Bank Limited | Term loan# | April 22, 2024 | Nil | 60 months | Principal amount to be repaid in 48 monthly installments repayable on last date of each month.(i.e., starting from September 30, 2022 and ending on September 30, 2026). | 9.34 | 1.46 | 160.00 | 78.28 | 55.45 | Capital expenditure |
| | | | | Nil | 109 months | Principal amount to be repaid in 93 equal monthly installments repayable on first day of each month (i.e., starting from October 1, 2025 and ending on June 1, 2033). | 9.13 | 4.66 | 500.00 | 250.00 | 250.00 | Capital expenditure |
| | | Cash credit | | Nil | 12 months | Repayable on demand | 9.13 | 1.85 | 110.00 | 99.07 | 60.00 | Working capital |
| 2 | Axis Bank Limited | Term loan# | March 8, 2024 | 2% | 68 months | Principal repayable in 20 quarterly installments (i.e., starting from April 2, 2023 and ending on April 2, 2028. | 9.65 | 1.96 | 150.00 | 105.00 | 90.00 | Capital expenditure |
| | | | | Nil | 114 months | 93 monthly installments starting from July 31 , 2025 and ending on March 31, 2033 | 9.35 | 7.64 | 550.00 | 409.86 | 407.50 | Capital expenditure |
| | | Cash credit | | 2% | 12 Months | Repayable on demand | 9.35 | 4.49 | 250.00 | 240.67 | 100.00 | Working capital |
| 3 | State Bank of India | Term loan# | March 4, 2024 | Nil | 110 months | 27 quarterly installments starting from September 30, 2025 and on March 31, 2032. | 9.75 | 11.19 | 875.00 | 600.03 | 595.32 | Capital expenditure |

| S. No | Name of the lender | Nature of borrowing | Date of the sanction letter(s) | Voluntary prepayment penalty | Tenor | Repayment schedule | Rate of Interest as of August 31, 2024 (% per annum) | % of total borrowings as of August 31, 2024 (%) | Amount Sanctioned *(in ₹ million)* | Total outstanding amount as of August 31, 2024 *(in ₹ million)* | Expected pre-payment or repayment from Net Proceeds *(in ₹ million)* | Purpose of Loan |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cash credit | | Nil | 12 months | Repayable on demand | 9.60 | 12.36 | 1,560.00 | 662.66 | 600.00 | Working capital |
| 4 | Bajaj Finance Limited | Term loan | August 17, 2024 | Nil | 72 months | Principal repayment in 72 equal monthly installments starting from fifth day of every month (i.e., October, 5 2024 and ending on September 5, 2030). | 9.50 | 3.73 | 300.00 | 200.00 | 200.00 | General corporate purpose |
| 5 | HDFC Bank Limited | Term loan[#] | February 7, 2024 | Nil | 111 months | 31 equal quarterly installments starting from December 1, 2025 and ending on May 21, 2033. | 9.30 | 4.66 | 250.00 | 190.00 | 190.00 | Capital expenditure |
| | | | | | | 31 quarterly installment starting from September 30, 2025 and ending on March 31, 2033. | | | | 60.00 | 60.00 | |
| | | | | Nil | 60 months | 20 quarterly installments (i.e., starting from May 17, 2022 and ending on February 17, 2027). | 9.38 | 2.88 | 250.00 | 154.60 | 148.00 | Capital expenditure |
| | | | | Nil | 66 months | 69 monthly installments starting Oct 30, 2021 and ending on June 30, 2027. | 9.38 | 3.28 | 250.00 | 176.00 | 129.60 | Capital expenditure |
| | | | | Nil | 115 months | 34 quarterly installments starting from December 31, 2023 and ending on March 31, 2032. | 9.50 | 11.64 | 750.00 | 308.45 | 303.46 | Capital expenditure |

| S. No | Name of the lender | Nature of borrowing | Date of the sanction letter(s) | Voluntary prepayment penalty | Tenor | Repayment schedule | Rate of Interest as of August 31, 2024 (% per annum) | % of total borrowings as of August 31, 2024 (%) | Amount Sanctioned *(in ₹ million)* | Total outstanding amount as of August 31, 2024 *(in ₹ million)* | Expected pre-payment or repayment from Net Proceeds *(in ₹ million)* | Purpose of Loan |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 34 quarterly installments starting from December 31, 2023 and ending March 31, 2032. | | | | 133.33 | 131.17 | |
| | | | | | | 34 quarterly installments starting from December 31, 2023 and ending on March 31, 2032. | | | | 182.48 | 179.50 | |
| | | Cash credit | February 7, 2024 | Nil | 12 Months | Repayment on demand | 9.30 | 9.15 | 500.00 | 490.63 | 400.00 | Working capital |
| | **Total** | | | | | | | | **6,455.00** | **4,341.06** | **3,900.00** | |

*(1) 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 purpose availed, our Statutory Auditor has confirmed that the loans have been utilized for the purpose for which they were availed pursuant to a certificate dated September 30, 2024.*

*(2)As certified by the Statutory Auditor of the Company, S S Kothari Mehta & Co. LLP, Chartered Accountants pursuant to their certificate dated September 30, 2024.*

*# As disclosed above, certain loans taken from banks or financial institutions, were utilized for capital expenditure by the Company*

**2. 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 utilize Net Proceeds include payment of commission and/or fees to consultants, to further strengthen our existing ecosystem, meeting ongoing general corporate exigencies, expenses incurred in ordinary course of business, business development initiatives, capital expenditure, 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, based on the amount actually available under this head and the business requirements of our Company and other relevant considerations, from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization 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 utilizing surplus amounts, if any. In the event we are unable to utilize the entire amount that we have currently estimated for use of our Net Proceeds in a Fiscal, we will utilize such unutilized amount(s) in the subsequent Fiscals.

**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.

**Means of finance**

The funding requirements for the Objects detailed above are proposed to be funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and internal accruals as required under the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

**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.

**Offer expenses**

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprises of, among other things, listing fee, underwriting fee, selling commission and brokerage, fee payable to the Book Running Lead Managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, audit fees of the statutory auditors (other than to the extent attributable to the Offer), corporate or product advertisements expenses in the ordinary course of business by our Company (not in connection with the Offer), and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which will be borne solely by our Company, all costs, charges, fees and expenses that are associated with and incurred solely in connection with the Offer including, inter-alia, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel, fees and expenses of the statutory auditors (to the extent related to the Offer), registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, Syndicate Members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be shared by our Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and/or transferred by our Company and each of the Selling Shareholders in the Offer in respect of their respective portion of Equity Shares offered in the Offer for Sale, respectively, except as may be prescribed by the SEBI or any other regulatory authority. Our Company agrees to pay the cost and expenses of the Offer on behalf of the Selling Shareholders in the first instance, (in accordance with the appointment or engagement letter or memoranda of understanding or agreements with such entities), and each of the Selling Shareholders agrees that it shall reimburse our Company, in proportion to its respective portion of Equity Shares offered in the Offer for Sale, for any documented expenses incurred by our Company on behalf of such Selling Shareholder, subject to receipt of supporting documents for such expenses upon commencement of trading of the Equity Shares on the Stock Exchanges pursuant to the Offer. In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, all costs and expenses with respect to the Offer which may have accrued up to the date of such postponement, withdrawal, abandonment or failure shall be borne by our Company and Selling Shareholders in proportion to the number of Equity Shares our Company has agreed to issue and allot and each of the Selling Shareholders have agreed to sell in the Offer as disclosed in the Draft Red Herring Prospectus or as will be disclosed in the updated draft red herring prospectus to be filed by our Company with SEBI in relation to the Offer, whichever is later, including but not limited to, the fees and expenses of the BRLMs and all legal counsel in relation to the Offer.

The break-down for the estimated Offer expenses are as follows:

| **Activity** | **Estimated expenses (1)** ***(in ₹ million)*** | **As a % of total estimated Offer related expenses (1)** | **As a % of Offer size (1)** |
|---|---|---|---|
| BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| Selling commission/ processing fee for SCSBs, Sponsor Banks and fee payable to Sponsor Banks for Bids made by RIBs (2)(3)(6) | [●] | [●] | [●] |
| Brokerage and selling commission and bidding/uploading charges payable to members of the Syndicate (including their Sub-Syndicate Members*)*, RTAs, CDPs and Registered Brokers (4)(5)(6) | [●] | [●] | [●] |
| Fees payable to Registrar of the Offer | [●] | [●] | [●] |
| Fees payable to other parties, including but not limited to Statutory Auditors, Independent Chartered Accountant, industry expert and Chartered Engineer. | [●] | [●] | [●] |
| **Others** | | | |
| Listing fees, SEBI fees, upload fees, BSE and NSE processing fees, book-building software fees | [●] | [●] | [●] |
| Printing and stationery expenses | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Fees payable to legal counsels | [●] | [●] | [●] |
| Miscellaneous (comprising fees payable to strategic advisors and additional intermediaries, if any, monitoring agency, chartered accountant(s) and company secretary that may be appointed in the course of Offer) | [●] | [●] | [●] |
| **Total estimated Offer expenses** | [●] | [●] | [●] |

(1) *The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, Eligible Employees 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 Eligible Employees*** | *[●]% of the Amount Allotted (plus applicable taxes)* |
| ***Portion for Non-Institutional Bidders**** | *[●]% of the Amount Allotted (plus applicable taxes)* |

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

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

*(3) No processing fees shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by them.*

*Processing / uploading fees payable to the SCSBs on the portion for RIBs, Eligible Employees 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 Eligible Employees*** | *[●]% of the Amount Allotted (plus applicable taxes)* |
| ***Portion for Non-Institutional Bidders**** | *[●]% of the Amount Allotted (plus applicable taxes)* |

*(4) Selling commission on the portion for UPI Bidders, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

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

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

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

*Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

*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.*

*(5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for UPI Bidders and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

| | |
|---|---|
| ***Portion for RIBs**** | *₹ [●] per valid application (plus applicable taxes)* |
| ***Portion for Eligible Employees*** | *[●]% of the Amount Allotted (plus applicable taxes)* |
| ***Portion for Non-Institutional Bidders**** | *₹ [●] per valid application (plus applicable taxes)* |

** Based on valid applications*

*(6) Uploading charges/ Processing fees for applications made by UPI Bidders would be as under:*

| | |
|---|---|
| ***Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs*** | *₹ [●] per valid application (plus applicable taxes)* |
| ***Payable to Sponsor Banks*** | *₹ [●] per valid application (plus applicable taxes)*<br>*The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws* |

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

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/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 such payment of processing fees to the SCSBs shall be made in compliance with 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.

**Bridge financing facilities**

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

**Monitoring utilization of funds from the Offer**

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 Gross Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Gross 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 utilization of the Gross 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 Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such unutilized Gross Proceeds. Our Company will indicate investments, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Gross Proceeds and provide item by item description for all the expense heads under each Object of the Offer. 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 utilized 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 until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the statutory auditors of our Company and shall be furnished to the Monitoring Agency, in terms of the Monitoring Agency Agreement. 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 Gross Proceeds of the Offer 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 Gross Proceeds under a separate head along with details in our balance sheet(s) until such time as the Gross Proceeds remain unutilized clearly specifying the purpose for which such Gross 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 Gross 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 authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English, and one in Hindi, Hindi also being the regional language of Chhattisgarh 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 and SEBI ICDR Regulations, at a price and in the manner as prescribed by SEBI, in this regard.

**Other confirmations**

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the Net Proceeds will be paid by our Company to our Promoters, Promoter Group, our Directors, our Key Managerial Personnel, our Senior Management or Group Companies. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Managerial Personnel, our Senior Management or Group Companies.

# BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below and justified in view of the relevant parameters. The face value of the Equity Shares is ₹[●] each and the Floor Price is [●] times the face value of the Equity Shares and the Cap Price is [●] times the face value of the Equity Shares.

Investors should also refer to "*Risk Factors*", "*Our Business*", "*Restated Financial Information*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 33, 195, 270, 340 and 344 respectively, to have an informed view before making an investment decision.

**Qualitative factors**

Some of the qualitative factors which form the basis for computing the Offer Price are:

- The only single location backward integrated facility in India;
- Strategically located manufacturing plants resulting in operational efficiencies;
- Strong process innovation and execution capabilities allowing us to produce value-added products;
- Widespread, well connected distribution network across India;
- Well-positioned to take advantage of the growing demand for quality ERW steel pipes and tubes;
- Experienced Promoters and management team with vast experience in the steel industry; and
- Track record of healthy financial performance.

**Quantitative factors**

Certain information presented below relating to our Company is derived from the Restated Financial Information.

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

1. **Basic and diluted Earnings per Share ("EPS") at face value of ₹ 10 each:**

Based on / derived from the Restated Financial Information:

| Fiscal | Basic EPS *(in ₹)* | Diluted EPS *(in ₹)* | Weight |
|---|---|---|---|
| 2024 | 3.79 | 3.79 | 3 |
| 2023 | 3.01 | 3.01 | 2 |
| 2022 | 3.59 | 3.59 | 1 |
| **Weighted Average** | 3.50 | 3.50 | |

***Notes:***
1. *Basic and diluted earnings per Equity Share: Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The face value of Equity Shares of the Company is ₹10.*
2. *Basic earnings per Equity Share is computed by dividing net profit after tax attributable to the equity shareholders for the year by the weighted average number of Equity Shares outstanding during the year.*
3. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e., (EPS x Weight for each year /total of weights.*
4. *Diluted earnings per Equity Share is computed and disclosed by dividing the net profit after tax attributable to the equity shareholders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of Equity Shares and dilutive potential equity shares outstanding during the year*

2. **Price/Earnings Ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share: (1)**

| Particulars | P/E at the lower end of Price Band (no. of times) | P/E at the higher end of Price band (no. of times) |
|---|---|---|
| P/E ratio based on basic EPS for Financial Year 2024 | [●] | [●] |
| P/E ratio based on diluted EPS for Financial Year 2024 | [●] | [●] |

(1) *To be updated on finalization of the Price Band.*

3. **Industry Peer Group Price / Earnings (P/E) ratio**

Based on the peer group information (excluding our Company) given below are the highest, lowest and industry average P/E ratio:

| Particulars | P/E Ratio |
|---|---|
| Highest | 73.00 |
| Lowest | 24.07 |
| Average | 48.53 |

***Source**: Based on peer set provided below.*

1. *The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this section.*
2. *The industry P / E ratio mentioned above is for the financial year ended March 31, 2024. P / E Ratio has been computed based on the closing market price of equity shares on NSE on September 27, 2024 divided by the Diluted EPS for the year ended March 31, 2024.*
3. *All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the Stock Exchanges.*

## 4. Return on Net Worth ("RoNW")

| Financial Year | RoNW (%) | Weight |
|---|---|---|
| 2024 | 25.42 | 3 |
| 2023 | 33.57 | 2 |
| 2022 | 63.65 | 1 |
| **Weighted Average** | **34.51** | |

***Notes:***

1. *Return on Net Worth = Restated net profit after tax for the years attributable to the owners of the Company (Equity attributable to owners of the Company) divided by Average Equity (Average equity is the average of opening and closing net worth of the respective years).*
2. *Net worth of the Company, means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
3. *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e., (Net Worth x Weight) for each year / Total of weights.*

## 5. Net Asset Value ("NAV") per Equity Share (face value of ₹10 each)

| NAV per Equity Share | *(in ₹)* |
|---|---|
| As of March 31, 2024 | 18.19 |
| **After the completion of the Offer*** | |
| - At the Floor Price | [●] |
| - At the Cap Price | [●] |
| - At the Offer Price | [●] |

** To be completed prior to filing of the Prospectus with the RoC*

***Notes:***

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net assets value per share is calculated as Equity attributable to equity holders divided by number of equity shares outstanding during the period/ year as adjusted for the bonus shares*

## 6. Comparison of Accounting Ratios with listed industry peers (as of or for the period ended March 31, 2024, as applicable)

The following peer group has been determined based on the companies listed on the Stock Exchanges:

| Name of Company | Revenue from operations *(₹ million)* | Face value (₹ per share) | P/E on September 27, 2024 | EPS (₹) | | RoNW (%) | NAV (₹ in millions) | NAV (per share) (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | Basic | Diluted | | | |
| Sambhv Steel Tubes Limited* | 12,857.57 | 10 | N.A.# | 3.79 | 3.79 | 25.42 | 4,382.82 | 18.19 |
| ***Listed peers***(2) | | | | | | | | |
| APL Apollo Tubes Limited | 1,81,188.00 | 2 | 58.05 | 26.40 | 26.40 | 22.21 | 35,966.20 | 129.60 |
| Hariom Pipes Industries Limited | 11,531.88 | 10 | 39.41 | 20.34 | 18.34 | 13.56 | 4,188.00 | 160.50 |
| Hi-Tech Pipes Limited | 26,992.93 | 1 | 73.00 | 3.25 | 2.69 | 8.90 | 5,725.22 | 38.20 |

| Name of Company | Revenue from operations (₹ million) | Face value (₹ per share) | P/E on September 27, 2024 | EPS (₹) | | RoNW (%) | NAV (₹ in millions) | NAV (per share) (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | Basic | Diluted | | | |
| JTL Industries Limited | 20,402.29 | 2 | 35.17 | 6.63 | 6.52 | 19.15 | 7,739.10 | 43.72 |
| Rama Steel Tubes Limited | 10,465.10 | 1 | 30.41 | 0.50 | 0.49 | 10.40 | 3,308.10 | 2.14 |
| Surya Roshni Limited | 78,092.70 | 5 | 24.07 | 30.51 | 30.25 | 17.41 | 20,417.00 | 187.63 |

**Financial information of the Company has been derived from Restated Financial Information as of or for the financial year ended March 31, 2024.*
*# To be included in respect of the Company in the Prospectus based on the Offer Price.*
*Source: Annual report of the peer companies for the Fiscal 2024 submitted to stock exchanges.*
***Note:** The peers are identified and the financial information in respect to the same is provided by the management of the Company.*
***Notes in relation to the Company:***

1. *All the financial information for listed industry peers mentioned above is on a consolidated basis other than Hariom Pipe Industries which is on standalone basis.*
2. *P/E ratio is calculated as closing share price of equity shares on NSE as of September 27, 2024, divided by the diluted EPS for year ended March 31, 2024.*
3. *Basic EPS and Diluted EPS refers to the basic EPS and diluted EPS sourced from the financial statements of the respective peer group companies for the Financial Year ended March 31, 2024.*
4. *NAV per Equity Share represents total equity attributable to the equity shareholders as of the end of the Financial Year ended March 31, 2024 divided by the number of Equity Shares (i.e., equity shares and instruments entirely equity in nature) outstanding at the end of the year*
5. *RoNW is computed as profit after tax attributable to owners of the holding company for the year as a percentage of closing Net Worth (excluding non-controlling interest) of the Financial Year ended March 31, 2024.*

## 7. Key Performance Indicators

The table below sets forth the details of our KPIs which our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 30, 2024. Further, the Audit Committee has noted that no KPIs have been disclosed to any new investors in the last three years preceding the date of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, pursuant to their certificate dated September 30, 2024.

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to its peers.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilization of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 112 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

| S. No. | Key performance indicators | As of, and for the Fiscal, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | | *(₹ in million, unless otherwise specified)* | | |
| 1. | Revenue from operations | 12,857.57 | 9,372.20 | 8,193.49 |
| 2. | Revenue growth (in %) | 37.19 | 14.39 | - |
| 3. | Total Income(1) | 12,893.75 | 9,390.04 | 8,207.53 |
| 4. | Gross Profit(2) | 3,655.73 | 2,405.19 | 1,995.42 |
| 5. | Gross Profit Margin(3) (in %) | 28.43 | 25.66 | 24.35 |
| 6. | EBITDA (4) | 1,598.72 | 1,173.00 | 1,245.15 |
| 7. | EBITDA Margin (5) (in %) | 12.43 | 12.52 | 15.20 |
| 8. | EBIT(6) | 1,425.80 | 1,029.33 | 1,157.99 |
| 9. | EBIT Margin(7) (in %) | 11.09 | 10.98 | 14.13 |
| 10. | Profit After Tax | 824.39 | 603.83 | 721.08 |
| 11. | Profit After Tax Margin(8) (in %) | 6.41 | 6.44 | 8.80 |
| 12. | Return on Equity (RoE) (9) (in %) | 25.42 | 33.57 | 63.65 |
| 13. | Return on Capital Employed (RoCE) (10) (in %) | 17.66 | 20.20 | 28.90 |
| 14. | Cash Profit(11) | 1,033.49 | 765.34 | 822.28 |
| 15. | Debt(12) | 3,505.40 | 2,850.53 | 2,416.40 |

| S. No. | Key performance indicators | As of, and for the Fiscal, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | | *(₹ in million, unless otherwise specified)* | | |
| 16. | Debt/ Equity[13] | 0.80 | 1.35 | 1.62 |
| 17. | Debt/ EBITDA[14] | 2.19 | 2.43 | 1.94 |
| 18. | Interest coverage ratio[15] | 4.48 | 4.72 | 6.06 |
| 19. | Fixed Asset Turnover Ratio[16] | 3.82 | 3.19 | 3.48 |
| 20. | Working Capital Days[17] | 41 | 57 | 47 |
| 21. | Cash Flow from Operations | 1,424.28 | 655.52 | 344.95 |
| 22. | Operating Cash flow to EBITDA[18] | 0.89 | 0.56 | 0.28 |
| 23. | **Sales volumes by product segment (MTPA)*** | | | |
| | *Sponge Iron (MTPA)* | 2,125.26 | 7,941.08 | 14,157.06 |
| | *Blooms/Slabs (MTPA)* | 31,096.37 | 42,122.22 | 53,892.98 |
| | *HR Coils (MTPA)* | 4,977.29 | 42,303.08 | 89,334.11 |
| | *ERW Pipes and Tubes (MTPA)* | 179,374.15 | 64,780.21 | - |
| | *GI Pipes (MTPA)* | 5,688.54 | 906.93 | - |
| | **Total sales volumes (MTPA)** | **2,23,261.61** | **1,58,053.52** | **1,57,384.15** |
| 24. | Volume growth (in %) | 41.26 | 0.43 | Nil |
| 25. | EBITDA per ton (in Rs) [19] | 7,160.70 | 7,421.54 | 7,911.47 |
| 26. | **Sales value by product segment** | | | |
| | *Sponge Iron* | 64.46 | 273.78 | 451.67 |
| | *Blooms/Slabs* | 1,363.51 | 2,026.47 | 2,252.16 |
| | *HR Coils* | 245.96 | 2,569.11 | 5,023.95 |
| | *ERW Pipes and Tubes* | 9,448.15 | 3,569.37 | Nil |
| | *GI Pipes* | 392.44 | 65.42 | Nil |
| | **Total sales value** | **11,514.52** | **8,504.15** | **7,727.78** |

***Notes:***

1. *Total income is calculated as the sum of revenue from operations & other income*
2. *Gross Profit is calculated as Revenue from operations minus cost of material consumed minus purchase of stock-in-trade minus change in inventory of stock-in-trade and finished goods*
3. *Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year*
4. *EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.*
5. *EBITDA margin is calculated as EBITDA divided by revenue from operations*
6. *EBIT is calculated as profit for the period plus finance costs and total tax expense*
7. *EBIT Margin is calculated as EBIT divided by Revenue from operations*
8. *PAT Margin is calculated as profit for the period divided by Revenue from operations*
9. *Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year*
10. *Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability*
11. *Cash Profit is calculated as the sum of profit for the period and depreciation*
12. *Debt is calculated as the sum of long term borrowings, short term borrowings and lease liabilities for the period*
13. *Debt/Equity is calculated as debt divided by equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus for the years ended March 31, 2024, March 31, 2023 and March 31, 2022*
14. *Debt / EBITDA is calculated as debt divided by EBITDA*
15. *Interest Coverage Ratio is calculated as EBIT divided by Finance Cost*
16. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Property, Plant and Equipment*
17. *Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days*
18. *Operating Cash flow to EBITDA is calculated as Cash Flow from Operations divided by EBITDA*
19. *EBITDA/ton is calculated as EBITDA divided by Total sales volume*

*KPI as identified and approved by the audit committee of the board of directors of our Company pursuant to their resolution dated September 30, 2024) and certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, pursuant to their certificate dated September 30, 2024.*
**The captive consumption of intermediate products for production of our finished products increased in Fiscal 2024 and hence our sales volumes from the sales of intermediate products has declined.*

### *Explanation for the key performance indicators:*

| Key performance indicators[1] | Description |
|---|---|
| Revenue from operations | Revenue from operations is used by the management to track the revenue which is generated from our business. |
| Revenue growth | Growth in Revenue from operations provides information regarding the growth of the business over the respective years |
| Total Income | Total income comprises of revenue from operations & other income |

| Key performance indicators[1] | Description |
|---|---|
| Gross Profit | Gross Profit is used by the management to track information regarding the efficiency with which the Company is manufacturing its products and assess profitability at a manufacturing level |
| Gross Profit Margin | Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenue from operations that exceeds the cost of goods sold, conversion costs and direct manufacturing expenses |
| EBITDA | EBITDA is used by the management to track the operational profitability of the business |
| EBITDA Margin | EBITDA Margin is an indicator of the operational profitability margin and financial performance of the business |
| EBIT | EBIT provides insights into the Company's operational profitability before the Finance Cost and Taxation |
| EBIT Margin | EBIT Margin is an indicator of the operational efficiency of our business calculated as EBIT as a percentage of total income |
| Profit After Tax | Profit for the year is used by the management to track the overall profitability of the business |
| Profit After Tax Margin | Profit for the year Margin is an indicator of the overall profitability margin and financial performance of the business |
| Return on Equity (RoE) | RoE is used by the management to track how efficiently the Company generates profits from shareholders' funds and how well it is converting shareholders' funds to generate profits. |
| Return on Capital Employed (RoCE) | ROCE is used by the management to track how efficiently the Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits |
| Cash Profit | Cash Profit for the year is used by the management to track the funds generated by a company. |
| Debt | This is the measure of debt position of our company |
| Debt/ Equity | The Debt / Equity ratio is a financial metric that shows how much debt the Company has compared to its equity |
| Debt/ EBITDA | Debt / EBITDA is used by the management to get insights into financial leverage and stability |
| Interest coverage ratio | The Interest coverage ratio measures how well the Company can pay the interest due on outstanding debt. |
| Fixed Asset Turnover Ratio | As the fixed assets constitute a significant part of the overall balance sheet it helps track how effectively the company uses its fixed assets to generate sales |
| Working Capital Days | Net Working Capital Days is used by the management to assess the efficiency of the Company to manage current assets and liabilities, indicating the company's liquidity and operational efficiency |
| Cash Flow from Operations | Cash Flow from Operations represents the amount of cash the company generates from carrying out its operating activities over the years |
| Operating Cash flow to EBITDA | Operating Cash flow / EBITDA is used by the management to assess the quality of earnings by evaluating the relationship between operating cash flow and operational profitability |
| Sales volumes | Sales volumes is used by the management to assess the overall market demand for the company's products and to evaluate the effectiveness of sales strategies across various product categories. |
| Volume growth | Growth in Volumes provides information regarding the growth in market demand for the company's products across various product categories over the respective years |
| EBITDA per ton | EBITDA per ton reflects how effectively the Company manages to turn its output into profits |

[1] *As certified by S S Kothari Mehta & Co. LLP, Chartered Accountants, pursuant to their certificate dated September 30, 2024*.

**Description on the historic use of KPIs by our Company to analyze, track or monitor the operational and/ or financial performance of our Company**:

In evaluating our business, we consider and use certain KPIs, as presented below, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating 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 KPIs 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, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's 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 KPI to evaluate our business.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by our Board), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (b) complete utilization of the proceeds of the Fresh Issue as disclosed in "*Objects of the Offer*" on page 112, or for such other duration as may be required under the SEBI ICDR Regulations.

**Comparison of KPIs over time shall be explained based on additions or dispositions to our business**

Our Company has not made any additions or dispositions to its business during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

8. **Comparison of our key performance indicators with listed industry peers**

The following table provides a comparison of our KPIs with our listed peers for the Fiscal/period indicated, which has been determined on the basis of companies listed on the Indian stock exchanges of comparable size to our Company, operating in the same industry as our Company and whose business model is similar to our business model.

**Fiscal 2024**

| **Particulars** | **Sambhv Steel Tubes Limited** | **APL Apollo Tubes Limited** | **Hariom Pipe Industries Limited** | **Hi tech Steel Pipes Limited** | **JTL Industries Limited** | **Rama Steel Tubes Limited** | **Surya Roshni Limited** |
|---|---|---|---|---|---|---|---|
| | **Issuer** | **Consolidated** | **Standalone** | **Consolidated** | **Consolidated** | **Consolidated** | **Consolidated** |
| **Financial Metrics** | | | | | | | |
| Revenue from operations | 12,857.57 | 181,188.00 | 11,531.88 | 26,992.93 | 20,402.29 | 10,465.10 | 78,092.70 |
| Revenue growth (in %) | 37.19 | 12.08 | 79.15 | 13.14 | 31.63 | -21.71 | -2.34 |
| Total Income(1) | 12,893.75 | 181,936.70 | 11,583.85 | 27,004.71 | 20,488.98 | 10,508.30 | 78,231.60 |
| Gross Profit(2) | 3,655.73 | 25,016.00 | 2,668.77 | 2,367.77 | 2,419.59 | 978.84 | 17,347.30 |
| Gross Profit Margin(3) (in %) | 28.43 | 13.81 | 23.14 | 8.77 | 11.86 | 9.35 | 22.21 |
| EBITDA (4) | 1,598.72 | 11,921.70 | 1,385.95 | 1,148.59 | 1,521.90 | 600.99 | 5,724.20 |
| EBITDA Margin (5) (in %) | 12.43 | 6.58 | 12.02 | 4.26 | 7.46 | 5.74 | 7.33 |
| EBIT(6) (in %) | 1,425.80 | 10,911.10 | 1,099.26 | 1,005.49 | 1,553.02 | 587.75 | 5,622.60 |
| EBIT Margin(7) (in %) | 11.09 | 6.02 | 9.53 | 3.73 | 7.61 | 5.62 | 7.20 |
| Profit After Tax | 824.39 | 7,324.40 | 568.00 | 439.31 | 1,130.11 | 299.96 | 3,291.60 |
| Profit After Tax Margin(8) (in %) | 6.41 | 4.04 | 4.93 | 1.63 | 5.54 | 2.87 | 4.21 |
| Return on Equity (RoE) (9) (in %) | 25.42 | 22.16 | 13.54 | 8.83 | 19.12 | 10.25 | 16.34 |
| Return on Capital Employed (RoCE) (10) (in %) | 17.66 | 22.38 | 13.02 | 10.38 | 19.50 | 12.27 | 25.12 |
| Cash Profit(11) | 1,033.49 | 9,083.70 | 906.66 | 594.19 | 1,185.69 | 356.41 | 4,464.30 |
| Debt(12) | 3,505.40 | 11,442.50 | 3,721.02 | 3,657.95 | 200.05 | 1,450.65 | 160.10 |
| Debt/ Equity(13) | 0.80 | 0.32 | 0.80 | 0.63 | 0.03 | 0.43 | 0.01 |
| Debt/ EBITDA(14) | 2.19 | 0.96 | 2.68 | 3.18 | 0.13 | 2.41 | 0.03 |
| Interest coverage ratio(15) | 4.48 | 9.62 | 3.38 | 2.40 | 30.49 | 2.77 | 23.38 |
| Fixed Asset Turnover Ratio(16) | 3.82 | 5.77 | 3.15 | 7.62 | 18.32 | 13.44 | 9.38 |
| Working Capital Days(17) | 41 | (4) | 127 | 64 | 57 | 42 | 68 |
| Cash Flow from Operations | 1,424.28 | 11,115.60 | 49.55 | (951.90) | (221.26) | 180.93 | 5,396.70 |
| Operating Cash flow to EBITDA(18) | 0.89 | 0.93 | 0.04 | (0.83) | (0.15) | 0.30 | 0.94 |
| **Operational Data Metrics** | | | | | | | |

| Particulars | Sambhv Steel Tubes Limited | APL Apollo Tubes Limited | Hariom Pipe Industries Limited | Hi tech Steel Pipes Limited | JTL Industries Limited | Rama Steel Tubes Limited | Surya Roshni Limited |
|---|---|---|---|---|---|---|---|
| | Issuer | Consolidated | Standalone | Consolidated | Consolidated | Consolidated | Consolidated |
| **Sales volumes by product segment (MTPA)** | | | | | | | |
| *Sponge Iron (MTPA)* | 2,125.26 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Blooms/Slabs (MTPA)* | 31,096.37 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *HR Coils (MTPA)* | 4,977.29 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *ERW Pipes and Tubes (MTPA)* | 179,374.15 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *GI Pipes (MTPA)* | 5,688.54 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Total sales volumes (MTPA)** | **2,23,261.61** | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Volume growth (in %) | 41.26 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| EBITDA per ton (in Rs) (19) | 7,160.70 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Sales value by product segment** | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Sponge Iron* | 64.46 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Blooms/Slabs* | 1,363.51 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *HR Coils* | 245.96 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *ERW Pipes and Tubes* | 9,448.15 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *GI Pipes* | 392.44 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Total sales value** | **11,514.52** | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

***All the financial information for the competitor entities mentioned above is sourced from the annual reports/quarterly financials as available for Fiscal Year ended March 31, 2024 (as applicable) submitted to Stock Exchanges.*

*#N.A. stands for Not available as the data is not reported in the Annual report or RHP/DRHP filling*

1. *Total income is calculated as the sum of revenue from operations & other income*
2. *Gross Profit is calculated as Revenue from operations minus cost of material consumed minus purchase of stock-in-trade minus change in inventory of stock-in-trade and finished goods*
3. *Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year*
4. *EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.*
5. *EBITDA margin is calculated as EBITDA divided by revenue from operations*
6. *EBIT is calculated as profit for the period plus finance costs and total tax expense.*
7. *EBIT Margin is calculated as EBIT divided by Revenue from operations*
8. *PAT Margin is calculated as profit for the period divided by Revenue from operations*
9. *Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year*
10. *Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability.*
11. *Cash Profit is calculated as the sum of profit for the period and depreciation.*
12. *Debt is calculated as the sum of long term borrowings, short term borrowings and lease liabilities for the period*
13. *Debt/Equity is calculated as Debt divided by equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus as on March 31, 2024*
14. *Debt / EBITDA is calculated as Debt divided by EBITDA*
15. *Interest Coverage Ratio is calculated as EBIT divided by Finance Cost*
16. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Property, Plant and Equipment*

17. *Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.*
18. *Operating Cash flow to EBITDA is calculated as Cash Flow from Operations divided by EBITDA*
19. *EBITDA/ton is calculated as EBITDA divided by Total sales volume*

*Sales volume by product, sales value by product and EBITDA per ton metrics are not strictly comparable among the Company and its peers. Such product-wise data of the listed peers is either not available in the public domain or the basis and manner of calculation of the figures is not ascertainable; thereby, it may not be an accurate comparison with the Company's data in a comparable manner, and hence not mentioned.*

## Fiscal 2023

| Particulars | Sambhv Steel Tubes Limited | APL Apollo Tubes Limited | Hariom Pipe Industries Limited | Hi tech Steel Pipes Limited | JTL Industries Limited | Rama Steel Tubes Limited | Surya Roshni Limited |
|---|---|---|---|---|---|---|---|
| | **Issuer** | **Consolidated** | **Standalone** | **Consolidated** | **Consolidated** | **Consolidated** | **Consolidated** |
| **Financial Metrics** | | | | | | | |
| Revenue from operations | 9,372.20 | 161,659.50 | 6,437.12 | 23,858.47 | 15,499.19 | 13,367.54 | 79,967.10 |
| Revenue growth | 14.39% | 23.75% | 49.50% | 26.98% | 14.36% | 74.02% | 3.44% |
| Total Income(1) | 9,390.04 | 162,131.30 | 6,444.60 | 23,881.09 | 15,548.56 | 13,435.72 | 80,020.60 |
| Gross Profit(2) | 2,405.19 | 21,389.20 | 1,806.62 | 2,115.20 | 2,097.95 | 928.11 | 17,746.10 |
| Gross Profit Margin(3) | 25.66% | 13.23% | 28.07% | 8.87% | 13.54% | 6.94% | 22.19% |
| EBITDA (4) | 1,173.00 | 10,215.50 | 818.84 | 966.96 | 1,282.83 | 530.83 | 6,141.60 |
| EBITDA Margin (5) | 12.52% | 6.32% | 12.72% | 4.05% | 8.28% | 3.97% | 7.68% |
| EBIT(6) | 1,029.33 | 9,304.00 | 732.07 | 851.85 | 1,289.65 | 551.72 | 5,746.60 |
| EBIT Margin(7) | 10.98% | 5.76% | 11.37% | 3.57% | 8.32% | 4.13% | 7.19% |
| Profit After Tax | 603.83 | 6,418.60 | 462.08 | 376.81 | 901.28 | 274.37 | 3,355.20 |
| Profit After Tax Margin(8) | 6.44% | 3.97% | 7.18% | 1.58% | 5.82% | 2.05% | 4.20% |
| Return on Equity (RoE) (9) | 33.57% | 24.36% | 19.41% | 11.14% | 29.80% | 14.56% | 19.67% |
| Return on Capital Employed (RoCE) (10) | 20.20% | 23.28% | 10.82% | 12.62% | 24.89% | 12.47% | 24.47% |
| Cash Profit(11) | 765.34 | 7,801.90 | 556.33 | 514.54 | 943.83 | 321.66 | 4,509.30 |
| Total Debt(12) | 2,850.53 | 8,730.10 | 2,972.79 | 2,351.09 | 1,067.74 | 1,927.84 | 4,177.70 |
| Debt/ Equity(13) | 1.35 | 0.29 | 0.79 | 0.56 | 0.26 | 0.77 | 0.22 |
| Debt/ EBITDA(14) | 2.43 | 0.85 | 3.63 | 2.43 | 0.83 | 3.63 | 0.68 |
| Interest coverage ratio(15) | 4.72 | 13.87 | 7.05 | 2.41 | 20.31 | 2.73 | 12.81 |
| Fixed Asset Turnover Ratio(16) | 3.19 | 6.62 | 4.79 | 8.33 | 23.71 | 17.97 | 8.76 |
| Working Capital Days(17) | 57 | 0 | 160 | 48 | 66 | 59 | 68 |
| Cash Flow from Operations | 655.52 | 6,900.70 | (1,005.68) | 1,337.45 | 39.70 | (961.62) | 2,802.00 |
| Operating Cash flow to EBITDA(18) | 0.56 | 0.68 | (1.23) | 1.38 | 0.03 | (1.81) | 0.46 |
| **Operational Data Metrics** | | | | | | | |

| Particulars | Sambhv Steel Tubes Limited | APL Apollo Tubes Limited | Hariom Pipe Industries Limited | Hi tech Steel Pipes Limited | JTL Industries Limited | Rama Steel Tubes Limited | Surya Roshni Limited |
|---|---|---|---|---|---|---|---|
| | **Issuer** | **Consolidated** | **Standalone** | **Consolidated** | **Consolidated** | **Consolidated** | **Consolidated** |
| **Sales volumes by product segment (MTPA)** | | | | | | | |
| *Sponge Iron (MTPA)* | 7,941.08 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Blooms/Slabs (MTPA)* | 42,122.22 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *HR Coils (MTPA)* | 42,303.08 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *ERW Pipes and Tubes (MTPA)* | 64,780.21 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *GI Pipes (MTPA)* | 906.93 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Total sales volumes (MTPA)** | **1,58,053.52** | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Volume growth | 0.43% | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| EBITDA per ton (in Rs) (19) | 7,421.54 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Sales value by product segment** | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Sponge Iron* | 273.78 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Blooms/Slabs* | 2,026.47 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *HR Coils* | 2,569.11 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *ERW Pipes and Tubes* | 3,569.37 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *GI Pipes* | 65.42 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Total sales value** | **8,504.15** | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

**All the financial information for the competitor entities mentioned above is sourced from the annual reports/quarterly financials as available for Fiscal Year ended March 31, 2023 (as applicable) submitted to Stock Exchanges.

#N.A. stands for Not available as the data is not reported in the Annual report or RHP/DRHP filling

1. *Total income is calculated as the sum of revenue from operations & other income*
2. *Gross Profit is calculated as Revenue from operations minus cost of material consumed minus purchase of stock-in-trade minus change in inventory of stock-in-trade and finished goods*
3. *Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year*
4. *EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.*
5. *EBITDA margin is calculated as EBITDA divided by revenue from operations.*
6. *EBIT is calculated as profit for the period plus finance costs and total tax expense.*
7. *EBIT Margin is calculated as EBIT divided by Revenue from operations*
8. *PAT Margin is calculated as profit for the period divided by Revenue from operations*
9. *Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year*
10. *Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability.*
11. *Cash Profit is calculated as the sum of profit for the period and depreciation.*
12. *Debt is calculated as the sum of long term borrowings, short term borrowings and lease liabilities for the period*
13. *Debt/Equity is calculated as Debt divided by equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus for the year is as at March 31, 2023*
14. *Debt / EBITDA is calculated as Debt divided by EBITDA*
15. *Interest Coverage Ratio is calculated as EBIT divided by Finance Cost*
16. *Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Property, Plant and Equipment*

17. *Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.*
18. *Operating Cash flow to EBITDA is calculated as Cash Flow from Operations divided by EBITDA*
19. *EBITDA/ton is calculated as EBITDA divided by Total sales volume*

*Sales volume by product, sales value by product and EBITDA per ton metrics are not strictly comparable among the Company and its peers. Such product-wise data of the listed peers is either not available in the public domain or the basis and manner of calculation of the figures is not ascertainable; thereby, it may not be an accurate comparison with the Company's data in a comparable manner, and hence not mentioned.*

### Fiscal 2022

| Particulars | Sambhv Steel Tubes Limited | APL Apollo Tubes Limited | Hariom Pipe Industries Limited | Hi tech Steel Pipes Limited | JTL Industries Limited | Rama Steel Tubes Limited | Surya Roshni Limited |
|---|---|---|---|---|---|---|---|
| | **Issuer** | **Consolidated** | **Standalone** | **Consolidated** | **Consolidated** | **Consolidated** | **Consolidated** |
| **Financial Metrics** | | | | | | | |
| Revenue from operations | 8,193.49 | 130,633.20 | 4,305.67 | 18,788.47 | 13,553.17 | 7,681.68 | 77,308.20 |
| Revenue growth | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Total Income(1) | 8,207.53 | 131,038.20 | 4,332.82 | 18,797.84 | 13,591.08 | 7,773.73 | 77,366.20 |
| Gross Profit(2) | 1,995.42 | 18,402.00 | 1,395.86 | 1,795.72 | 1,522.44 | 764.75 | 15,405.40 |
| Gross Profit Margin(3) (in %) | 24.35 | 14.09 | 32.42 | 9.56 | 11.23 | 9.96 | 19.93 |
| EBITDA (4) | 1,245.15 | 9,452.60 | 561.19 | 1,005.18 | 894.19 | 419.07 | 4,428.80 |
| EBITDA Margin (5) (in %) | 15.20 | 7.24 | 13.03 | 5.35 | 6.60 | 5.46 | 5.73 |
| EBIT(6) | 1,157.99 | 8,767.90 | 507.29 | 917.93 | 900.59 | 468.38 | 3,850.30 |
| EBIT Margin(7) (in %) | 14.13 | 6.71 | 11.78 | 4.89 | 6.64 | 6.10 | 4.98 |
| Profit After Tax | 721.08 | 6,189.80 | 319.57 | 403.26 | 610.63 | 273.15 | 2,049.20 |
| Profit After Tax Margin(8) (in %) | 8.80 | 4.74 | 7.42 | 2.15 | 4.51 | 3.56 | 2.65 |
| Return on Equity (RoE) (9) (in %) | 63.65 | 31.27 | 37.20 | 17.39 | 41.46 | 24.11 | 14.06 |
| Return on Capital Employed (RoCE) (10) (in %) | 28.90 | 29.58 | 26.47 | 14.31 | 30.96 | 176.63 | 17.48 |
| Cash Profit(11) | 822.28 | 7,279.50 | 400.62 | 499.88 | 642.14 | 315.89 | 3,133.00 |
| Debt(12) | 2,416.40 | 5,812.20 | 874.62 | 3,644.94 | 913.03 | 138.02 | 5,981.80 |
| Debt/ Equity(13) | 1.62 | 0.26 | 0.87 | 1.41 | 0.46 | 0.11 | 0.39 |
| Debt/ EBITDA(14) | 1.94 | 0.61 | 1.56 | 3.63 | 1.02 | 0.33 | 1.35 |
| Interest coverage ratio(15) | 6.06 | 19.72 | 6.20 | 2.52 | 11.67 | 4.30 | 6.05 |
| Fixed Asset Turnover Ratio(16) | 3.48 | 7.69 | 8.05 | 7.86 | 27.90 | 14.57 | 8.20 |
| Working Capital Days(17) | 47 | 4 | 111 | 68 | 55 | 65 | 61 |
| Cash Flow from Operations | 344.95 | 6,517.10 | 37.24 | (173.16) | 170.86 | (349.81) | 2,850.40 |

| Particulars | Sambhv Steel Tubes Limited | APL Apollo Tubes Limited | Hariom Pipe Industries Limited | Hi tech Steel Pipes Limited | JTL Industries Limited | Rama Steel Tubes Limited | Surya Roshni Limited |
|---|---|---|---|---|---|---|---|
| | **Issuer** | **Consolidated** | **Standalone** | **Consolidated** | **Consolidated** | **Consolidated** | **Consolidated** |
| Operating Cash flow to EBITDA(18) | 0.28 | 0.69 | 0.07 | (0.17) | 0.19 | (0.83) | 0.64 |
| **Operational Data Metrics** | | | | | | | |
| **Sales volumes by product segment (MTPA)** | | | | | | | |
| *Sponge Iron (MTPA)* | 14,157.06 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Blooms/Slabs (MTPA)* | 53,892.98 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *HR Coils (MTPA)* | 89,334.11 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *ERW Pipes and Tubes (MTPA)* | - | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *GI Pipes (MTPA)* | - | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Total sales volumes (MTPA)** | **1,57,384.15** | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Volume growth | Nil | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| EBITDA per ton (in Rs) (19) | 7,911.47 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Sales value by product segment** | | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Sponge Iron* | 451.67 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *Blooms/Slabs* | 2,252.16 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *HR Coils* | 5,023.95 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *ERW Pipes and Tubes* | Nil | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| *GI Pipes* | Nil | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Total sales value** | **7,727.78** | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

***All the financial information for the competitor entities mentioned above is sourced from the annual reports/quarterly financials as available for Fiscal Year ended March 31, 2022 (as applicable) submitted to Stock Exchanges.*

*#N.A. stands for Not available as the data is not reported in the Annual report or RHP/DRHP filling*

1. *Total income is calculated as the sum of revenue from operations & other income*
2. *Gross Profit is calculated as Revenue from operations minus cost of material consumed minus purchase of stock-in-trade minus change in inventory of stock-in-trade and finished goods*
3. *Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year*
4. *EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.*
5. *EBITDA margin is calculated as EBITDA divided by revenue from operations.*
6. *EBIT is calculated as profit for the period plus finance costs and total tax expense.*
7. *EBIT Margin is calculated as EBIT divided by Revenue from operations*
8. *PAT Margin is calculated as profit for the period divided by Revenue from operations*
9. *Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year*
10. *Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability.*
11. *Cash Profit is calculated as the sum of profit for the period and depreciation.*
12. *Debt is calculated as the sum of long term borrowings, short term borrowings and lease liabilities for the period*
13. *Debt/Equity is calculated as Debt divided by equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus for the year is as at March 31, 2022*

*14. Debt / EBITDA is calculated as Debt divided by EBITDA*
*15. Interest Coverage Ratio is calculated as EBIT divided by Finance Cost*
*16. Fixed Asset Turnover Ratio is calculated as Revenue from operations divided by Property, Plant and Equipment*
*17. Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.*
*18. Operating Cash flow to EBITDA is calculated as Cash Flow from Operations divided by EBITDA*
*19. EBITDA/ton is calculated as EBITDA divided by Total sales volume*

*Sales volume by product, sales value by product and EBITDA per ton metrics are not strictly comparable among the Company and its peers. Such product-wise data of the listed peers is either not available in the public domain or the basis and manner of calculation of the figures is not ascertainable; thereby it may not be an accurate comparison with the Company's data in a comparable manner, and hence not mentioned.*

## 9. Weighted average cost of acquisition

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

The details of the Equity Shares or convertible securities, excluding shares issued under the ESOP Scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("**Primary Issuance**") are as follows:

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td>October 27, 2023</td><td>1,890,832</td><td>10</td><td>375.00</td><td>Private placement</td><td>Cash</td><td>21,981,132</td><td>219,811,320</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th><th>Total consideration (in ₹ million)</th></tr>
<tr><td>1.</td><td>Ashok Kumar Mittal</td><td>7,000</td><td>2.63</td></tr>
<tr><td>2.</td><td>Rekha Sharma</td><td>4,000</td><td>1.50</td></tr>
<tr><td>3.</td><td>Anu Garg</td><td>8,000</td><td>3.00</td></tr>
<tr><td>4.</td><td>Ravi Garg</td><td>5,000</td><td>1.88</td></tr>
<tr><td>5.</td><td>Kalpeshkumar Amrutlal Patel</td><td>6,500</td><td>2.44</td></tr>
<tr><td>6.</td><td>Truptiben Kalpeshkumar Patel</td><td>6,500</td><td>2.44</td></tr>
<tr><td>7.</td><td>Sujay Patel</td><td>6,500</td><td>2.44</td></tr>
<tr><td>8.</td><td>Patel Khushali Sujay</td><td>6,500</td><td>2.44</td></tr>
<tr><td>9.</td><td>Ashish Kumar Mahipal</td><td>17,500</td><td>6.56</td></tr>
<tr><td>10.</td><td>Ayush Bansal</td><td>17,500</td><td>6.56</td></tr>
</table>
</td></tr>
</table>

| Date of allotment | Number of equity shares allotted | Face value per equity share (*in ₹*) | Issue price per equity share (*in ₹*) | Reason for/ Nature of allotment | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up equity share capital (*in ₹*) | Name of allottees | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 11. | Amul Rajendra Chamaria | 15,000 | 5.63 |
| | | | | | | | | 12. | Gyan Manchanda | 5,000 | 1.88 |
| | | | | | | | | 13. | Raj Agrawal | 10,000 | 3.75 |
| | | | | | | | | 14. | Bhavesh Khetan | 20,000 | 7.50 |
| | | | | | | | | 15. | Vivek Jain | 240,000 | 90.00 |
| | | | | | | | | 16. | Camel Foods Private Limited | 84,000 | 31.50 |
| | | | | | | | | 17. | Tradelink Exim India Private Limited | 108,000 | 40.50 |
| | | | | | | | | 18. | Kapil Ahuja | 50,000 | 18.75 |
| | | | | | | | | 19. | Amit Jain | 50,000 | 18.75 |
| | | | | | | | | 20. | Santosh Kumar Sinha | 40,000 | 15.00 |
| | | | | | | | | 21. | Champalal Naveen Kumar | 12,500 | 4.69 |
| | | | | | | | | 22. | I Promod | 12,500 | 4.69 |
| | | | | | | | | 23. | Ajay Singhal HUF | 11,900 | 4.46 |
| | | | | | | | | 24. | Tanishq Singhal | 10,600 | 3.98 |
| | | | | | | | | 25. | Tatvarth | 25,000 | 9.38 |
| | | | | | | | | 26. | Vinay Jaiprakash Ambedkar | 25,000 | 9.38 |
| | | | | | | | | 27. | Hiteshkumar Arvindbhai Shah | 27,000 | 10.13 |
| | | | | | | | | 28. | Pratibha Singh Fauzdar | 20,000 | 7.50 |
| | | | | | | | | 29. | Ajay Kapur | 20,000 | 7.50 |
| | | | | | | | | 30. | Gurjeev Singh Anand | 13,000 | 4.88 |
| | | | | | | | | 31. | Aditya Kaul | 13,000 | 4.88 |
| | | | | | | | | 32. | Awadhesh Kumar Pandey | 13,000 | 4.88 |
| | | | | | | | | 33. | Sachin Subhash Arora | 10,000 | 3.75 |
| | | | | | | | | 34. | Sanjay Kayathwal | 13,000 | 4.88 |
| | | | | | | | | 35. | Vishal Agarwal | 13,000 | 4.88 |
| | | | | | | | | 36. | Ankit Mittal | 186,367 | 69.89 |
| | | | | | | | | 37. | Abhinav Gupta | 6,666 | 2.50 |
| | | | | | | | | 38. | Caprize Investment Managers Private Limited | 32,800 | 12.30 |
| | | | | | | | | 39. | Tanay Bheda | 48,889 | 18.33 |

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>
<table>
<tr><td>40.</td><td>Dilip Vora</td><td>48,889</td><td>18.33</td></tr>
<tr><td>41.</td><td>Rupesh Soni</td><td>48,888</td><td>18.33</td></tr>
<tr><td>42.</td><td>Shashi Sharma</td><td>20,000</td><td>7.50</td></tr>
<tr><td>43.</td><td>Priti C Kothari</td><td>13,333</td><td>5.00</td></tr>
<tr><td>44.</td><td>Ansh Ashit Shah</td><td>32,000</td><td>12.00</td></tr>
<tr><td>45.</td><td>Aashil Apurva Shah</td><td>93,000</td><td>34.88</td></tr>
<tr><td>46.</td><td>Premier Looms Manufacture Rs Private Limited</td><td>33,000</td><td>12.38</td></tr>
<tr><td>47.</td><td>Ashish Mulchandbhai Amin</td><td>47,000</td><td>17.63</td></tr>
<tr><td>48.</td><td>Rakesh Laroia</td><td>108,000</td><td>40.50</td></tr>
<tr><td>49.</td><td>Sarthak Garg</td><td>33,000</td><td>12.38</td></tr>
<tr><td>50.</td><td>Verma Amit P</td><td>24,000</td><td>9.00</td></tr>
<tr><td>51.</td><td>Roopal Shah</td><td>50,000</td><td>18.75</td></tr>
<tr><td>52.</td><td>Jash Choraria</td><td>18,500</td><td>6.94</td></tr>
<tr><td>53.</td><td>Rakesh Mittal</td><td>25,000</td><td>9.38</td></tr>
<tr><td>54.</td><td>Waterman Industries Private Limited</td><td>20,000</td><td>7.50</td></tr>
<tr><td>55.</td><td>Manju Singhi</td><td>26,700</td><td>10.01</td></tr>
<tr><td>56.</td><td>Abhishek Singhvi</td><td>13,300</td><td>4.99</td></tr>
<tr><td>57.</td><td>Sanjay Kumar Goyal</td><td>15,000</td><td>5.63</td></tr>
</table>
</td></tr>
<tr><td>November 2, 2023</td><td>1,219,834</td><td>10</td><td>375.00</td><td>Private placement</td><td>Cash</td><td>23,200,966</td><td>232,009,660</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th><th>Total consideration (in ₹ million)</th></tr>
<tr><td>1.</td><td>Ramesh Kumar Gupta</td><td>13,000</td><td>4.88</td></tr>
<tr><td>2.</td><td>Shekhar Bhatt</td><td>2,000</td><td>0.75</td></tr>
<tr><td>3.</td><td>Amit Goyal</td><td>13,000</td><td>4.88</td></tr>
<tr><td>4.</td><td>Ajay Gupta</td><td>5,000</td><td>1.88</td></tr>
<tr><td>5.</td><td>Sunita Gupta</td><td>7,000</td><td>2.63</td></tr>
<tr><td>6.</td><td>Shivanchal Gupta</td><td>2,500</td><td>0.94</td></tr>
<tr><td>7.</td><td>Nikita Gupta</td><td>2,500</td><td>0.94</td></tr>
<tr><td>8.</td><td>Ankita Goel</td><td>2,500</td><td>0.94</td></tr>
<tr><td>9.</td><td>Akanksha Shukla</td><td>23,000</td><td>8.63</td></tr>
<tr><td>10.</td><td>Sanjana Pravin Khanna</td><td>13,000</td><td>4.88</td></tr>
<tr><td>11.</td><td>Pravin Balkishan Khanna</td><td>13,000</td><td>4.88</td></tr>
</table>
</td></tr>
</table>

| Date of allotment | Number of equity shares allotted | Face value per equity share (*in ₹*) | Issue price per equity share (*in ₹*) | Reason for/ Nature of allotment | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up equity share capital (*in ₹*) | Name of allottees | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 12. | Sunny Mahipal Radheshyam | 15,000 | 5.63 |
| | | | | | | | | 13. | Arjun Paresh Dasani | 5,000 | 1.88 |
| | | | | | | | | 14. | Ayush Agrawal | 10,000 | 3.75 |
| | | | | | | | | 15. | Nirmal Kumar Agrawal HUF | 10,000 | 3.75 |
| | | | | | | | | 16. | Shree Balaji Investment | 900,000 | 337.50 |
| | | | | | | | | 17. | Siddhant Nautiyal | 33,000 | 12.38 |
| | | | | | | | | 18. | Ravi Saraf (HUF) | 20,000 | 7.50 |
| | | | | | | | | 19. | Priyanka Agrawal | 25,000 | 9.38 |
| | | | | | | | | 20. | Share India Securities Limited | 40,834 | 15.31 |
| | | | | | | | | 21. | Usha Agarwal | 24,000 | 9.00 |
| | | | | | | | | 22. | Raghav Agarwal | 12,000 | 4.50 |
| | | | | | | | | 23. | Dholai Tea Co Private Limited | 16,500 | 6.19 |
| | | | | | | | | 24. | Urvashi Chayan Sarda | 12,000 | 4.50 |
| November 6, 2023 | 710,334 | 10 | 375.00 | Private placement | Cash | 23,911,300 | 239,113,000 | **S. No.** | **Name of allottee/shareholder** | **Number of Equity Shares allotted** | **Total consideration (in ₹ million)** |
| | | | | | | | | 1. | Lalit Vikram | 6,500 | 2.44 |
| | | | | | | | | 2. | Rajinder Parkash Aggarwal | 6,500 | 2.44 |
| | | | | | | | | 3. | Seema Aggarwal | 6,500 | 2.44 |
| | | | | | | | | 4. | Mohit Goyal | 6,500 | 2.44 |
| | | | | | | | | 5. | Vimal Pankaj Sheth | 13,000 | 4.88 |
| | | | | | | | | 6. | Nishil Nalinkanth Sheth | 13,000 | 4.88 |
| | | | | | | | | 7. | Rahul Sharma | 6,500 | 2.44 |
| | | | | | | | | 8. | Abhimanyu Sharma | 6,500 | 2.44 |
| | | | | | | | | 9. | Radharani Sharma | 6,500 | 2.44 |
| | | | | | | | | 10. | Pankaj Mahipal | 17,500 | 6.56 |
| | | | | | | | | 11. | Vijaykumar K Mahipal | 17,500 | 6.56 |
| | | | | | | | | 12. | Karuna Tripathi | 2,000 | 0.75 |

<table>
<tr><th>Date of allotment</th><th>Number of equity shares allotted</th><th>Face value per equity share (in ₹)</th><th>Issue price per equity share (in ₹)</th><th>Reason for/ Nature of allotment</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital (in ₹)</th><th>Name of allottees</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>
<table>
<tr><td>13.</td><td>Shree Balaji Investment</td><td>160,000</td><td>60.00</td></tr>
<tr><td>14.</td><td>Ishmohit Arora</td><td>34,000</td><td>12.75</td></tr>
<tr><td>15.</td><td>Niveshaay Hedghehogs LLP</td><td>341,500</td><td>128.06</td></tr>
<tr><td>16.</td><td>Manuja Shroff</td><td>26,667</td><td>10.00</td></tr>
<tr><td>17.</td><td>Karan Maheswari</td><td>26,667</td><td>10.00</td></tr>
<tr><td>18.</td><td>Chayan Laxminarayan Sarda</td><td>13,000</td><td>4.88</td></tr>
</table>
</td></tr>
<tr><td>November 21, 2023</td><td>69,900</td><td>10</td><td>375.00</td><td>Private placement</td><td>Cash</td><td>23,981,200</td><td>239,812,000</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th><th>Total consideration (in ₹ million)</th></tr>
<tr><td>1.</td><td>Neetu Gupta</td><td>26,000</td><td>9.75</td></tr>
<tr><td>2.</td><td>Bhavesh Khetan</td><td>18,900</td><td>7.09</td></tr>
<tr><td>3.</td><td>Rajesh Agarwal</td><td>25,000</td><td>9.38</td></tr>
</table>
</td></tr>
<tr><td>November 25, 2023</td><td>119,000</td><td>10</td><td>375.00</td><td>Private placement</td><td>Cash</td><td>24,100,200</td><td>241,002,000</td><td>
<table>
<tr><th>S. No.</th><th>Name of allottee/shareholder</th><th>Number of Equity Shares allotted</th><th>Total consideration (in ₹ millions)</th></tr>
<tr><td>1.</td><td>Ashish Gujarati</td><td>28,000</td><td>10.50</td></tr>
<tr><td>2.</td><td>Gopal Venkatasamy</td><td>25,000</td><td>9.38</td></tr>
<tr><td>3.</td><td>Shalini Jain</td><td>36,000</td><td>13.50</td></tr>
<tr><td>4.</td><td>V V N D Suresh Kumar V</td><td>30,000</td><td>11.25</td></tr>
</table>
</td></tr>
</table>

**B. The price per share of our Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)**

The details of secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer 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 ("**Secondary Transactions**"), are as below:

| S. No. | Date of allotment | Name of transferor | Name of transferee | Number of securities | Face value (₹) | Nature of consideration | Total consideration (in ₹ million) | Price per security (₹) |
|---|---|---|---|---|---|---|---|---|
| 1. | March 30, 2023 | Ganpati Sponge Iron Private Limited | Kaushlya Goyal | 280,000 | 10 | Cash | 21.34 | 76.20 |
| 2. | March 30, 2023 | Ganpati Sponge Iron Private Limited | Suman Goyal | 280,000 | 10 | Cash | 21.34 | 76.20 |
| 3. | March 30, 2023 | Ganpati Sponge Iron Private Limited | Rinku Goyal | 280,000 | 10 | Cash | 21.34 | 76.20 |
| 4. | March 30, 2023 | Ganpati Sponge Iron Private Limited | Sheetal Goyal | 280,000 | 10 | Cash | 21.34 | 76.20 |
| 5. | March 30, 2023 | Ganpati Sponge Iron Private Limited | Archana Goyal | 280,000 | 10 | Cash | 21.34 | 76.20 |
| 6. | April 29, 2023 | Ganpati Sponge Iron Private Limited | Harsheet Goyal | 813,300 | 10 | Cash | 87.02 | 107.00 |
| 7. | April 29, 2023 | Ganpati Sponge Iron Private Limited | Rohit Goyal | 810,00 | 10 | Cash | 86.67 | 107.00 |
| 8. | April 29, 2023 | Ganpati Sponge Iron Private Limited | Shashank Goyal | 310,000 | 10 | Cash | 33.17 | 107.00 |
| 9. | April 29, 2023 | S. Pyarelal Ispat Private Limited | Shashank Goyal | 500,000 | 10 | Cash | 53.50 | 107.00 |
| 10. | April 29, 2023 | Goyal Realty & Agriculture Private Limited | Bhavesh Khetan | 180,000 | 10 | Cash | 19.26 | 107.00 |

If there are no such transactions to report to under points (A) and (B) above, therefore, information of price per share of the last five primary or secondary transactions (where the Promoters, Promoter Group, the Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board were a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions.

Nil

## C. Weighted average cost of acquisition, floor price and cap price

| Type of Transaction | WACA (₹)[2] | Floor Price (₹ [●] is 'X' times the WACA)[1] | Cap Price (₹ [●] is 'X' times the WACA)[1] |
|---|---|---|---|
| Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities) (excluding Equity Shares issued under any employee stock option plan/scheme and issuance of bonus shares), during the 18 months preceding the date of this certificate, 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)), in a single transaction or multiple transactions combined together over a span of rolling 30 days | 375.00 | [●] times | [●] times |
| Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where the Selling Shareholders 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 this certificate, 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)), in a single transaction or multiple transactions combined together over a span of rolling 30 days | 96.26 | [●] times | [●] times |

(1) *Details have been left intentionally blank as the Floor Price and Cap Price are not available as of date of this Draft Red Herring Prospectus. To be updated on finalisation of the Price Band.*

(2) *As certified by S S Kothari Mehta & Co. LLP, pursuant to their certificate dated September 30, 2024.*

## D. Justification for Basis of Offer Price

1. The following provides a detailed explanation for the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Promoters, Promoter Group, the Selling Shareholders or Shareholder(s) having the right to nominate director(s) by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years 2024, 2023 and 2022.

   [●][1]
   (1)*This will be included on finalisation of Price Band*

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

   [●][1]
   (1)*This will be included on finalisation of Price Band*

The Offer Price of ₹[●] is [●] times of the face value of the Equity Shares and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 33 and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To
**The Board of Directors**
**Sambhv Steel Tubes Limited**
***(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)***
Office no. 501 to 511
Harshit Corporate
Amanaka, Raipur
Chhattisgarh, India 492001

**Re:** ***Statement of possible special tax benefits ("the Statement") available to Sambhv Steel Tubes Limited (Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited) ("the Company") and its shareholders under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations").***

Dear Sir(s)/Madam(s),

This report is issued in accordance with the engagement letter dated September 30, 2024. We, S S Kothari Mehta & Co. LLP, Chartered Accountants, the statutory auditors of the Company, hereby confirm that the 'Statement of Special Tax Benefits', enclosed herewith as **Annexure A**, prepared by the Company and initialled by us and the Company (the "**Statement**"), provides the special tax benefits (under direct and indirect tax laws) presently in force in India pursuant to (i) the Income-tax Act, 1961, as amended and read with the income tax rules, circulars and notifications issued in connection thereto; and (ii) the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, the respective State Goods and Services Tax Act, 2017, (collectively, the "**GST Act"**) read with the rules, circulars, and notifications thereon, the Customs Act, 1962 and the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020 (**FTP**) as amended by the Finance Act, 2024, i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India (collectively the "**Taxation Laws"**) read with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders.

The Company does not have any material subsidiaries for the purpose of disclosure of tax benefits in terms of Para 9(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**SEBI ICDR Regulations**").

### Management responsibility

The preparation of the Statement annexed to this certificate is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

### Auditor's Responsibility

We have performed the following procedures:

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus of the Company or in any other documents in connection with the Issue.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial

Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations.

**Inherent Limitations:**

1. Several of such possible special tax benefits forming part of the Statement are dependent on the Company and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Company and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Company and/or its shareholders, as applicable which based on business imperatives the Company faces in the future, the Company and/or its shareholders may or may not choose to fulfil.

2. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. The benefits discussed in the Statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement.

3. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Company and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

4. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Taxation Laws and its interpretation, which are subject to change from time to time.

**Opinion**

We report that the enclosed Statement in **Annexure A,** in all material respect, states the possible special tax benefits, available to the Company, and its shareholders, under the direct and indirect tax laws presently in force in India, as on the date of this certificate.

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

(i) the Company and its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits have been/would be met with.

**Restriction on use**

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, updated draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**") which may be filed by the Company with Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), Registrar of Companies, Chhattisgarh at Bilaspur (the "**RoC**") and / or any other regulatory or statutory authority.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation and due diligence of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/ confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company

until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.
All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours faithfully,

For and on behalf of **S S Kothari Mehta & Co. LLP, Chartered Accountants**
Firm Registration No: 000756N/N500441

**Vijay Kumar**
**Partner**
Membership No.: 092671
UDIN: 24092671BKFBSD7984
Place: New Delhi
Date: September 30, 2024

**Encl: Annexure A**

**ANNEXURE A**

**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SAMBHV STEEL TUBES LIMITED (FORMERLY KNOWN AS SAMBHV STEEL TUBES PRIVATE LIMITED AND SAMBHV SPONGE POWER PRIVATE LIMITED ) ("THE COMPANY") AND ITS SHAREHOLDERS.**

The information provided below sets out the Possible Special Direct Tax & Indirect Tax benefits available to the Company, and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares, under the current 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 tax laws. Hence, the ability of the Company, and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and the Shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Taxation Laws.

The following overview 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 shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income-tax Act, 1961 ("**IT Act**") as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26 (A Y 2025-26) and indirect tax laws as amended from time to time and applicable for financial year 2024-25.

**I. Under the IT Act**

**Special Tax Benefits available to the Company under the IT Act**

**Lower corporate tax rate under section 115BAA**

Section 115BAA has been inserted in the IT Act w.e.f. FY 2019-20. It gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the IT Act, the company can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the IT Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.
Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.
However, the domestic Company shall be entitled to claim deduction u/s 80M and 80JJAA of the IT Act even if it has opted for reduced rate u/s 115BAA of the IT Act.
The Company has already evaluated and opted for the lower corporate tax rate of 25.168%, as prescribed under section 115BAA of the IT Act.

**Deductions from Gross Total Income**

**Deduction in respect of inter-corporate dividends – Section 80M of the IT Act**

Earlier, a company was liable to pay Dividend Distribution Tax (“**DDT**”) on the dividend paid by it to a shareholder and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT has been abolished and dividend received by shareholders on or after 1st April, 2020 is liable to be taxed in their respective hands. The Company is required to deduct Tax at Source (“**TDS**”) at applicable rate specified under the IT Act for both resident and non-resident shareholders. For non-resident shareholders, the rate specified under the IT Act would be subject to benefit available under applicable Double Taxation Avoidance Agreement (if any) and Multi-lateral instruments.

With respect to a resident corporate shareholder, section 80M has been inserted in the IT Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. This section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall be allowed deduction of an amount which will be lower of the following: -

- Dividends received from such other domestic company or foreign company or business trust; or
- Amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the IT Act.

**<u>Section 80JJAA of the IT Act – Deduction in respect of employment of new employees</u>**

The provisions of section 80JJAA of the IT Act provides for deduction from the business income of the Assessee of an amount equal to thirty per cent (30%) of additional employee cost per year for three consecutive assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

**<u>Special tax benefit available to the Shareholders of the Company.</u>**

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the IT Act.

**II. Under the Indirect Tax Laws**

<u>Special Indirect Tax Benefits available to the Company</u>

The Company is not entitled to any special tax benefits under indirect tax laws.

<u>Special Tax Benefits available to Shareholders</u>

The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws.

**NOTES:**

1. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws.

2. The above Statement set out in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

3. This Statement is intended only 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 tax consequences, each investor is advised to consult his or her Tax Advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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

**SECTION IV: ABOUT OUR COMPANY**

**INDUSTRY OVERVIEW**

*Unless stated otherwise, industry and market data used in this section have been extracted from the CRISIL Report, exclusively prepared, commissioned and paid for by our Company for the purposes of the Offer and issued by CRISIL MI&A who was appointed by our Company pursuant to a technical proposal dated June, 2024. For further information, see "Risk Factors — Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks." on page 63. Also see "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 28. The CRISIL Report will be available on the website of our Company at https://sambhv.com/investor-page/ from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

*Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The recipient should not construe any of the contents of the CRISIL 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.*

## 1. Global macroeconomic overview

### 1.1 Global GDP growth scenario

Global growth, after averaging 3.8% annually between 2000 and 2019, contracted 2.7% in 2020 as the Covid-19 pandemic disrupted economic activity. However, the contraction was considerably lower than that estimated by the International Monetary Fund (IMF)[1], with a strong rebound in manufacturing, shift to new ways of working, and fiscal and policy support arresting a further slide.

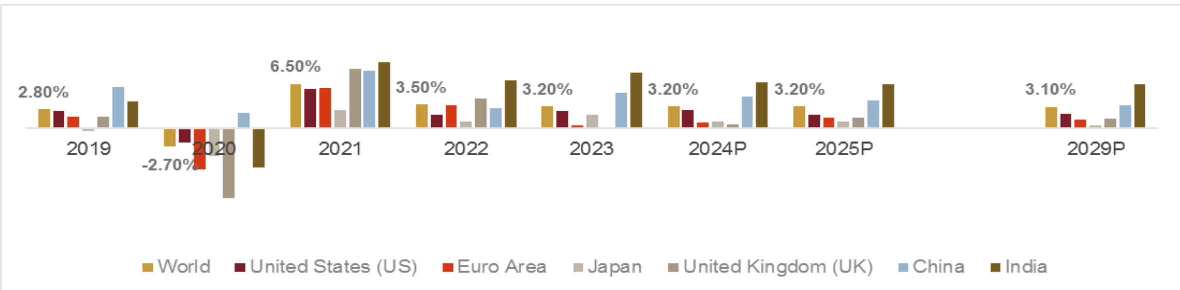
In 2021, growth rebounded to 6.5%, led by vaccine-powered normalisation and continued fiscal support. However, in 2022 and 2023, it slowed to 3.5% and 3.2%, respectively, owing to challenges such as supply-constraint-driven high inflation, tightening financial conditions, long-term effects of the pandemic and geopolitical uncertainties.

The pace of global growth is projected to continue to trend below the historical annual average of 3.8% (2000 to 2019) this year and the next, on account of restrictive monetary policies and withdrawal of fiscal support.

### 1.1.1 Global GDP growth – historical trend and forecasts

The IMF has projected on-year global GDP growth of 3.2% for 2024 as well as 2025, considering the current geopolitical uncertainties, increasing geoeconomic fragmentation, tighter inflation-tackling monetary policies and fiscal support withdrawal amid high debt and extreme weather conditions.

**Global economic review and outlook**




Source: CRISIL MI&A Consulting, IMF, World Bank, S&P Global
P: Projected (years mentioned on the horizontal axis correspond to the calendar years)
Please note that unless mentioned otherwise, the years correspond to calendar years, throughout the report.

[1] IMF – World Economic Outlook April 2024

**US**: Economic growth increased from 1.9% in 2022 to 2.5% in 2023, primarily due to elevated inflation and, consequently, higher interest rates, which impacted spending.

**Euro area:** In 2023, the growth slowdown happened due to spillover effects from geopolitical uncertainty and tighter financial conditions.

**Japan:** A return on pent-up demand, surge in inbound tourism, and accommodative policies, as well as a rebound in auto exports, resulted in increase in growth rate to 1.9% in CY 2023.

**UK:** Growth declined from 4.3% in 2022 to 0.1% in 2023, reflecting tighter monetary policies to curb still-high inflation and the lingering impact of the terms-of-trade shock from high energy prices.

**China:** In 2021, China's GDP grew 8.4% on-year, recovering strongly from the previous year's on-year growth of 2.2%, on the back of pent-up domestic demand and strong growth in exports owing to slowdown in global industrial activities.

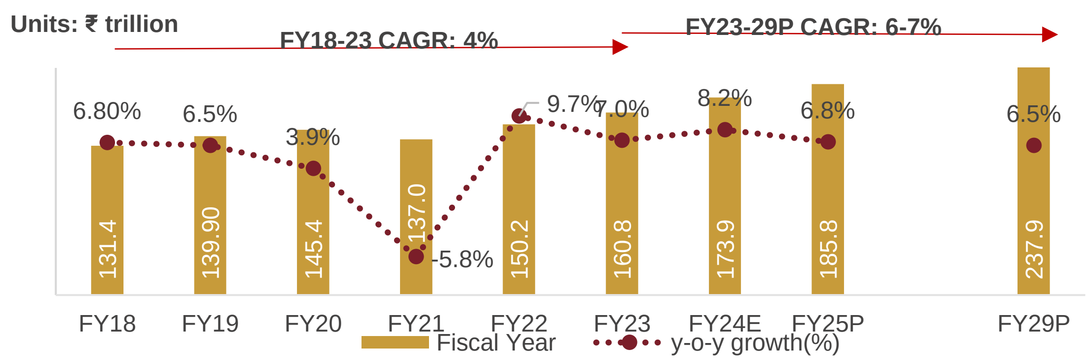
**India:** India is expected to grow 6-7% in the next five years. After seeing a slowdown in growth to 5.8% in 2020 due to the pandemic, economic growth bounced back to 9.7% in 2021 and to 7% and 8.2% in the subsequent years.

## 2. India's macroeconomic overview

### 2.1 India's GDP growth and composition by sectors

India's GDP grew at a compound annual rate (CAGR) of 4.0% between fiscals 2018 and 2023 to ₹160.8 trillion in fiscal 2023. In fiscal 2021, growth slowed down to 5.8% because of Covid-19-induced lockdowns. However, growth bounced back post-pandemic to 9.7% and 7.0% in fiscals 2022 and 2023, respectively, on strong pent-up demand across sectors, pushed primarily by the manufacturing and construction sectors.

**India's real GDP (at constant 2011-12 prices)**




Source: Central Statistical Office (CSO), CRISIL MI&A Consulting
P: Projected
E: Estimated; FY: Fiscal year

In fiscal 2024, India's GDP is estimated to have grown 8.2% on-year[2], due to strong output from services and manufacturing sectors and a robust infrastructure spending. Although there will be support from the demand side because of an expected spell of normal monsoon and easing inflation, CRISIL expects GDP growth to moderate to 6.8% in fiscal 2025, due to the rising borrowing costs, geopolitical uncertainty and fiscal consolidation, leading to a lower proportion of capital expenditure by the government.

**On-year demand-side real GDP growth (%)**

| At constant 2011-2012 prices | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E |
|---|---|---|---|---|---|---|---|
| Private consumption | 7.0% | 7.1% | 5.2% | -5.3% | 11.7% | 6.8% | 4.0% |
| Government consumption | 11.9% | 6.7% | 3.9% | -0.8% | 0.0% | 9.0% | 2.0% |
| Gross fixed capital formation | 7.8% | 11.2% | 1.1% | -7.1% | 17.5% | 6.6% | 9.0% |
| Exports | 4.6% | 11.9% | -3.4% | -7.0% | 29.6% | 13.4% | 2.6% |

[2] Notably, there will be another growth revision for fiscal 2024 with the availability of the numbers of the fourth quarter.

| At constant 2011-2012 prices | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E |
|---|---|---|---|---|---|---|---|
| Imports | 17.4% | 8.8% | -0.8% | -12.6% | 22.1% | 10.6% | 10.9% |

Source: CRISIL MI&A Consulting, CSO
E: Estimated; FY: Fiscal year

In fiscal 2024, India's economic growth is expected to have been pushed majorly by investments, which is estimated to have grown ~9% on-year. Multiple government-led schemes, such as Make in India and Atmanirbhar Bharat, and the government's push for turning India into a manufacturing hub have supported the investments into the existing and new-age sectors.

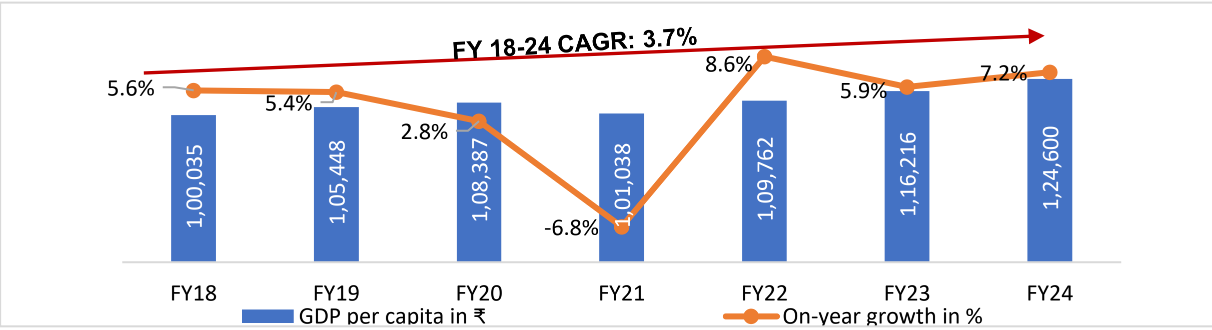
**On-year supply-side gross value added by economic activity**

| At basic prices | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E |
|---|---|---|---|---|---|---|---|
| Agriculture and allied | 6.6% | 2.1% | 6.2% | 4.0% | 4.6% | 4.7% | 1.4% |
| Industry* | 1.1% | 3.1% | -0.5% | -6.3% | 8.3% | 5.7% | 7.3% |
| Manufacturing | 7.5% | 5.4% | -3.0% | 3.1% | 10.0% | -2.2% | 9.9% |
| Construction | 5.2% | 6.5% | 1.6% | -4.6% | 19.9% | 9.4% | 9.9% |
| Services^ | 6.3% | 7.2% | 6.4% | -8.4% | 9.2% | 10.0% | 7.6% |

* Industry includes mining and quarrying, electricity, gas, water supply and other utilities
^ Services related to trade, hotels, transport, communication, broadcasting, finance, real estate, public administration, defence and professional and others
Source: CRISIL MI&A Consulting, CSO
E: Estimated; FY: Fiscal year

On the supply side, India's GDP is estimated to have grown in fiscal 2024, because of strong growth in construction, manufacturing and services sectors, which benefitted from robust capital investments from the private sector.

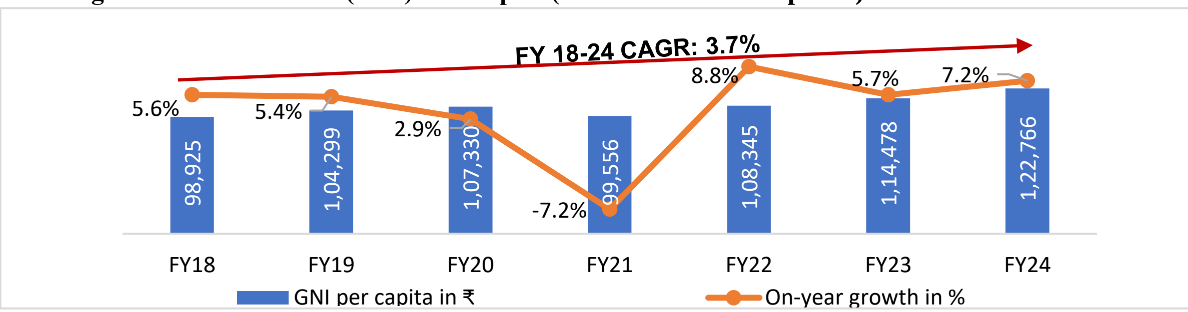
India's gross domestic product (GDP) per capita (at constant 2011-12 prices)




Source: Central Statistical Office (CSO)
Note: FY24 values are provisional

India's GDP per capita grew from ₹ 100,035 in fiscal 2018 to ₹ 124,600 in fiscal 2024, registering a CAGR of approximately 3.7% during the period. During this period, the GDP per capita witnessed an on-year decline (of -6.8%) only in fiscal 2021 owing to economic disruptions caused by COVID-19 pandemic. With the recovery of demand and resolution of supply side disruptions, GDP per capita rebounded in the next fiscal by growing on-year at 8.6%.

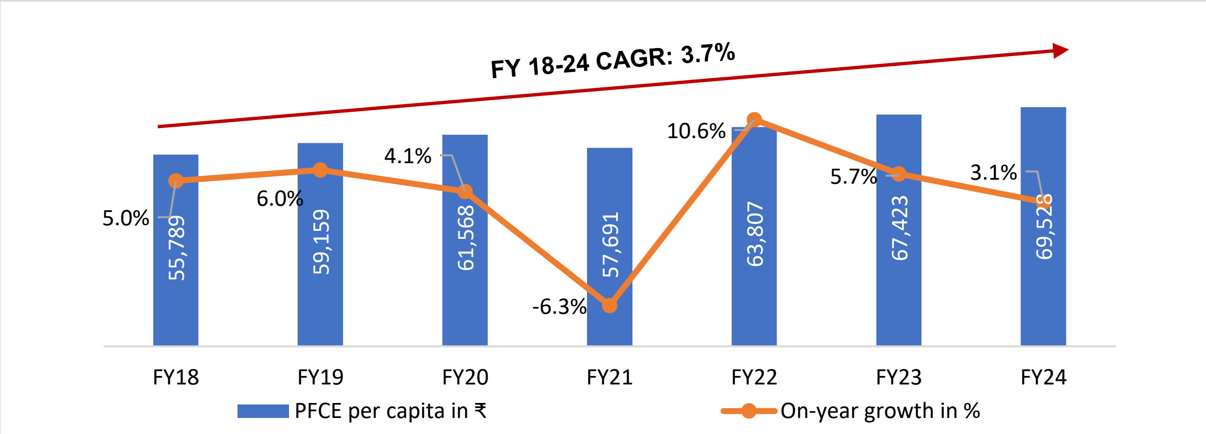
**India's gross national income (GNI) Per Capita (at constant 2011-12 prices)**




Source: Central Statistical Office (CSO)
Note: FY24 values are provisional

GNI per capita followed the growth trend of GDP per capita between fiscal 2018 and fiscal 2024. Similar to GDP per capita, GNI per capita grew at a CAGR of 3.7% during fiscal 2018-2024 period to ₹ 122,766; witnessed the only on-year decline in fiscal 2021; and rebounded strongly in the succeeding fiscals.

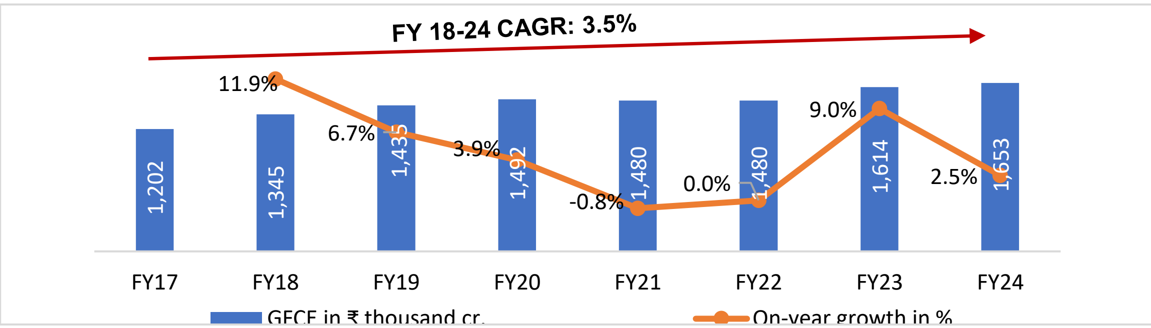
Both GDP per capita and GNI per capita witnessed strong on-year growths in fiscal 2022 owing to restoration of consumer confidence and domestic demand. However, growth rate decreased for both the economic indicators in fiscal 2023 owing to geopolitical conflicts and supply side disruptions, especially in the automobile sector. In fiscal 2024, GNI per capita and GDP per capita again grew strongly over the last fiscal, supported primarily by resolution of supply chain issues and government led robust capital expenditure pipeline laid in the run-up to 2024 general elections India's private final consumption expenditure (PFCE) per capita (at constant 2011-12 prices)




Source: Central Statistical Office (CSO)
Note: FY24 values are provisional

India's PFCE per capita at constant 2011-12 prices, which is an indicator of household spending on goods and services, also grew at a CAGR of approximately 3.7% between fiscals 2018 and 2024 to ₹ 69,528. The growth trajectory of India's PFCE per capita largely showcased a trend similar to that of GDP per capita during said period. While the on-year decline in GDP per capita was 6.8% in fiscal 2021, the PFCE per capita declined on-year at a lower rate of 6.3% in fiscal 2021, indicating that private consumption suffered lesser than most of the other components of GDP in the pandemic affected fiscal of 2021. Further, in fiscal 2022, the on-year growth in PFCE per capita was around 2 percentage points higher than that in GDP per capita, which suggests that the pent-up consumer demand provided the primary support to the economy post-pandemic.

**India's Government final consumption expenditure (GFCE) (at constant 2011-12 prices)**




Source: Central Statistical Office (CSO)
Note: FY24 values are provisional; cr.: crores

India's Government Final Consumption Expenditure (GFCE) at constant 2011-12 prices increased from ₹ 1,345 thousand cr. in fiscal 2018 to ₹ 1,653 thousand cr. in fiscal 2024, registering a CAGR of approximately 3.5% during the period. While the on-year decline in GDP per capita was 6.8% in fiscal 2021, the GFCE remained almost rangebound on-year in the fiscal. This was primarily on the account of government's focus towards providing direct cash benefits to the public during the first wave of COVID-19 in India. The on-year growth in GFCE remained rangebound in fiscal 2022 as well primarily owing to continued absence of any major government led capital expenditure activities in the wake of second and third wave of COVID-19 pandemic in the fiscal. However, the GCFE increased in the following fiscals as the economy recovered from the lows of pandemic and government pushed for an expenditure boost in the run-up to 2024 general elections

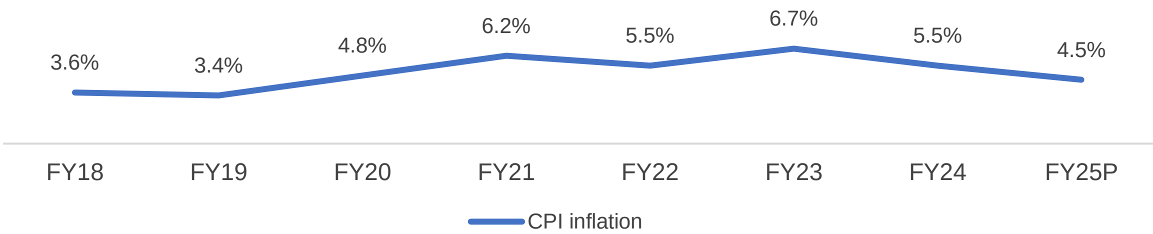
## 2.2 Performance of key macroeconomic indicators

India’s average inflation based on the consumer price index (CPI) remained ~4.70% between fiscals 2018 and 2022, but increased to 6.70% in fiscal 2023, primarily led by surging food prices before moderating to an average of 5.5% in fiscal 2024.

Although core and fuel inflation have remained low, food inflation has been keeping CPI inflation above the Reserve Bank of India’s (RBI’s) medium-term target 4%. For instance, food inflation remained at 8.5% in March 2024, primarily led by acceleration in foodgrain, meat and fish prices and slower deflation in edible oils.

CPI inflation is expected to moderate to 4.5% in fiscal 2025, due to an expected decline in food inflation, led by a favourable monsoon and higher-base effect.

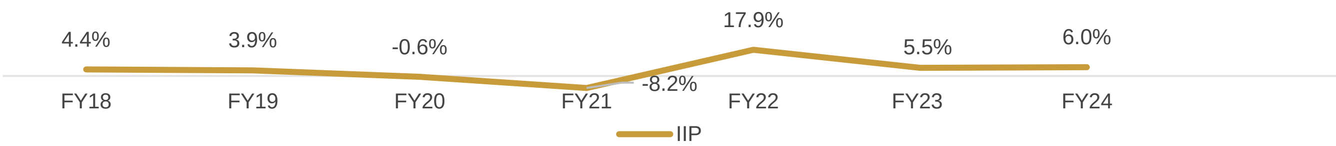
**CPI inflation trend**




Source: NSO, Ministry of Industry and Commerce, CRISIL MI&A Consulting
P: Projected

The Index of Industrial Production (IIP) averaged 3.8% between fiscals 2018 and 2023 before surging to 6% in fiscal 2024. The uptick was primarily led by a strong pick-up in the sectors related to manufacturing of electrical equipment and basic metals. An uptick in the consumer durables sector also supported.

**IIP growth trend**




Source: NSO, Ministry of Industry and Commerce, CRISIL MI&A Consulting

**Repo Rate**

| nth | 8* | 18 | 19 | 19 | 19 | 19 | 19 | 20 | -20 | -22 | -22 | -22 | -22 | -22 | -23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Rate | % | % | % | % | % | % | % | % | 0% | 0% | 0% | 0% | 0% | 5% | 0% |

Source: Reserve Bank of India (RBI)

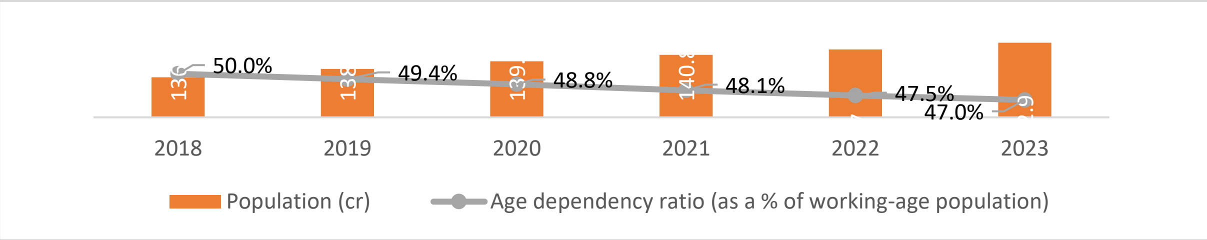
Note: The above table mentions the repo rate only for the months wherein there is a revision. Any downward revision in a month is displayed in “red”, while any upward revision is displayed in green. For example, in Aug-18, the repo rate increased from 6.25% to 6.50%, hence represented in green.

*Jun-18 is represented in green as the repo rate increased from 6% in April and May of 2018 to 6.25% in June, 2018

The repo rate is a critical tool used by the Reserve Bank of India (RBI) to control inflation and manage liquidity in the economy. The above table shows the repo-rate changes announced by the RBI between fiscals 2019-2024. During this period, RBI made two upwards revisions in fiscal 2019, lifting the repo rate up from 6% in April 2018 to 6.5% in August 2018, to curb inflationary pressures. However, as the economic growth began to slow, the rate was gradually reduced to 4.0% in May 2020, to encorage borrowings and demand in the economy. This low rate was maintained throughout the pandemic to support recovery of the economy. RBI started increasing the repo rate from May 2022 and gradually pushed it to 6.5% by February 2023 in an attempt to combat rising inflation. Since February 2023, the repo rate has remained at 6.5%, indicating a continued focus of RBI on ensuring maintenance of the economic growth while still addressing inflationary pressures.

**Demographic Drivers**

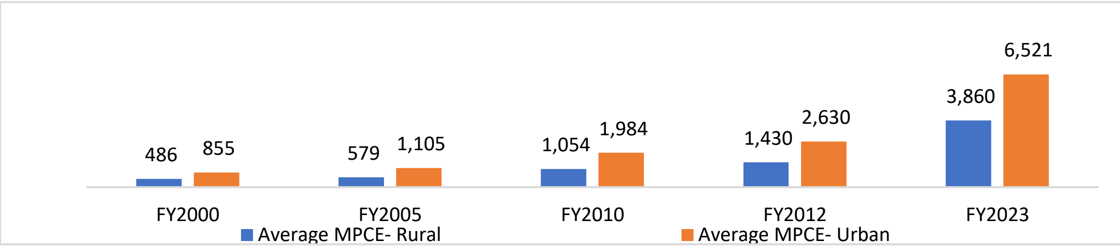
**Population & Age-Dependency Ratio (in cr., % of working-age population)**




Source: World Bank
Cr: Crores

India's population has risen from approximately 137 cr. in 2018 to approximately 143 cr. in 2023, indicating a rise of around 4-4.5% during the period. Age-dependency ratio, as expressed in percentage, is the number of economically dependent people (i.e. people aged lesser than 14 and more than 65) relative to the number of working people (i.e. the people with age between 14 and 65). This ratio has been showing a decreasing trend, falling from ~50% in 2018 and ~47% in 2023, indicating that India is getting richer in working age population and is contributing to a larger labor force, which is crucial for economic growth. This also indicates that a larger number of people are entering the workforce in India each year.

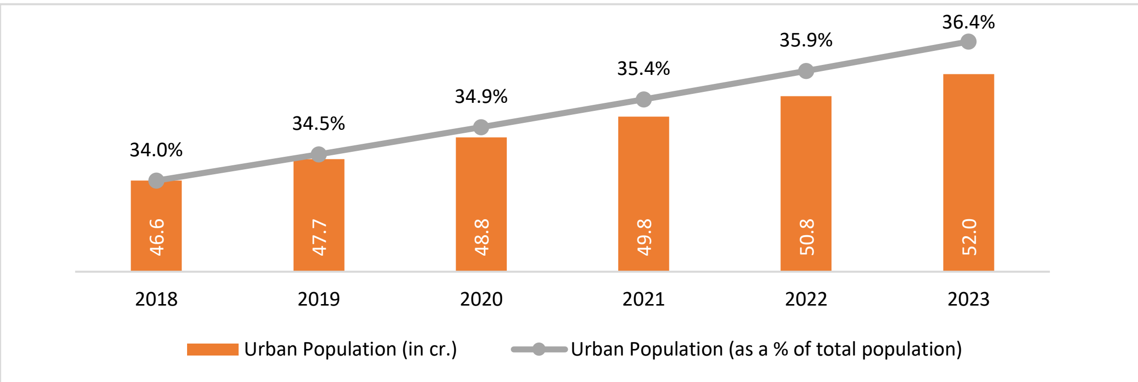
**Household Consumption per capita (in ₹)**




Source: Household Consumption Expenditure Survey 2022-23, Ministry of Statistical and Programme Implementation
Note: 2022-23 figures include imputation. For the years 1999-00 & 2004-05, estimates are based on Mixed Reference Period (MRP) and figures for the years 2009-10, 2011-12 and 2022-23 are based on Modified MRP (MMRP).

Monthly Per Capita Expenditure (MPCE) is the average monthly consumer expenditure per person and is an indicator of the level of consumption activities in India. During the period between fiscals 2000 and 2023, the average MPCE-rural and MPCE-urban, increased at a CAGR of 9-9.5%, each, to ₹ 3,860 and ₹ 6,521, respectively, in fiscal 2023. This remarkable growth highlights the ongoing economic progress, improving disposable income levels, and increasing living standards amidst the expanding consumer base in India.

**Urban Population & Urbanization (Population in cr, urban population as % of total population)**




Source: World Bank

India's urban population increased from approximately 46.6 cr. in 2018 to approximately 52 cr. in 2023, registering a growth of around 11.5% during the period. The growth in the urban population during this period has remained greater than the growth in overall population in India, resulting in the growth of percentage share of urban population in the India's overall population from 34% in 2018 to ~36.4% in 2023. This steady growth in both urban population and urbanization percentage underscores significant shifts in India's demographic landscape, with profound implications for economic development, infrastructure needs, and social dynamics. This growth also suggests ongoing rural-to-urban migration driven by various factors, including the pursuit of better employment opportunities, improved living standards, and access to education and healthcare.

## 3. Global steel industry overview

### 3.1 Global steel production and demand

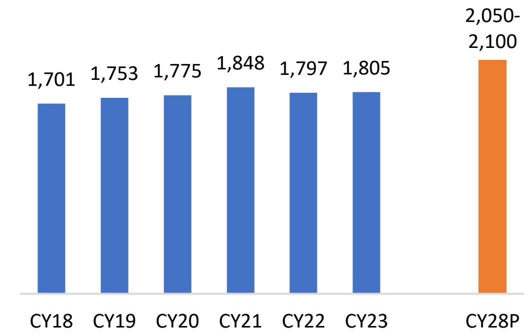
#### 3.1.1 Global production

In CY 2022, global finished steel production declined for the first time in seven years owing to reduced demand, leading to rangebound production. Between CY 2018 and CY 2022, the sector logged a compound annual growth rate (CAGR) of 1.4%. In CY 2022, India was among the top five steel-producing countries and witnessed 7.2% growth in output on-year.

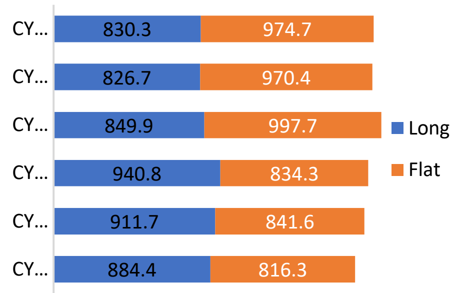
Flat-steel production declined during the year just like the overall steel output, because of global and regional factors, such as rising global interest rates, declining manufacturing and construction activity (notably in China) and Russia-Ukraine geopolitical uncertainty disrupting supplies of raw materials and energy (especially in Europe)

China and India maintained growth in production of hot rolled (HR) coils and plates, leading to a CAGR of 11.5% and 7.7% in global production of the products between CY 2018 and CY 2022.

**Global finished steel production (MT)**




**Flat and long steel global production (MT)**




Source: CRISIL MI&A Consulting, World Steel Association 2024
E: Estimated; MT: million tonne

**Country wise finished steel production trend (MT) and % share in global finished steel production**

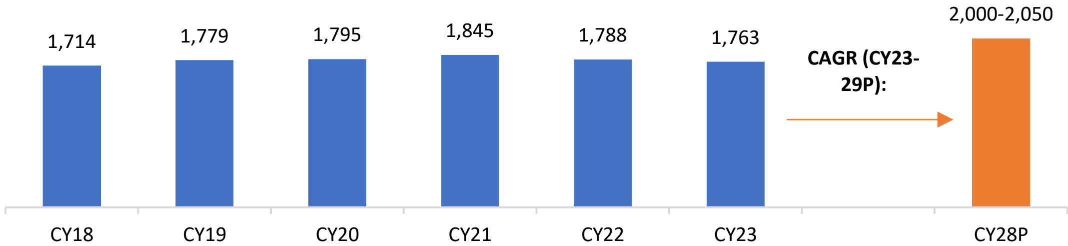
| Country | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | | 5-year CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Prod. (MT) | Share (%) | Prod. (MT) | Share (%) | Prod. (MT) | Share (%) | Prod. (MT) | Share (%) | Prod. (MT) | Share (%) | Prod. (MT) | Share (%) | |
| *China* | 877.3 | 51.60% | 951.5 | 54.3% | 1,037.8 | 58.50% | 1,010.1 | 54.70% | 1,000.6 | 55.70% | 1,002.9 | 55.56% | 2.7% |
| *India* | 100.6 | 5.90% | 104.1 | 5.90% | 92.2 | 5.20% | 112 | 6.10% | 120.1 | 6.70% | 132.1 | 7.32% | 5.6% |
| *Japan* | 92.4 | 5.40% | 87.7 | 5.00% | 73.8 | 4.20% | 84.4 | 4.60% | 78.7 | 4.40% | 86.2 | 4.78% | -1.4% |
| *United States* | 86.4 | 5.10% | 87.3 | 5.00% | 73.5 | 4.10% | 85.9 | 4.60% | 81.2 | 4.50% | 81.1 | 4.49% | -1.3% |
| *Russia* | 49.2 | 2.90% | 49.9 | 2.80% | 50.2 | 2.80% | 55.7 | 3.00% | 55.1 | 3.10% | 57.4 | 3.18% | 3.1% |
| *South Korea* | 69.8 | 4.10% | 68.3 | 3.90% | 65.8 | 3.70% | 69.1 | 3.70% | 62.3 | 3.50% | 65.4 | 3.62% | -1.3% |

Prod.: Production; MT: million tonne
Prod. (MT) column refers to volume of finished steel produced by a particular country in the corresponding year in million tonnes. Share (%) column represents % share of the country in the global finished steel production volume in that corresponding year.
Source: CRISIL MI&A Consulting, World Steel Association 2024

#### 3.1.2 Global demand

In CY 2021, the demand for finished steel rose to 1,845 million tonnes per annum. It then dipped to 1,788 million tonnes per annum in CY 2022 and to 1,763 million tonnes per annum in CY 2023. In CY 2023, Chinese finished steel demand stood at 895.6 million tonnes per annum, more than 50% of the overall global demand. North America and India each accounted for approximately 7% of global demand each.

**Global steel demand (million tonnes per annum)**



Source: CRISIL MI&A Consulting, World Steel Association 2024

### Country wise finished steel consumption trend (MT)

| *Country* | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Volume | Share | Volume | Share | Volume | Share | Volume | Share | Volume | Share | Volume | Share |
| ***China*** | 836.1 | 48.80% | 911.9 | 51.30% | 1,008.20 | 56.20% | 954.4 | 51.70% | 925.7 | 51.80% | 895.7 | 50.81% |
| ***India*** | 96.7 | 5.60% | 102.6 | 5.80% | 89.3 | 5.00% | 106.2 | 5.80% | 116.2 | 6.50% | 133.4 | 7.57% |
| ***United States*** | 99.8 | 5.80% | 97.7 | 5.50% | 80 | 4.50% | 97.1 | 5.30% | 94.5 | 5.30% | 90.5 | 5.13% |
| ***Japan*** | 65.4 | 3.80% | 63.2 | 3.60% | 52.6 | 2.90% | 57.4 | 3.10% | 55 | 3.10% | 53.3 | 3.02% |
| ***South Korea*** | 53.7 | 3.10% | 53.2 | 3.00% | 49.2 | 2.70% | 56 | 3.00% | 51.3 | 2.90% | 54.7 | 3.10% |
| ***Russia*** | 41.3 | 2.40% | 43.5 | 2.40% | 42.3 | 2.40% | 43.9 | 2.40% | 41.7 | 2.30% | 44.6 | 2.53% |

Note: Volume column refers to volume of finished steel consumed by a particular country in the corresponding calendar year. Share column represents % share of the country in the global finished steel consumption in that corresponding calendar year.
Source: CRISIL MI&A Consulting, World Steel Association 2024

## 3.2 Global steel pipes and tubes

Globally, steel pipes and tubes are broadly categorized into types: 1) welded pipes and tubes and 2) seamless pipes and tubes. There is another category of steel pipes which is referred to as hollow section pipes, which can either be welded or seamless in nature.

Welded pipes are generally used in transportation of water, oil, or gases in large quantities, i.e. for less corrosive and low-pressure environments. They are made by forming coils of steel into round or circular shape by a roller or plate bending machine. They can be further classified into two types, namely ERW (electric resistance welded) pipes and SAW (submerged arc welded) pipes.

Seamless pipes, on the other hand, are used in process piping, power piping, construction, and chemical industries and in the environments of high pressure, temperature, and corrosion.

Hollow section pipes (both seamless and welded types) have a high strength-to-weight ratio, excellent durability and high corrosion resistance, and are majorly used in engineering and construction industries. Particularly, these pipes are an ideal choice for making mechanical structures such as scaffolding towers; vehicle frames and columns; and architectural structures such as roof trusses.

## 3.3 Steel pipes and tubes – global production

As of 2022, China is the global leader in the production of steel pipes and tubes, followed by Russia and India. In 2022, China accounted for more than 60% of pipes and tubes produced globally. India's share in global production volume of steel pipes and tubes increased from 3% in 2019 to over 5% in 2022. The overall production of steel pipes and tubes (both welded and seamless pipes and tubes) decreased on-year by over 5% in 2022 to approximately 132 million tonnes owing to supply related constraints caused by geopolitical conflicts.

### Global tubular pipes production (volume in million tonnes)

| Country | CY18 | | CY19 | | CY20 | | CY21 | | CY22 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Volume | Share | Volume | Share | Volume | Share | Volume | Share | Volume | Share |
| China | 73.2 | 58.2% | 84.2 | 60.8% | 89.5 | 64.4% | 89.3 | 64.0% | 82.6 | 62.6% |
| Russia | 11.8 | 9.4% | 11.9 | 8.6% | 10.3 | 7.4% | 11.1 | 7.9% | 12.7 | 9.7% |
| India | - | 0.0% | 4.2 | 3.0% | 6.7 | 4.8% | 5.8 | 4.2% | 6.9 | 5.2% |
| Japan | 6.6 | 5.3% | 6.2 | 4.5% | 4.8 | 3.5% | 5.1 | 3.7% | 5.0 | 3.8% |
| South Korea | 5.0 | 4.0% | 4.6 | 3.4% | 4.5 | 3.2% | 4.6 | 3.3% | 0.1 | 0.1% |
| Others | 29.1 | 23.1% | 27.3 | 19.7% | 23.1 | 16.7% | 23.6 | 16.9% | 24.6 | 18.6% |
| Total | 125.8 | 100.0% | 138.5 | 100.0% | 139.0 | 100.0% | 139.5 | 100.0% | 131.9 | 100.0% |

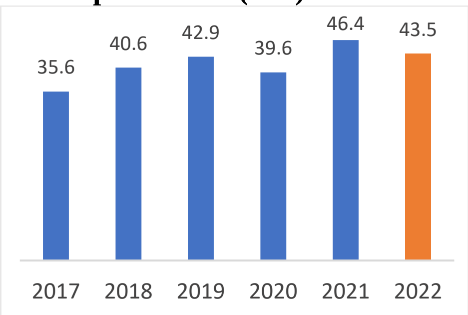
Source: CRISIL MI&A Consulting, World Steel Association 2024
P: Projected
Note:
1. Data for India is not reported for CY 2018.

2. Volume column refers to volume of steel pipes and tubes produced by a particular country in the corresponding calendar year. Share column represents % share of the country in the global production volume of steel pipes and tubes in that corresponding calendar year.

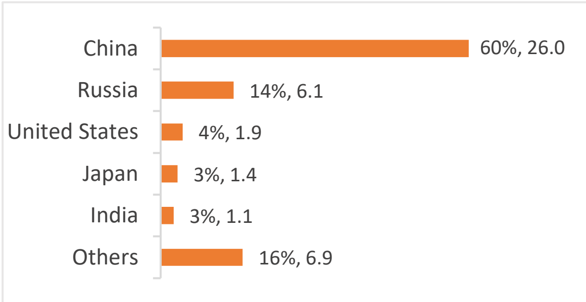
### 3.3.1 Seamless pipes and tubes

The global production volume of seamless pipes and tubes amounted to 43.5 million tonnes in 2022, rising from 35.6 million tonnes in 2017 at a CAGR of approximately 4% between 2017 and 2022. In 2022, China accounted for around 60% of the global production volume of seamless pipes and tubes with a production volume of 26 million tonnes. India, which accounted for around 3% share in global seamless pipes and tubes production volume, emerged as the fifth largest producer with a production volume of 1.1 million tonnes in 2022.

**Global production (MT)**




**Top producing countries in 2022 (% share, MT)**

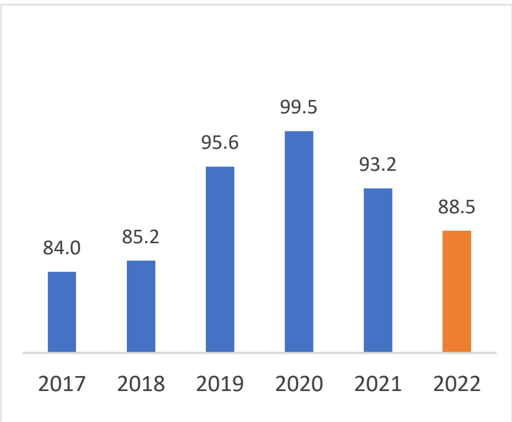



P: Projected; MT: million tonnes
Source: CRISIL MI&A Consulting, World Steel Association 2024

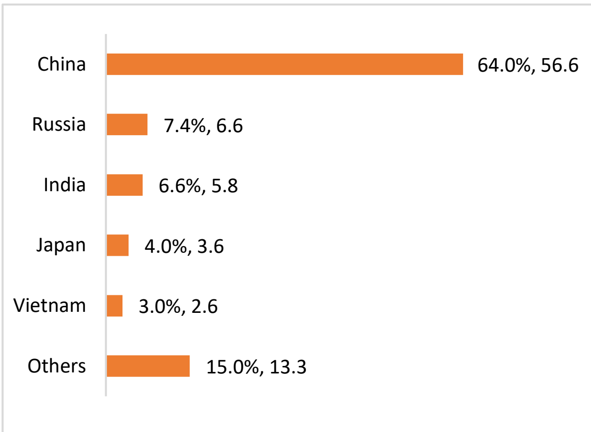
### 3.3.2 Welded pipes and tubes

The global production volume of welded pipes and tubes amounted to 88.5 million tonnes in 2022, slightly rising from 84 million tonnes in 2017 at a CAGR of approximately 1% between 2017 and 2022. In 2022, China accounted for around 64% of the global production volume of welded pipes and tubes with a production volume of ~57 million tonnes. India, with around 7% share in the global welded pipes and tubes production volume, emerged as the third largest producer with a production volume of 5.8 million tonnes of welded pipes and tubes in 2022.

**Global production (MT)**




**Top producing countries in 2022 (% share, MT)**

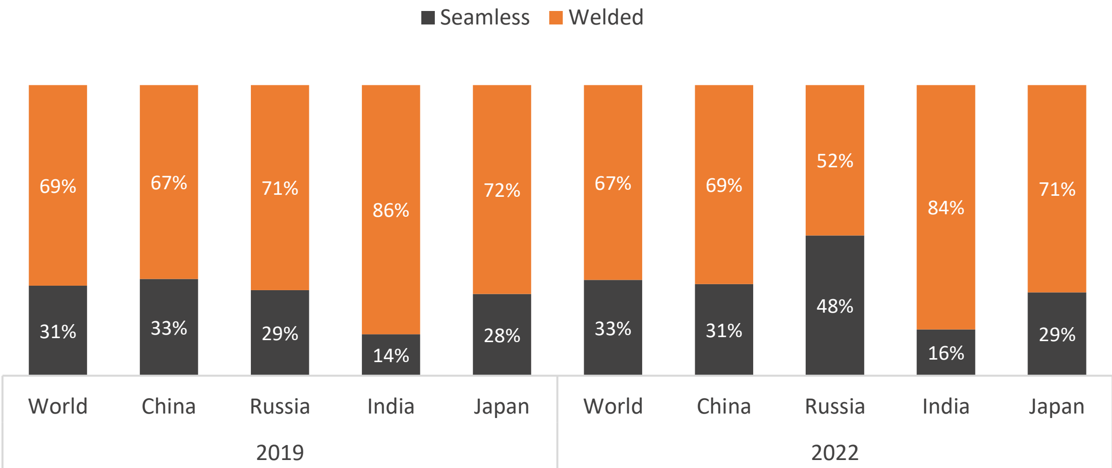



*P: Projected; MT: million tonnes*
*Source: CRISIL MI&A Consulting, World Steel Association 2024*

### 3.3.3 Production share of welded and seamless pipes and tubes

Welded tubes accounted for 67% share in the total tubular pipes manufactured globally in 2022. In contrast, in India, welded tubes comprised a considerably higher share (84%) in 2022.

**Share of seamless and welded pipes and tubes**

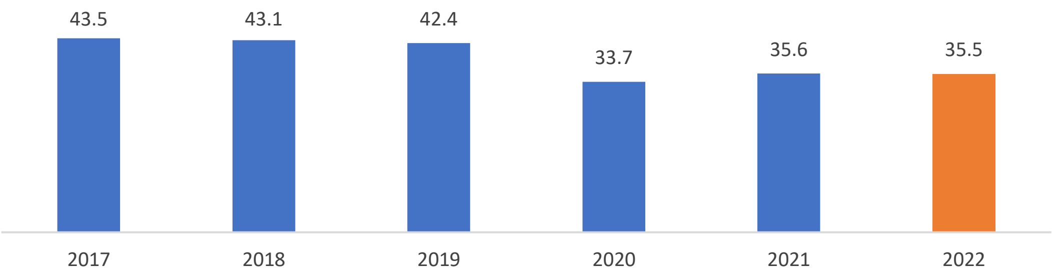



P: Projected
Source: CRISIL MI&A Consulting, World Steel Association 2024

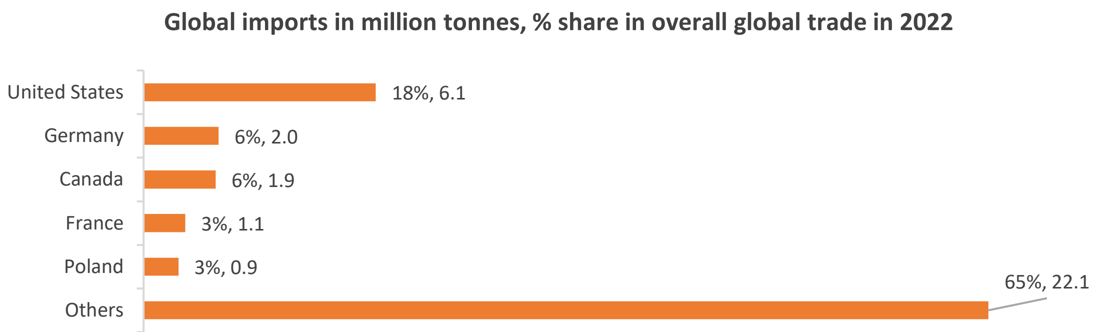
### 3.3.4 Trade overview of steel pipes and tubes

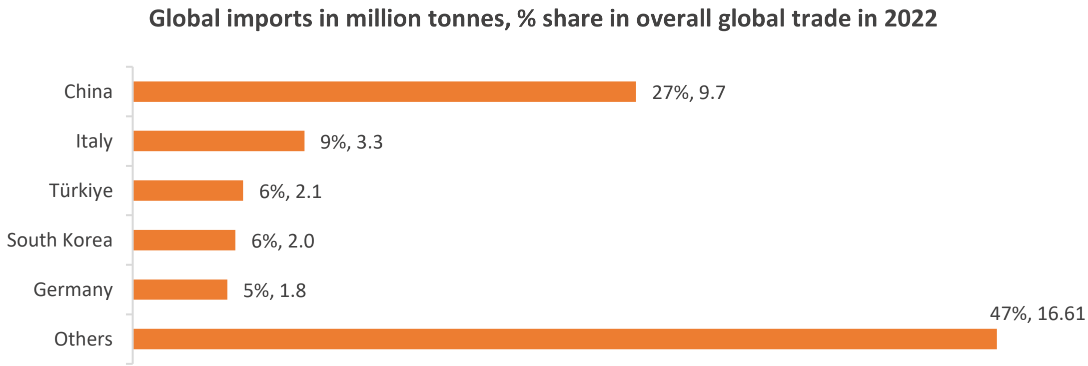
Global trade flow of tubular pipes declined strongly by over -20% in 2020 to 33.7 million tonnes, as the trade activity slowed with the onset of the pandemic. In 2021, however, global trade flow increased by 5% on-year to 35.6 million tonnes, indicating revival of demand and resolution of supply chain issues.

**Global trade flow in million tonnes**




P: Projected
Source: CRISIL MI&A Consulting, World Steel Association 2024



P: Projected
Source: CRISIL MI&A Consulting, World Steel Association 2024

United states, which imported around 6 million tonnes of steel pipes and tubes, was the single largest importer of steel pipes and tubes in 2022. It was followed by Germany and Canada, which imported 2 and 1.9 million tonnes of steel pipes and tubes in the year.

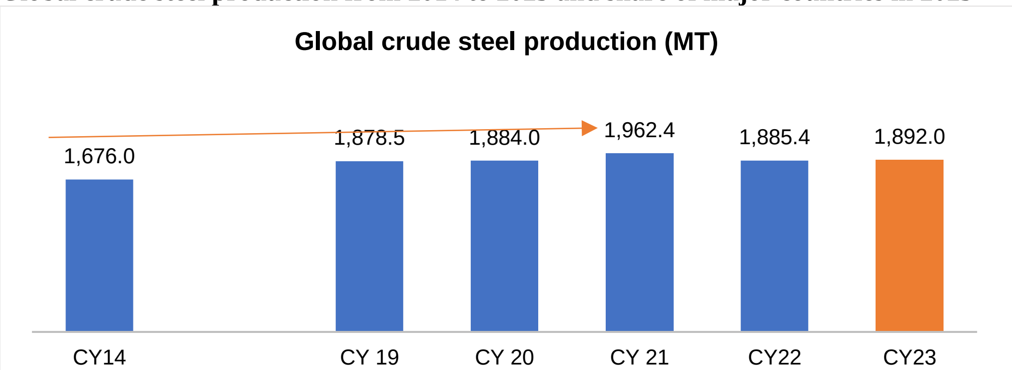
China was the leading exporter in 2022 with an export volume of 9.7 million tonnes of steel pipes and tubes. China was able to hold a high share of 27% in the overall global export volume of steel pipes and tubes in 2022 (significantly greater than the second largest exporter Italy with a share of 9%) on the back of its globally competitive prices supported by low production, labour, and real estate costs.

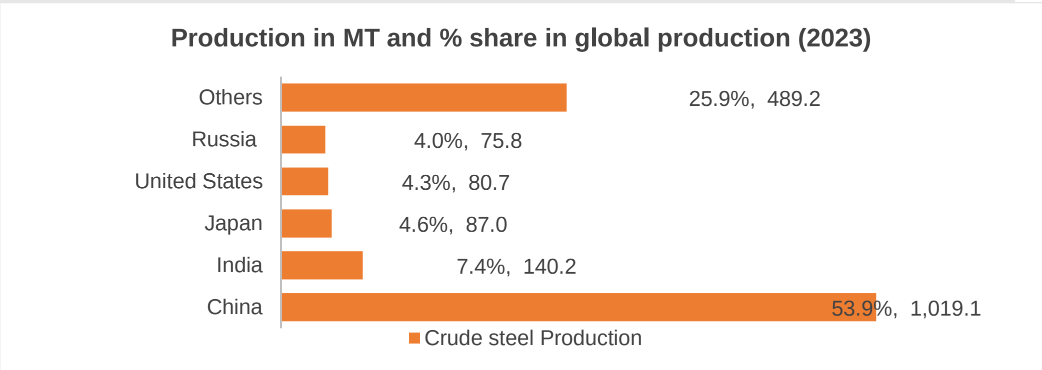
## 4. Indian steel industry overview

### 4.1 India's position in global market

During the last 9-year period i.e., between CY 2014 and CY 2023, the global crude steel production grew at a nominal CAGR of ~1.4%. Crude steel production has been largely rangebound over the past few years as it grew from 1,878 million tonnes in 2019 to 1,892 MT in 2023. China, which has been the largest steel producer in the world for a long period, produced 1,019 million tonnes of crude steel in 2023, accounting for approximately 54% of the total global crude steel production in the year. It was followed by India, which produced around 140 million tonnes of crude steel, accounting for a share of 7.4% in global crude steel production in 2023.

**Global crude steel production from 2014 to 2023 and share of major countries in 2023**



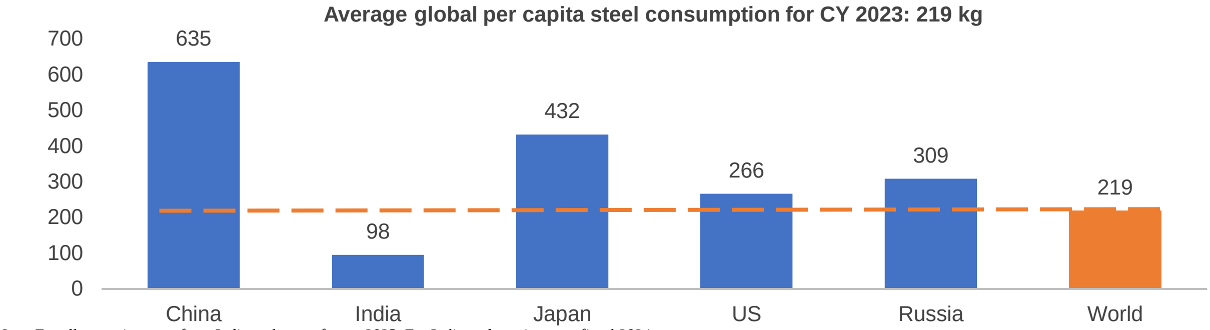




Source: World Steel Association

Global steel demand is also estimated to have remained flat on-year in 2023, at 1,763 MT, as per the World Steel Association, on the back of persistent elevated inflation and high interest rates in most economies. However, in India, the demand for finished steel in fiscal 2024 increased by 13-14% on-year to 136.2 MT[3] backed by strong growth in construction and infrastructure segment.

**Per capita steel consumption in India vis-à-vis global benchmarks**

[3] Complete Indian steel demand side analysis is detailed out in section 4.5 of this report

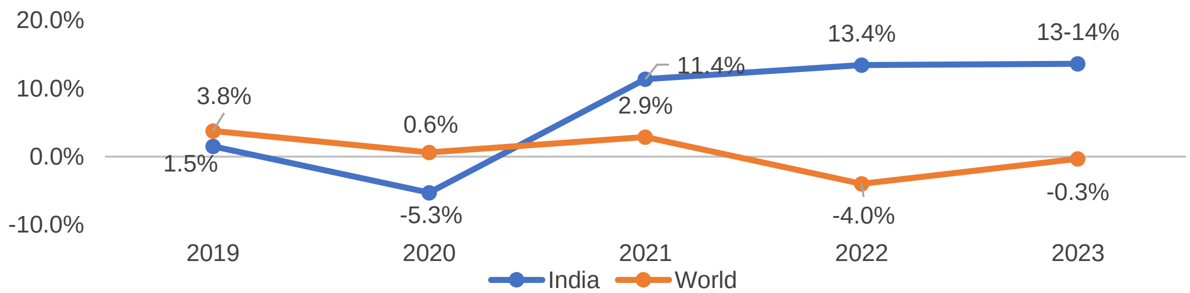


Note: For all countries apart from India, volume refers to 2023. For India, volume is as per fiscal 2024.
Source: World Steel Association, Worldometer.org

The global average per capita steel consumption was 219 MT in 2023. However, the US, Russia, Japan and China had higher steel intensity owing to significantly higher investment in infrastructure projects; hence, their per capita steel consumption is above the world average.

On the other hand, India's per capita steel consumption was only at 98 kg in 2023 (i.e. fiscal 2024), which was less than half of the global average per capital steel consumption. However, with increasing thrust on infrastructure development, the underpenetrated Indian steel market holds considerable growth potential.

### 4.2 Growth in Indian steel demand vis-à-vis global steel demand



Source: World Steel Association, CRISIL MI&A Consulting, Industry
Note: Years mentioned on the horizontal axis correspond to calendar years for the world; for India, these correspond to nearest fiscal years, for example, year 2019 corresponds to FY20 and so on

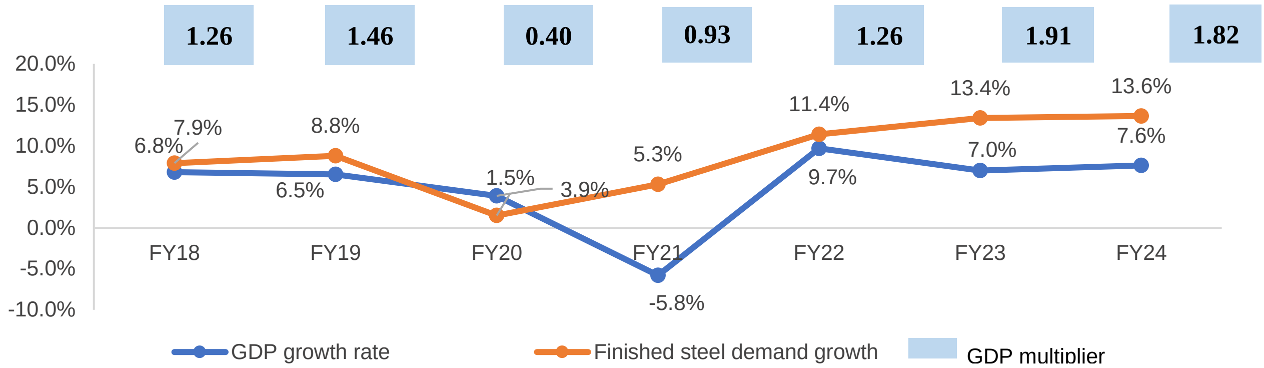
At the global level, all major economies registered an on-year decline in steel demand in CY20 owing to COVID-19 led disruptions in key end use industries. However, in that year, the demand for steel in China grew by around 9-10% on-year, on account of the country's quick recovery from the first wave of Covid-19 and a receipt of a stimulus package to spur industrial and economic activity. This pushed the average on-year demand growth of finished steel above that of India in the fiscal. In 2021 and the following years, the steel demand in India rebounded strongly led by recovery of economic activity post pandemic and pent-up demand from major steel consuming sectors.

### 4.3 Steel demand-GDP growth correlation

Given the huge population and low level of per capita steel consumption in India, the steel industry has the potential to become a key economic growth driver of the country. A comparative analysis between steel demand increase and the country's GDP growth shows that the former outpaced the latter between fiscals 2018 and 2023, except fiscals 2020 and 2021. While fiscal 2020 saw slowdown in major steel consuming sectors (automobile, construction and infrastructure), fiscal 2021 witnessed pandemic-led country-wide lockdowns.

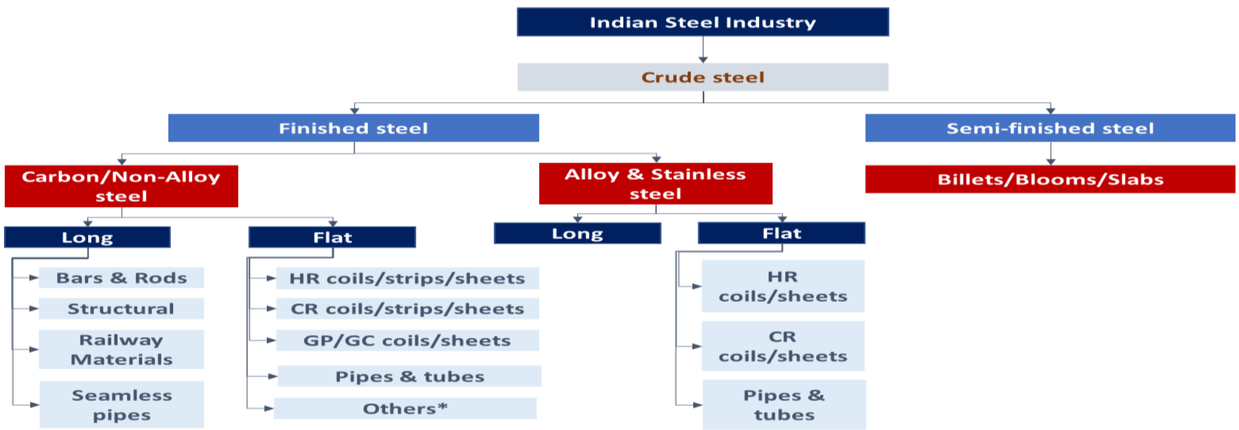
In fiscal 2023, the ratio of steel demand growth to GDP growth reached 1.9 owing to recovery in economic activity from the lows of the pandemic and a strong pent-up demand from the key steel consuming sectors. Despite a slight moderation to 1.8 in fiscal 2024, the ratio/GDP multiplier has managed to remain higher than the pre-pandemic levels.

### 4.4 Finished steel demand growth vs GDP growth




Note: Figures in boxes represent steel demand growth-to-GDP growth multiplier
Source: CRISIL MI&A Consulting, industry

## 4.5 Structure of Indian steel industry

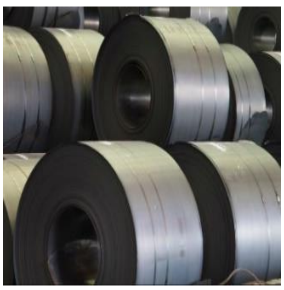



* Others include prime plate plates, hot strip mill plates, colour-coated coils/sheets, electrical coils/sheets, tin plates, tin-free steel, tin mill black plates, pipes, etc
Source: CRISIL MI&A Consulting, industry
Note: Pipes and tubes included under both flat carbon/non-alloy steel segment and flat alloy & stainless steel segment include hollow section pipes and welded pipes. Further, seamless pipes under long segment also includes hollow section.

### 4.5.1 Types/definition of steel

**By product**

**Long products:** Finished long steel products are typically produced by hot rolling/forging of bloom/billets/ingots into useable shape/sizes. These are normally supplied in straight length/cut length, except wire rods, which are supplied in wound coils. The different types of long products include bar and rods (thermo-mechanically treated (TMT) bars, wire rods, round bars, etc), structural steel (angles, channels, beams, fabricated sections, girders, etc), and railway materials.



**Flat products:** Flat products are produced from slabs/thin slabs in rolling mills using flat rolls, and comprise HR and cold rolled (CR) coils, coated products, etc. HR flat products are produced by re-rolling slabs/thin slabs at high temperature (above 1,000$^{0}$C) in plate mills or in hot strip mills. CR coils/strips are produced by cold rolling HR coils/strips in cold rolling mills (normally at room temperature). CR coils/strips/sheets are characterised by lower thickness, better/bright finish and specific mechanical/metallurgical properties.

**By composition**

**Alloy steel:** Steel that is produced with one or more elements in specified proportions to impart specific physical, mechanical, metallurgical and electrical properties is called alloy steel. Stainless steel is a type of alloy steel.

Alloy/stainless steel is manufactured in different grades, with varying proportions of carbon and other elements. Common elements used to make alloys are manganese, silicon, nickel, lead, copper, chromium, tungsten, molybdenum, niobium and vanadium.

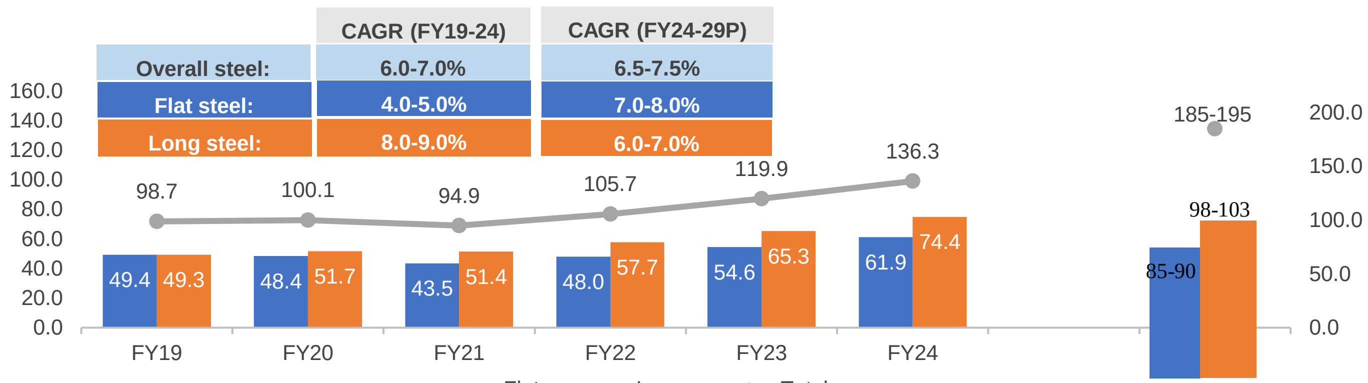
Alloy/stainless steel is used in forgings, tools and dies, bearings, fasteners, etc, which are subsequently used by end-use sectors such as automobiles, power, oil and gas, industrial machines, railways/mass rapid transport systems and defence to manufacture products such as crankshafts, connecting rods, cam shafts, bearings, fasteners, railway carriage wheels, bomb shells, cutting tools, surgical instruments and utensils.

**Non-alloy steel:** Non-alloy or carbon steel comprises iron and carbon. It is the most produced variant of steel (93-95% share of India's finished steel production in the past five years). The main components are carbon, manganese and silicon in proportions of up to 1.70%, 0.90% and 0.30%, respectively. A change in the composition of carbon affects the properties of carbon steel. Steel, by definition, does not contain any alloying element.

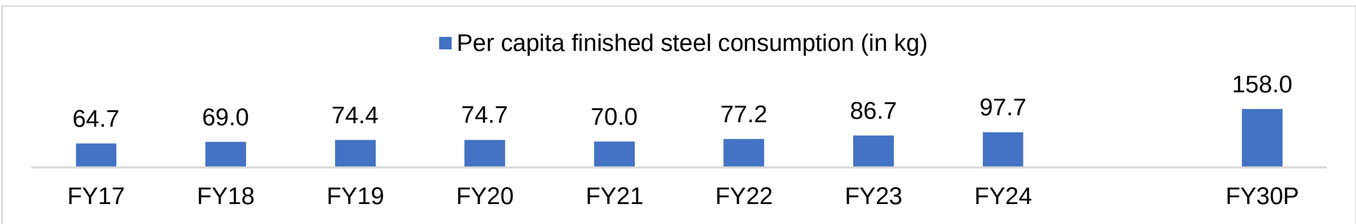
Non-alloy steel is used in end-user sectors such as construction, infrastructure, automobiles, consumer durables, etc. Popular applications include buildings, bridges, rails, pipelines, body panels for cars, refrigerators and washing machines.

## 4.6 Indian steel demand review and outlook

The domestic steel industry logged a healthy CAGR of 6-7% between fiscals 2019 and 2024, rising to 136.2 MT in fiscal 2024, thanks to the aggregate effect of growth in the end-use sectors of steel (automobile, infrastructure and construction) and market volatility during the pandemic.



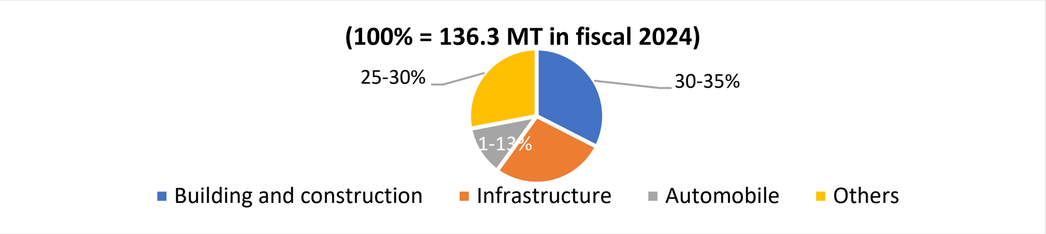

E: Estimated; P: Projected
Source: Joint Plant Committee (JPC), CRISIL MI&A Consulting




Source: CRISIL MIA Consulting, JPC
Note: The FY 2030 projection for the per capita steel consumption in India is based on the data provided by National Steel Policy, 2017

Per capita consumption of steel in India is expected to grow from an estimated value of 95.4 kg in fiscal 2024 to approximately 158 kg in fiscal 2030, on the account of strong expected growths in the key steel end-use sectors combined with a robust support from government policies.

End-use industry wise split of domestic steel demand (fiscal 2024)




Note: Others include consumer goods, consumer durables, aerospace, defence, transport sectors, etc.
MT: million tonnes
Source: CRISIL MI&A, industry

**Building and construction**

Steel demand from building and construction (B&C) accounts for 30-35% of aggregate finished steel demand. Over fiscals 2024-29, demand for steel from this segment is expected to clock a 5-6% CAGR, driven by:

The government's focus on execution of affordable housing.

Robust rural housing demand against the backdrop of the government's continued focus on rural development, and higher minimum support prices.

Improvement in urban housing demand owing to increased commercialisation of tier 3 and 4 cities, led by better infrastructure connectivity.

**Infrastructure**

The infrastructure segment is currently the second-largest consumer of steel, accounting for 25-30% of the aggregate finished steel demand. Within the infrastructure space, roads, and highways, along with railways (including metros), account for 50-60% of steel demand. Other significant contributors include sectors such as irrigation, dams, water supply and sanitation. Demand from this sector is expected to remain healthy, led by increasing activities and swift pace of execution in steel-intensive segments such as railways.

Further, in Budget 2024-25, the government laid special focus on infrastructure development, as indicated by the following announcements:

Rs 11.11 lakh cr., which is around 3.4% of India's GDP, has been allocated for capital expenditure for infrastructure sector.

The gross budgetary support for Railways sector has been set at ₹ 2.52 lakh cr., which is significantly higher than previous years' allocations.

The centre extended the long term interest-free loan to states, with an outlay of ₹ 1.50 lakh cr. to boost infrastructure.

The government allocated ₹ 26,000 cr. for multiple road connectivity projects across states
This will include the Bharatmala Pariyojana, which aims to develop 65,000 km of national highways, and the creation of expressways to facilitate faster and more efficient transportation.
Industrial nodes will be set up on industrial corridors in the country; for example, an industrial node at Gaya will be developed on Amritsar-Kolkata Industrial Corridor.

The government also launched the fourth phase of Pradhan Mantri Gram Sadak Yojana for 25 rural areas in the country to provide last mile connectivity.

The government allocated ₹ 2,377 cr. for ministry of ports, shipping and waterways.

This allocation aims to enhance port infrastructure, improve cargo handling capabilities, develop new ports to accommodate the growing maritime trade, and to develop inland water ways for transportation.

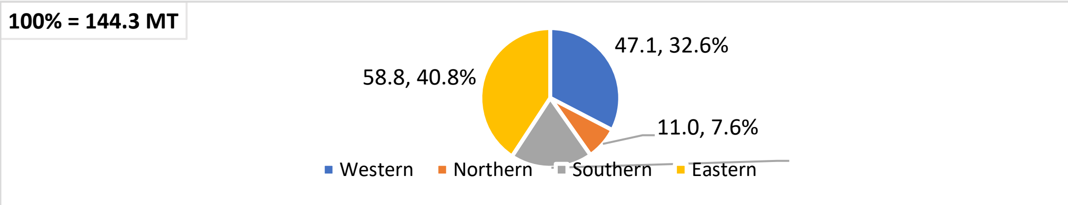
*Note: Overall, the infrastructure segment accounts for ~25-30% of the aggregate finished steel demand. Within the segment, roads and highways, and the railways (including metros), account for 50-60% of infrastructure segment driven steel demand. Other significant contributors include sectors, such as irrigation, dams, water supply and sanitation.*

**Automotive**

The automotive sector accounts for 11-13% of aggregate finished steel demand. After a slowdown in fiscal 2022, fiscal 2023 witnessed resolution of the supply side issues and an improved consumer sentiment, thereby fuelling growth in the sector. Going forward, the industry is expected to grow at a healthy CAGR of 6-8% during fiscals 2024-2029 owing to growing public preference for personal vehicles, easy financing options, improving living standards and increasing income levels of rural and urban population.

### 4.6.1 Steel production and demand segregation by region

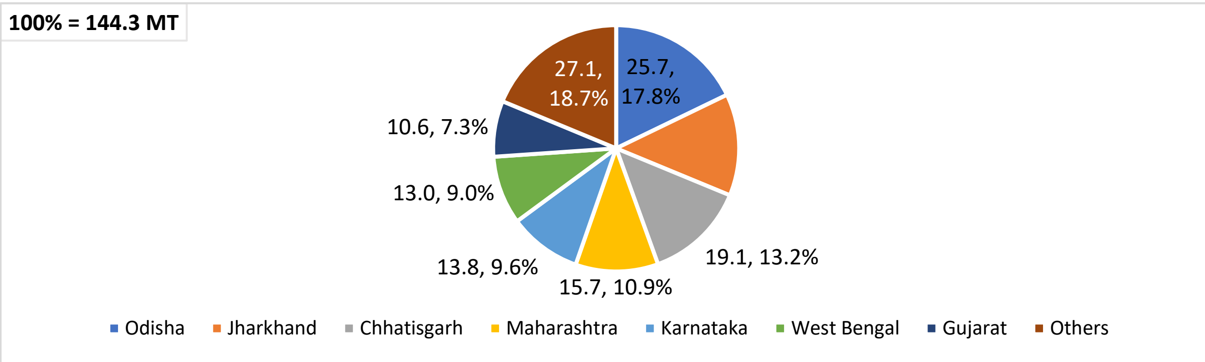
Region-wise crude steel production (in MT and % share in overall domestic crude steel production) (FY24)




Source: CRISIL MI&A Consulting, JPC Statistics 2023-24
MT: million tonnes

The eastern region of India accounted for the biggest share (~41%) in domestic crude steel production in the fiscal, amounting to 58.8 MT primarily on the account of high availability of raw materials and consumables such as iron ore, coal, etc. in the eastern states of Jharkhand and Odisha.

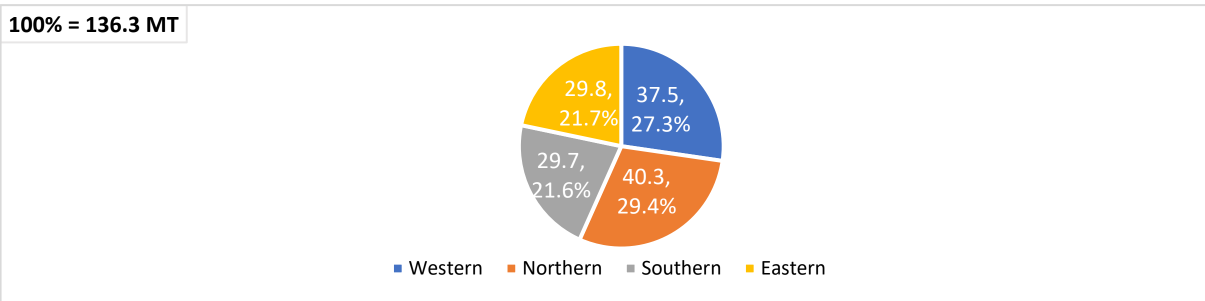
**State-wise crude steel production (in MT and % share in overall domestic crude steel production) (FY24)**




Source: CRISIL MI&A Consulting, JPC Statistics 2023-24
MT: million tonnes

Odisha and Jharkhand were the leading crude steel producing states in India, with respective shares of 18% and 13% in the overall domestic crude steel production in fiscal 2024, primarily on the account of high abundance of raw materials and presence of major integrated steel plant producers' manufacturing facilities in these states.

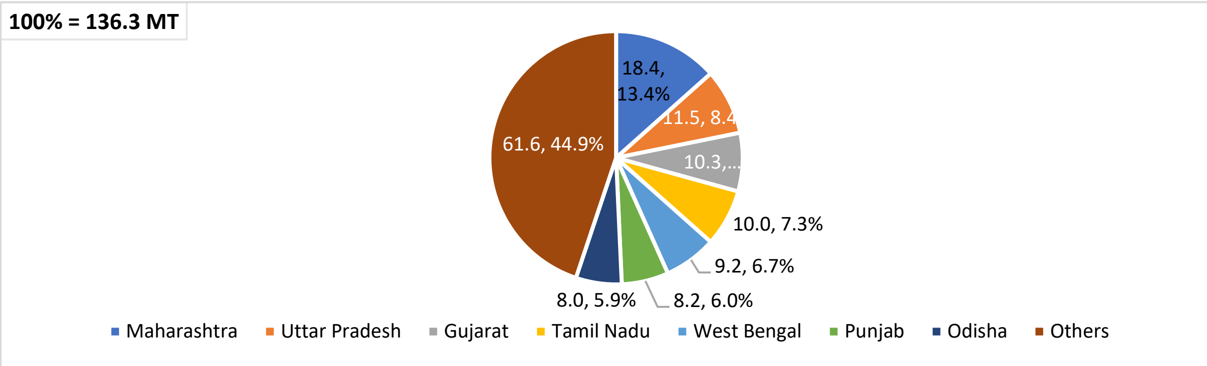
**Region-wise finished steel demand (in MT and % share in overall domestic finished steel demand) (FY24)**




Source: CRISIL MI&A Consulting, JPC Statistics 2023-24
MT: million tonnes

Western and northern regions of India accounted for a cumulative share of around 57% in domestic finished steel demand. This high share is on the account of high consumption of steel in fast paced infrastructural development activities happening in the northern and western regions of the country.

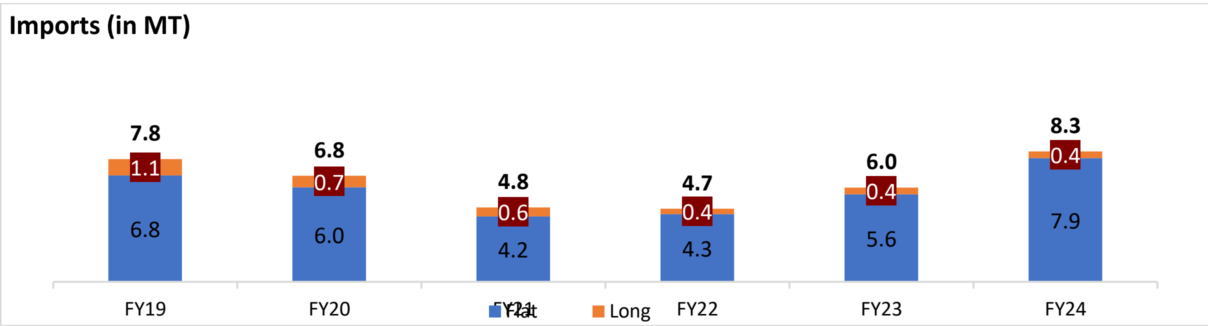
**State-wise finished steel demand (in MT and % share in overall domestic finished steel demand) (FY24)**

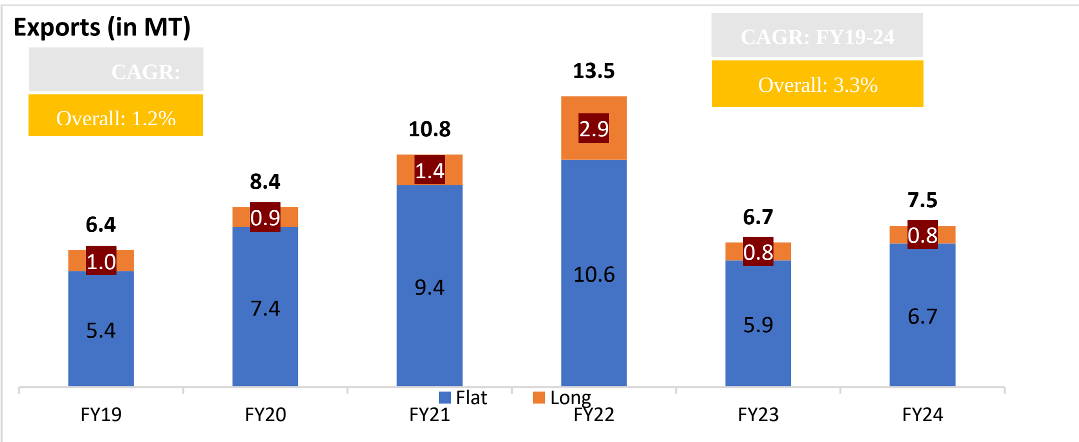



Source: CRISIL MI&A Consulting, JPC Statistics 2023-24
MT: million tonnes

In fiscal 2024, Maharashtra was the single largest consumer of finished steel, accounting for a share of around 13% in overall domestic finished steel demand, primarily on the back of multiple infrastructure development projects, increasing industrialization and improving real estate sector in the state.

**Indian finished steel trade analysis**




Source: CRISIL MI&A, industry, JPC
MT: million tonnes

Steel imports in India largely remained rangebound during period between fiscals 2019 and 2024. During this period, the imports declined massively by -30% on-year to 4.8 million tonnes in fiscal 2021, primarily on the account of a decrease in domestic demand. The import volume remained rangebound in fiscal 2022, before increasing at a CAGR of over 30% during fiscal 2022-2024 period to clock 8.3 million tonnes in fiscal 2024. The strong growth in the import volume of steel in the last two fiscals happened on the account of a strong recovery post pandemic, wherein the domestic demand increased at a CAGR of 13-14% between fiscals 2022 and 2024. Further, the imports of cheaper steel from China and Vietnam rose strongly in fiscals 2023 and 2024 which led to a strong increase in the overall import volume during the last two fiscals.

The export volume, on the other hand, increased on-year by around 29% to 10.8 million tonne in fiscal 2021 primarily because of COVID-19 led subdued domestic demand and an increased domestic production during the fiscal. The growth momentum continued in fiscal 2022 as well, post which the export volumes declined massively by around -50% on-year to 6.7 million tonnes in fiscal 2023. The sharp decrease in the finished steel export volumes in fiscal 2023 happened on the account of tough competition faced by India-made steel from cheaper foreign-made steel in the export market amid slowing global steel demand. The competitiveness of India-made steel was further hampered by the export tax imposed by the Indian government in May 2022. However, with withdrawal of said export tax in November 2022, the export volume of steel from India registered an on-year increase of ~11% in fiscal 2024 to clock 7.5 million tonnes.

Government policies influencing steel supply and demand

**National Steel Policy**

The National Steel Policy (NSP), approved in May 2017 by the Union Cabinet, seeks to increase domestic steel consumption, ensure high-quality steel production, and create a technologically advanced and globally competitive steel industry.

NSP's vision for demand, supply and trade
Increase steel consumption across the infrastructure, automotive and housing sectors, resulting in a potential rise in per capita steel consumption to 158 kg by fiscal 2030 from ~65 kg in fiscal 2017
Achieve 300 MT of steelmaking capacity by 2030 through additional investments of ₹ 10 lakh cr.
Produce steel domestically for high-end applications such as electrical steel (cold-rolled grain-oriented), special steel, and alloys for power equipment, aerospace, defence and nuclear applications
Eliminate reliance on steel imports and increase steel exports to ~24 MT by 2030

**Indian steel industry: Historical trend and vision under NSP**

| Parameter (MT) | NSP 2005 FY20 (Target) | NSP 2017 FY30 (Target) | FY23 Actual | FY24 Actual |
|---|---|---|---|---|
| Crude steel capacity | | 300 | 161.3 | ~178.0* |
| Crude steel production | 110 | 255 | 127.2 | 144.0 |
| Finished steel demand | 90 | 230 | 119.9 | 136.2 |
| Finished steel import | 6 | 0 | 6.0 | 8.3 |
| Finished steel export | 26 | 24 | 6.7 | 7.5 |

Note: FY24 estimates are based on April 2023-March 2024 provisional data released by JPC in its March 2024 MIS report
*Fiscal 2024 crude steel capacity is estimated based on capacity additions by ISPs during the fiscal
MT: million tonnes
Source: CRISIL MI&A, NSP 2005, NSP 2017, JPC

**Domestically Manufactured Iron & Steel Products (DMI&SP)**

Domestically manufactured iron & steel products (DMI&SP) include those iron and steel products which are manufactured by entities that are registered and established in India (including special economic zones (SEZs)). Further, such products shall meet the criteria of domestic minimum value-addition.

- The policy, approved by the government in 2017 and revised in 2020, mandates to provide preference in government procurement, to domestically manufactured iron & steel products in which a minimum of 20% value addition has taken place domestically
- This policy is intended to prefer domestically produced steel products, encourage domestic production as well as import substitution of steel, and promote growth in the industry.

**Quality Control Order on Steel**

- In fiscal 2024, the Ministry of Steel issued a fresh quality control regime for 145 steel products. As per this policy, any sub-standard or defective steel and steel product, which do not conform to the specified standard, shall be disposed as scrap.

- This way, the policy intends to ban sub-standard/ defective steel products (domestically sourced or imported) to ensure and enhance the availability of quality steel, conforming to the relevant BIS standards, to the industry and end-users.

**Production Linked Incentive (PLI) scheme**

Keeping in view India's vision of becoming 'Atmanirbhar', an incentive outlay of ₹ 1.97 lakh cr. under the PLI scheme for 14 key sectors is underway to enhance the country's manufacturing capabilities and exports. The implementation of the scheme across the sectors aims to attract investments (domestic and foreign) in the areas of core competency and apply cutting-edge technology; ensure efficiencies; create economies of scale and boost exports to make India an integral part of the global value chain.

| Particulars | Amount |
|---|---|
| PLI scheme led investment | 1.03 lakh cr. |
| PLI scheme production/sales | 8.61 lakh cr. |
| PLI scheme led exports | 3.20 lakh cr. |
| PLI led Employment generation | 6.78 lakh |

*Note: All figures in the table are until November-December 2023*

Benefits through PLI scheme

*Large scale electronics manufacturing (LSEM) sector*

- Manufacturing of various electronic components, such as batteries, chargers, printed circuit board (PCB), camera modules, passive components and certain mechanics have been localised in the country
- PLI beneficiaries account for only ~20% of the market share. However, they contributed to ~82% exports of mobile phones in fiscal 2023
- Production of mobile phones surged by more than 125% and exports increased ~4x since fiscal 2021
- Foreign direct investment increased ~254% since the inception of the PLI scheme for LSEM

*Specialty steel sector*

- Ministry of steel has kept a target of generating an investment of ₹ 29,500 cr., an additional capacity of 25 million tonnes for producing specialty steel grades and an additional employment to about 17,000 people between fiscals 2024 and 2028 through its PLI program
- In fiscal 2024 itself, an estimated investment of around ₹ 16,000 cr. has been made. In fiscal 2025, an investment of another ₹ 10,000 cr. is expected to be made into the sector through the PLI scheme
- As of Q4 2024, 5 of the selected manufacturing companies had started production

**Government regulations to promote the domestic steel industry**

In May 2022, the government imposed an export duty of 15% on an array of finished steel products and pig iron to improve the availability of steel in the domestic market to meet local demand and ease rising steel prices. To ensure better availability of raw materials, the government increased the export duty on 58% and above Fe-grade iron ore fines and lumps to 50% from 30% and imposed 45% export duty on iron ore pellets, while reducing the import duty on inputs for the steel industry such as coke, coal and ferronickel to zero.

Following the increase in export duty on steel products, India's steel exports fell 59% on-year to 3.50 Million Tonnes over May-November 2022 as higher costs made exports unviable. However, steel availability increased, leading to a fall in domestic prices.

Prices corrected 20-25% in November 2022 in the domestic steel industry compared with the high rates in April 2022. Consequently, the government withdrew the export duty on raw materials and steel products in November to pull industry profits from the lows of the second quarter of fiscal 2022 and enable companies to tap higher margins in the overseas market. The duties applicable on steel products and its raw materials are summarised below:

**Export duty on iron ore and steel intermediaries**

| S. No. | Product | Export duty (%) prior to May 22, 2022 | Export duty (%) from May 22 to Nov 18, 2022 | Export duty (%) after Nov 19, 2022 |
|---|---|---|---|---|
| 1. | Iron ore (lumps and fines <58% Fe) | Nil | 50 | Nil |
| 2. | Iron ore (lumps and fines >58% Fe) | 30 | 50 | 30 |
| 3. | Iron ore pellets | Nil | 45 | Nil |
| 4. | Pig iron and spiegeleisen in pigs, blocks, or other primary forms | Nil | 15 | Nil |
| 5. | Flat-rolled iron, Bars & rods of non-alloy and alloy steel products | Nil | 15 | Nil |

Source: Ministry of Finance, PIB, CRISIL MIA Consulting

**Import duty reimposed on raw materials of steel**

| S. No. | Product | Import duty (%) prior to May 22, 2022 | Import duty (%) from May 22 to Nov 18, 2022 | Import duty (%) after Nov 19, 2022 |
|---|---|---|---|---|
| 1. | Anthracite/pulverised coal injection (PCI) coal Coking coal | 2.50 | NIL | 2.50 |
| 2. | Coke and semi-coke0065 | 5.00 | NIL | 5.00 |
| 3. | Ferronickel | 2.50 | NIL | 2.50 |

Source: Ministry of Finance, PIB, CRISIL MI&A Consulting

Factors affecting steel market value chain

| | |
|---|---|
| Macroeconomy | With the global economy facing a slowdown, the government and individual spending is projected to slow down as well, affecting demand for steel<br>Amid geopolitical challenges and major central banks raising interest rates to curb inflation, companies are experiencing pressure on their margins. Consequently, they are reducing production to align with the sluggish demand |
| Global demand-supply scenario | Typically, when global demand is high, steel availability in India for domestic consumption gets impacted.<br>The cost of imported raw materials in India, such as iron ore and coking coal, can be affected by fluctuations in global demand and supply |
| Raw material prices | Raw materials account for ~70% of production cost in the steelmaking process. Iron ore, coal, melting scrap, etc., are the major raw materials used in steelmaking. Any variation in the prices of these raw materials can significantly affect the margins of steelmaking companies, thereby affecting their competitiveness |
| Raw material availability | India is self-sufficient in iron ore, but it has high dependence on imports for coal and scrap<br>Factors such as regulatory issues, environmental concerns, international trade restrictions and logistical constraints pose challenges to the availability of raw materials<br>Any disruption in the availability of raw materials can result in increased production costs, decreased profitability and reduced competitiveness for steel manufacturers |
| Decarbonisation | With the global steel industry moving towards achieving net-zero emissions from its steelmaking process, major countries are imposing restrictions on the trade of steel that does not meet their decarbonisation standards<br>The European Union (EU) has introduced the Carbon Border Adjustment Mechanism (CBAM) to support its rising climate ambition, which is expected to impact steel imports into the nation<br>Trade restrictions negatively affect India's steel exports, thereby impacting the overall growth of the industry<br>Domestic steelmakers are making capital investments to upgrade their facilities to produce green steel, in line with the government's climate targets and to remain competitive in the market |

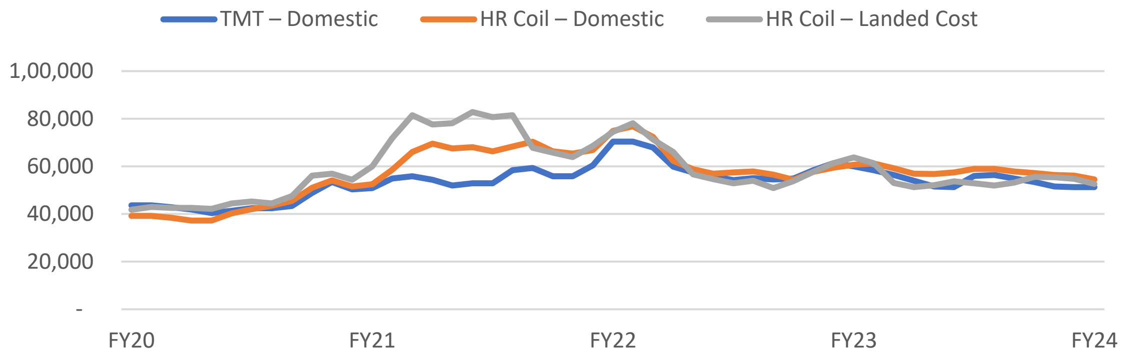
## 4.7 Trends in prices of steel and raw materials

*Steel prices (₹ / tonne)*

The domestic price of thermos-mechanically treated (TMT) bars and hot rolled (HR) coil and the landed cost[4] of HR coil showed a parallel trend in the last few years with the prices reaching the peak of last 5 years in FY22

[4] Landed cost: It includes currency exchange rate, basic customs duty of 7.5%, cess charges of 10% on basic customs duty, freight charges on a per tonne basis, and handling charges amounting to 2% of the import price

before witnessing a slight decline. In FY24, the domestic prices for TMT and HR coil were ₹ 51,309.7 per tonne and ₹ 54,550.0 per tonne respectively while the landed cost for HR coil was ₹ 52.694.1 per tonne.



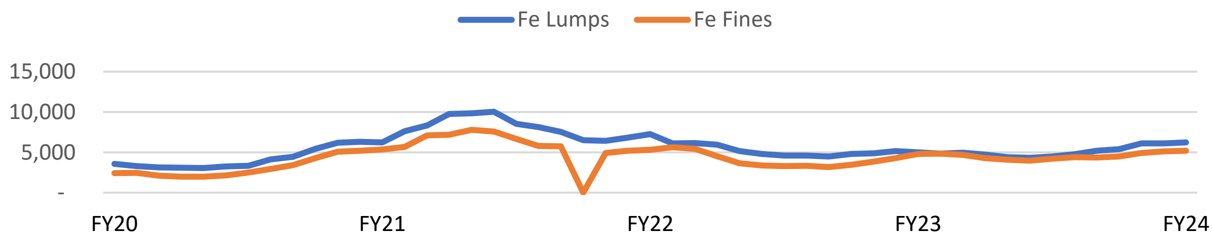

Source: CRISIL MI&A Consulting
Note: For the landed cost of HR coil, prices of China were considered.

| Average price in ₹ per tonne | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| TMT – Domestic | 43,699.7 | 50,899.7 | 70,399.7 | 59,949.7 | 51,309.7 |
| HR Coil – Domestic | 39,200.0 | 52,550.0 | 74,850.0 | 60,750.0 | 54,550.0 |
| HR Coil – Landed Cost | 41,795.8 | 59,962.1 | 74,456.8 | 63,744.9 | 52,694.1 |

Note: The prices shown above are average for the corresponding fiscals

***Iron ore (₹ per tonne)***

The annual average prices of iron lumps and fines reached peak in fiscal 2022 during the last 5-year period primarily owing to underperformance of the supply of iron ore from three major exporters to India, namely Australia, Brazil, and South Africa amid geopolitical uncertainties in prices in fiscal 2022.




Source: CRISIL MI&A Consulting
Note: The prices are for iron ore grade with Fe content in 62-65% range

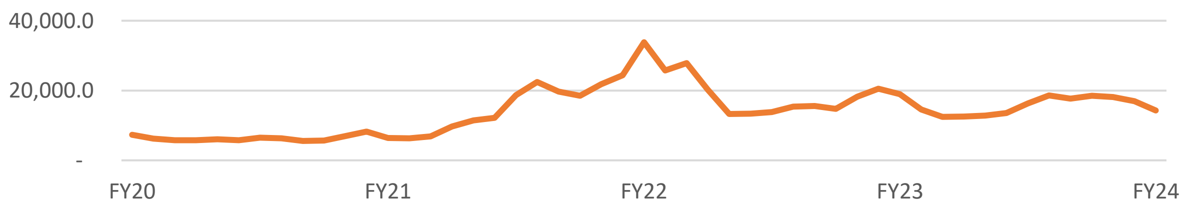
| Average prices in ₹ per tonne | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Fe Lumps | 3,572.0 | 6,208.0 | 7,258.0 | 5,007.0 | 6,222.0 |
| Fe Fines | 1,697.0 | 4,593.0 | 4,526.0 | 4,805.0 | 4,708.0 |

Source: CRISIL MI&A Consulting
Note: Grade considered was 62-65%

The prices shown above are average for the corresponding fiscals

***Coking coal (₹ / tonne)***

Coking coal prices followed growth similar to that of iron ore. The prices increased on-year in fiscal 2022, before dipping in the subsequent years.



Source: CRISIL MI&A Consulting
Note: Free on board (FOB) prices of Australia are considered for the above chart

| Average prices in ₹ per tonne | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|
| Coking Coal | 7,302.3 | 6,433.3 | 33,837.3 | 18,948.8 | 14,292.5 |

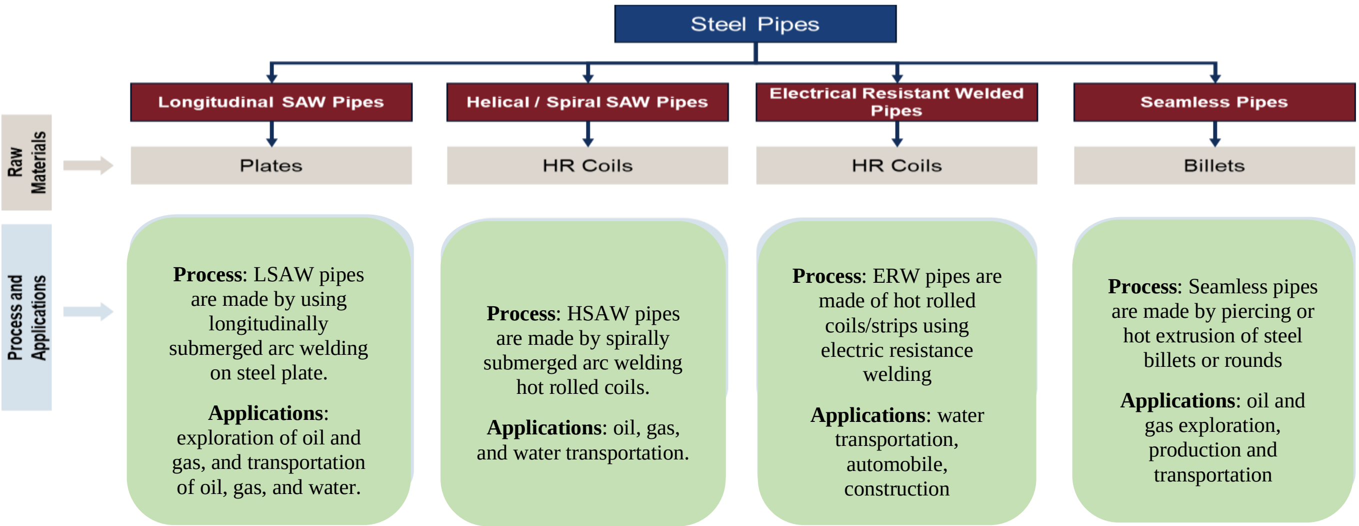
Source: CRISIL MI&A Consulting
Note: FOB prices of Australia are considered for the above table. The prices shown above are average for the corresponding fiscals

# 5. Indian steel pipes industry

## 5.1 Overall steel pipes

### 5.1.1 Introduction to steel pipes and tubes

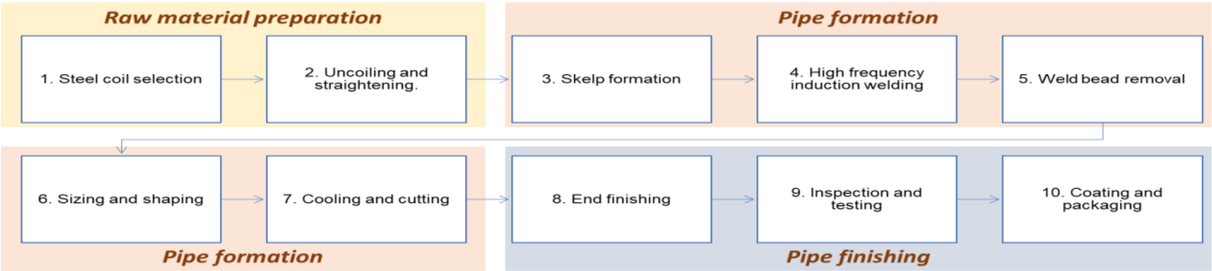
Steel pipe, being a key steel downstream product, finds applications primarily in the transport of liquid or gas—including oil, gas, and water and in the construction sector. Overall steel pipes and tubes manufacturing industry is highly fragmented with 100+ steel pipe manufacturers operating in the country.




Source: CRISIL MI&A Consulting, JPC
Note: Sponge iron, another product of interest, is used as a key raw material in the steel making process in the electric arc furnace or induction furnace routes.

### 5.1.2 Manufacturing process for welded pipes and tubes

The manufacturing process of steel pipes involves several distinct steps, including raw material preparation, pipe formation, and pipe finishing.

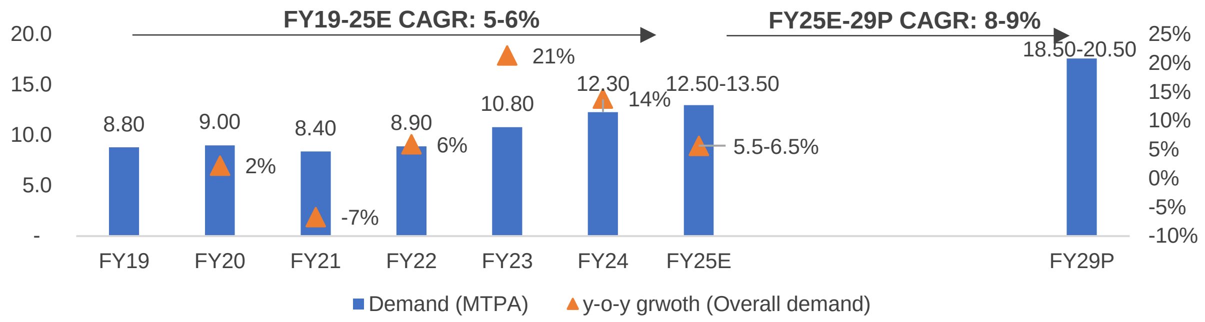



Source: CRISIL MIA Consulting, Industry

## 5.2 Demand review and outlook for steel pipes and tubes

The demand for domestic steel pipes and tubes is expected to have grown at a CAGR of 5-6% during Fiscals 2019-2025 to rise from 8.8 MTPA in Fiscal 2019 to 12.50-13.50 MTPA in Fiscal 2025, led by government initiatives to augment urban structural infrastructure and to infuse investments in the oil and gas sector. Only fiscal 2021 witnessed an on-year dip of 7% in demand during this period, owing to the Covid-19 pandemic.

**Steel pipes and tubes: Domestic demand review and outlook**




Source: JPC, CRISIL MI&A Consulting, industry; E: Estimated; P: Projected; MTPA: million tonnes per annum

Going forward, domestic steel pipe demand is projected to increase to 18.50-20.50 MTPA in Fiscal 2029 at a 8-9% CAGR during the period between Fiscal 2025 and Fiscal 2029 on a high base. The growth would primarily be led by structural infrastructure and irrigation sector, which would continue to account for 50-55% of total domestic steel pipe demand.

Further, the demand for steel pipes and tubes will also be getting the push from the potential substitution of conventional construction materials, such as concrete cement and conventional steel. For example, owing to tubular steel being 10-20% lighter than conventional steel, the foot-over bridges and ceiling planned to be constructed under the government's "Amrit Bharat Station Scheme" would be made completely from steel pipes and tubes. The scheme, which plans to redevelop around 1,275 Indian railway stations in next 5 years, is expected to present a total sales opportunity of 500-3,000 tons of steel pipes and tubes per railway station. Steel tubes are also finding opportunities in the construction of other infrastructure projects such as new airports, high-rise complexes, warehouses, data centers, water tanks and hospitals.

**Welded steel pipes and tubes**

**Introduction to welded steel pipes and tubes**

Welded steel pipes and tubes are broadly categorized into two types: ERW pipes and tubes and SAW pipes and tubes. Like overall steel pipes industry, ERW pipes and tubes manufacturing industry in India is fragmented with low entry barriers. On the other hand, the SAW pipes and tubes industry is relatively more consolidated.

| Parameter | ERW pipes and tubes | SAW pipes and tubes |
|---|---|---|
| Manufacturing process | Manufactured using electric resistance welding method in which the proximity effect of high frequency current is used to heat the edges of hot rolled coil or plate.<br>The heated edges are then fused together to form a seamless joint.<br>This manufacturing process uses proximity effect of high frequency | Manufactured using submerged arc welding process in which a welding arc is submerged in a welding flux.<br>This process produces a high current density, which concentrates on the welding region and prevents the flux layer from losing heat quickly |
| Categories | | Two broad sub-categories: LSAW and HSAW pipes.<br>LSAW: Produced using submerged arc welding longitudinally. The seam as a result is in a straight line.<br>HSAW: Produced using submerged arc welding helically. The seam as a result is in a spiral line. |
| Size range | Diameter ranges from 10 mm to 500 mm generally | Diameter range is 500 mm and above.<br>For LSAW pipes, diameter ranges generally from 500 mm to 1,500 mm. For HSAW pipes, diameter ranges from 500 mm to 3,000 mm. |
| Price and operating margins | Lower prices than SAW pipes<br>Operating margins are in the range of 6-7% for the ERW pipe manufacturers | Price range is around ₹65-70 per kg as of fiscal 2024<br>Operating margins are in the range of 9-10% for the SAW pipe manufacturers |

*Source: Industry, CRISIL MI&A*

For manufacturing welded pipes and tubes, and specifically ERW pipes and tubes, three types of raw material are majorly used, namely, hot rolled (HR) coil, patra coil, or narrow width coil. The following table details out key differences between the categories of pipes based on the type of raw material used:

| Parameter | Pipes made using HR coil | Pipes made using narrow width HR coil | Pipes made using patra coil |
|---|---|---|---|
| Quality | Pipes made using HR coils are generally high in quality:<br>Consistent width and consistent thickness of HR coils<br>The hot rolling process, which is done at a high temperature, results in uniform properties across the coil. | The quality of pipes made using narrow width HR coil lies between that of HR coil pipes and patra coil pipes. It depends upon the precision of slitting process and inherent quality of the original larger coil.<br>Narrow width coils HR are slit from larger coils which can include hot-rolled coils or cold rolled coils | Pipes made using patra coils are generally lower in quality when compared to those made using HR coils:<br>Patra coils are thinner and narrower as compared to HR coils. These coils can have secondary materials as well<br>The pipes manufactured using patra coils can have lower structural integrity |
| Physical properties | The pipes have high strength<br>The pipes have rough surface finish because of the hot-rolling process done on the raw material | The strength of the pipes depends upon the physical properties of the original larger coils | The pipes have lower strength than the HR coil-made pipes<br>The pipes have rough surface finish |
| Applications | The pipes are generally suitable for high pressure applications<br>Common applications include oil and gas pipelines, industrial pipelines, construction and infrastructure projects | The pipes are generally suitable for the application areas which require smaller diameter pipes at precise dimensions, but do not require high strength<br>Common applications include automotive component, water supply and irrigation systems, infrastructure components such as scaffolding, piping structures, etc. | The pipes are generally suitable for application areas where low cost is more crucial than high performance<br>Common applications include non-critical areas such as fencing and low-pressure liquid transportation pipes |
| Raw material specifications | Width and thickness of HR coil are in >1,200 mm and in 2-6 mm ranges, respectively | Width of narrow width coil is generally less than 1,000 mm | Thickness is generally less than 3-4 mm and width of patra coil is generally lesser than 1,000 mm |
| Average operating margins | 6-8% | 8-10% | 3-4% |

*Note*: Sambhv Steel, which has presence in multiple products segments, is a major player in the narrow width coil pipes segment. The company's narrow-width HR coil manufacturing capabilities, which are at par with those of primary manufacturers of HR coils, leads to reduced capital expenditure and costs during its pipe manufacturing process and reduces dependency on external HR coil suppliers

## Applications of welded steel pipes and tubes

Welded steel pipes and tubes are majorly used in transportation of oil, gas and water. However, based on the type of welded pipe, the specific end-use applications vary as well.

| End use application area | ERW pipes and tubes | SAW pipes and tubes |
|---|---|---|
| Oil and gas industry | Used to manufacture gathering line networks and distribution networks for transporting oil and gas to the end users, thus acting as last mile connectivity medium<br>Used to transport crude oil and natural gas from production sites such as well heads to processing facilities and refineries<br>Used in making relatively shorter transport pipeline network | Used in the offshore drilling processes because of their high strength, corrosion resistance, and ability to operate at high pressure and temperatures<br>Used in gas storage tanks<br>Used to manufacture trunk lines to transport refined products such as diesel to consumption hubs<br>e.g. API 5L pipes are used in long transport pipeline network |
| Water transport | Used primarily in transport of water from various water sources to water treatment plants.<br>Used in branch lines which transport water to end-use consumption points from the main line | Used to install main pipelines of water which transport centrally treated water to storage tanks.<br>Used in making a main line that connects storage tanks to various regional distribution hubs |

| End use application area | ERW pipes and tubes | SAW pipes and tubes |
|---|---|---|
| Sanitation/Sewerage/Wastewater mangament | Used to transport industrial and domestic waste from source to main line | Used to transport waste from metropolitan areas to central treatment facilities |
| Construction and infrastructure | Used in fencing and scaffolding applications | Used in manufacturing foundation piles for buildings, bridges, elevated roads, and tall structures |

*Source: Industry, CRISIL MI&A*

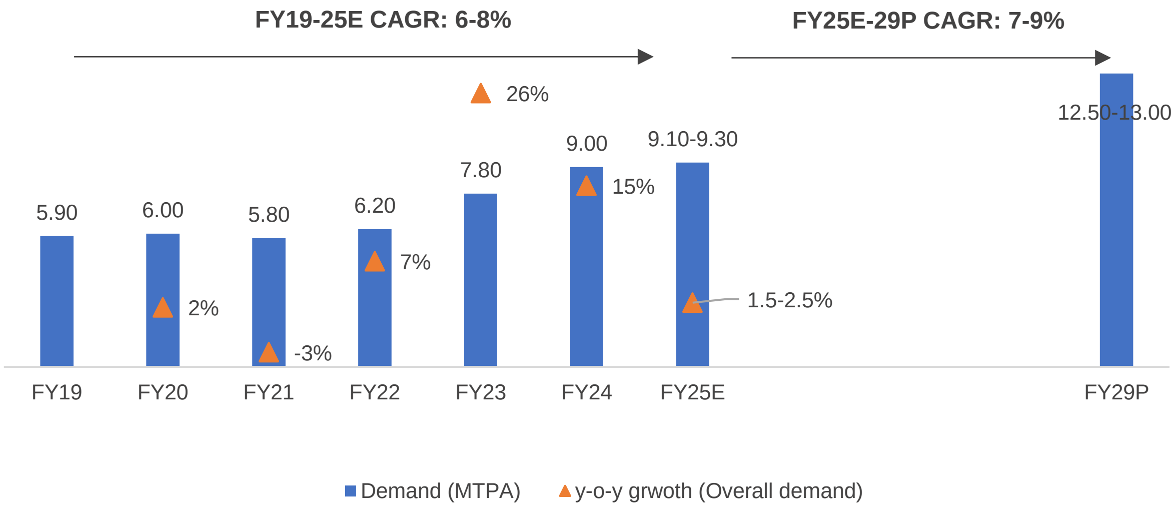
### 5.2.1 Segregation of demand across ERW, SAW and seamless pipes and tubes

**Welded pipes demand scenario**

ERW pipes and tubes domestic demand is expected to register a healthy growth at 6-7% CAGR between fiscals 2019 and 2025 to clock 9.10-9.30 MTPA in fiscal 2025. On the other hand, domestic demand for SAW pipes and tubes is expected to remain flat over fiscals 2019 to 2025, growing at a CAGR of just 1.5-2.5% during the period to reach 2.40-2.60 MTPA in fiscal 2025.

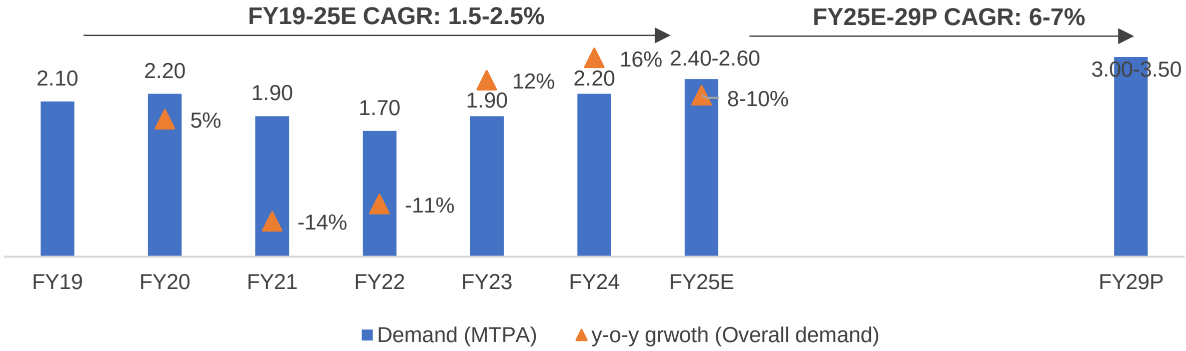
The demand for both ERW pipes and tubes and SAW pipes and tubes fell drastically on-year in fiscal 2021 owing to the pandemic-led disruptions. However, the domestic demand for both surged strongly in the following fiscals on account of demand from various end-use sectors such as irrigation, urban infrastructure, smart cities projects, WSS and oil and gas in combination with the effects of low base, pent-up demand and an overall positive momentum. The growth in government led infrastructure development activities in the run-up to 2024 general elections also supported the domestic demand for ERW and SAW pipes and tubes.

**ERW pipes: Domestic demand review and outlook**




Source: Industry, CRISIL MI&A Consulting
E: Estimated; P: Projected

**SAW pipes: Domestic demand review and outlook**



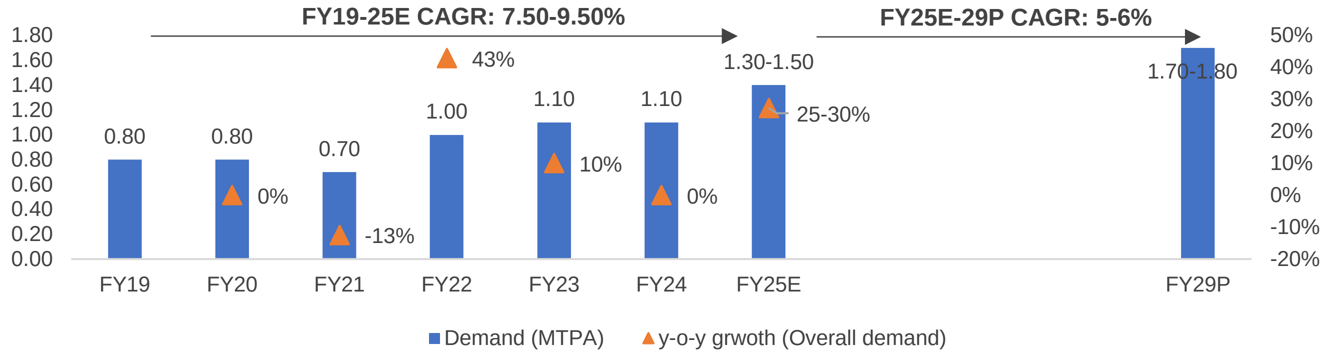
Source: Industry, CRISIL MI&A Consulting
E: Estimated; P: Projected

The demand for ERW pipes and tubes and SAW pipes and tubes are projected to grow at respective CAGRs of 7-9% and 6-7% between fiscals 2025 and 2029 on the back of rising investments in housing, urban infrastructure, WSS, irrigation, smart cities and oil and gas segments. Further, going forward, continued investments in government schemes such as affordable housing, Jal Jeevan Mission, and Har Ghar Nal Yojana and initiatives towards improving city-level gas distribution network and oil and gas transmission pipelines are expected to support growth in the domestic welded pipes and tubes demand.

**Seamless pipes demand scenario**

Despite an impressive CAGR of 7.50-9.50% between 2019 and 2025, growth in the demand of seamless steel has fluctuated throughout, with a 13% decline observed in fiscal 2021 owing to the outbreak of the pandemic. However, as the economy recovered, demand grew by a robust 43% on year in fiscal 2022 to 1 MTPA. Demand is estimated to grow 25-30% on-year in fiscal 2025 to 1.30-1.50 MT.

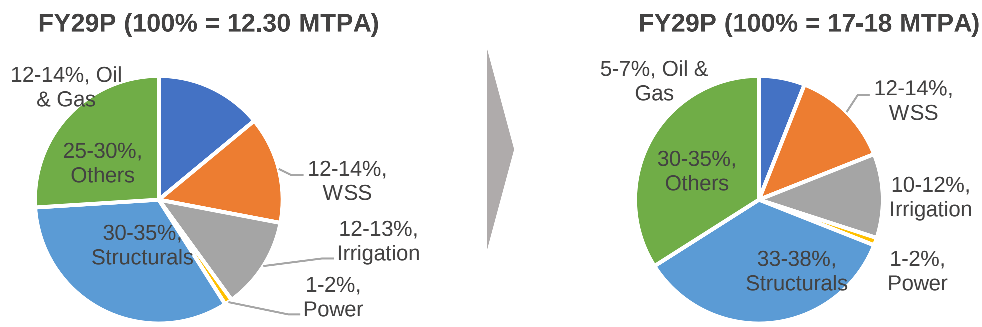
**Seamless pipes: Domestic demand review and outlook**




Source: Industry, CRISIL MI&A Consulting
E: Estimated; P: Projected

Furthermore, owing to various government initiatives and increased demand for transportation and oil and gas exploration, the demand for seamless pipes is expected to grow at a CAGR of 5-6% to reach 1.70-1.80 MT in fiscal 2029.

## 5.2.1.1 Segregation of steel pipes demand across key end-use industries




Source: Industry, CRISIL MI&A Consulting
E: Estimated; P: Projected

Particularly, expected strong growth in infrastructure-related sectors such as metros, airports, WSS and railways and relatively lower penetration of irrigation-related infrastructure in the country are expected to drive demand for steel pipes and tubes in the long run. As a result, the share of the structural/infrastructure sector in overall demand for steel pipes is expected to increase from 30-35% in fiscal 2024 to 33-38% in fiscal 2029.

#### 5.2.1.2 Demand split between steel pipe categories (FY 2024 and FY 2029)


*Source: Industry, CRISIL MI&A Consulting*

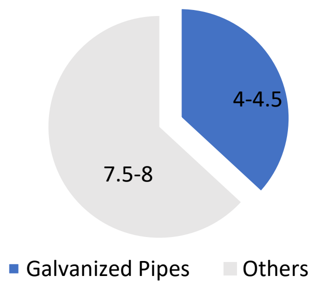
The domestic demand for seamless pipes is expected to increase at a faster rate than for SAW pipes and ERW pipes, thereby taking the share of seamless pipes in overall steel pipes demand from ~9% in fiscal 2024 to 10-11% in fiscal 2029.

#### 5.2.1.3 Demand overview of pipes across hollow-section and galvanised pipes and tubes

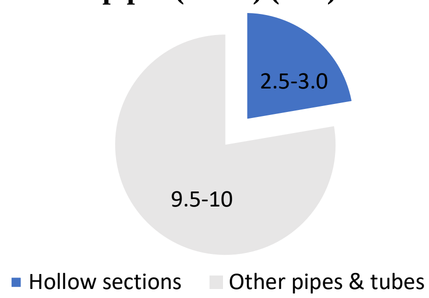
Steel pipes can be classified based on coating (black and galvanised) type and product (pipes, tubes and hollow sections) type. Galvanized pipes and tubes are used majorly in the highly corrosive environments such as those in the segment of raw water supply to rural areas. On the other hand, hollow section pipes are used in structural applications such as those in the segments of scaffolding towers, vehicle frames and columns, and architectural structures.

As of fiscal 2024, out of the 12.3 MT demand for steel pipes, galvanised pipes accounted for ~4-4.5 MT of demand, while hollow sections accounted for ~2.5-3.0 MT.

**Demand for galvanised pipes (FY24) (MT)**




**Demand for hollow pipes (FY24) (MT)**



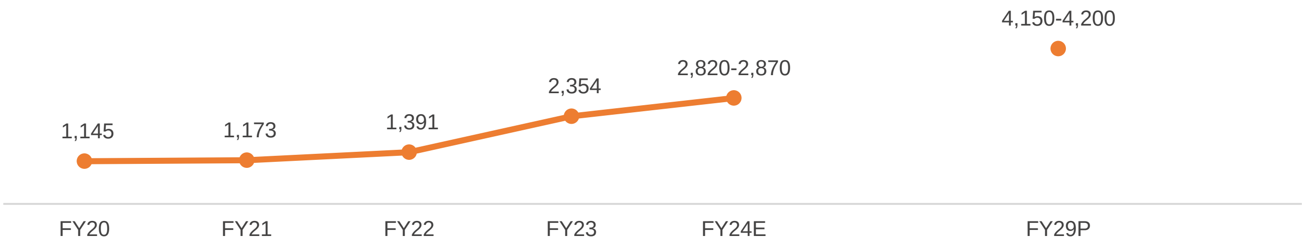

Source: Industry, CRISIL MI&A Consulting

## 5.3 Assessment of key demand drivers for steel pipes

### 5.3.1 Government initiatives to promote Indian steel pipes industry

Various projects and schemes initiated by the central government and several state governments have been driving the demand for steel pipes in India. Water supply, sanitation, irrigation, and flood control have consistently been top end-use sectors for the steel pipe industry and are expected to continue to drive the steel pipes' demand over the next few years as well through government led schemes such as Jal Jeevan Mission, Har Ghar Nal Yojana, among others.

Water supply, sanitation and irrigation related investments in India (in ₹ billion)




Source: CRISIL MI&A Consulting, industry

India-level annual investments in the water supply and sanitation and irrigation sectors are estimated to have reached ₹ 2,820-2,870 billion, growing at a CAGR of over 25% between fiscals 2020 and 2024 from ₹ 1,145 billion in fiscal 2020. The rise in investments was led by increasing focus of central and state governments to supply piped water for domestic consumption and increasing initiatives towards flood control and effective irrigation practices. Going forward, the annual investment value is expected to increase at a CAGR of ~8% between fiscals 2024 and 2029 to clock ₹ 4,150-4,200 billion in fiscal 2029, primarily on the back of the government's mission to ensure 100% coverage of piped water supply across the country.

### 5.3.1.1 AMRUT

In 2015, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was introduced in 500 cities and towns of the country to enhance various aspects of basic infrastructure. These include storm water drainage, green spaces and parks, non-motorised urban transport, water supply, and sewage and septage management.

As part of the scheme, States and Union Territories have so far undertaken 5,873 projects totalling ₹82,222 cr. Of these, 4,676 projects valued at ₹32,793 cr. have been completed, while 1,197 projects valued at ₹49,430 cr. have been grounded and are awaiting implementation at different levels.

Further, on October 1, 2021, the government launched the AMRUT 2.0 scheme under which continuing AMRUT 1.0 projects will also receive funding from CA through March 31, 2023.

### 5.3.1.2 Jal Jeevan Mission

***State-wise investment scenario in JJM and other projects:***

| States | Coverage % under Jal Jeevan Mission | Other projects |
|---|---|---|
| Uttar Pradesh | 85% | Automatic water stations, JAL JIVAN Mission, Namami Gange, minor irrigation projects |
| Maharashtra | 87% | Dug well and Bore Well Programme |
| Karnataka | 79% | Development of canals, water purification plants |
| Odisha | 75% | Multiple mega-piped water supply projects |
| Telangana | 100% | Minor and major irrigation projects |
| Madhya Pradesh | 65% | Development of canals, irrigation projects |
| Rajasthan | 53% | Development of canals, irrigation projects |
| Gujarat | 100% | Development of canals, irrigation projects |
| Andhra Pradesh | 73% | Development of canals, irrigation projects |
| India | 78% | |

Source: E-jalshakti portal of Government of India, Industry, CRISIL MI&A

On an overall basis, as per August 2024 data, the coverage of Jal Jeevan Mission stands at ~78% in India. Amongst the states which have highest budgetary sum allocated towards water supply, sanitation, irrigation and flood control, Rajasthan, Madhya Pradesh, Odisha, Andhra Pradesh, and Karnataka have the lowest coverage of Jal Jeevan Mission. On the other hand, states like Telangana and Gujarat have achieved 100% Jal Jeevan Mission coverage.

The above-mentioned government led initiatives are expected to support the water supply, sanitation, and irrigation sectors by boosting the water-based pipeline infrastructure in the country. This will in-turn support growth in pipes demand.

## 5.4 Assessment of demand related challenges/inhibitors for steel pipes

### 5.4.1 Increasing globalization

Increasing globalization of steel and related products poses a threat to the Indian steel pipes industry from domestic and international manufacturers of the entire value chain products including sponge iron, blooms, HR coils, ERW black pipes, GI pipes, HR coils and CR coils.

### 5.4.2 Oil price fluctuations

When the oil prices are high, there is an increase in inflation, current account deficit, and fiscal deficit in major oil importing nations like India and China. This cuts government and private sector spending especially in the oil and gas sector, leading to a threat of reduced demand of ERW pipes and tubes in the oil and gas end use industry. Moreover, if there is a decline in the oil prices, there is a negative impact on government spending in nations like Saudi Arabia, Nigeria, and the UAE (United Arab Emirates), as they are heavily dependent on revenues from crude oil export. This reduces the ERW pipes demand in the oil exporting countries, and acts as a export side threat for the Indian ERW pipes and tubes industry.

### 5.4.3 Geopolitical and trade related challenges

Geopolitical conflicts, trade barriers, taxes, other trade restrictions, and reduced international investments can present a threat to the Indian steel pipes and tubes businesses by limiting their ability to acquire raw materials, export completed goods, access new markets and find growth prospects. Further, availability of less expensive imported steel pipes and tubes may pose a challenge to the sales volume and margins of the domestic players in the industry. However, the companies may also take steps to counteract the effects of less expensive imports, including raising the quality of their goods, streamlining their supply chain, and growing their clientele.

### 5.4.4 Other challenges

Volatility in raw material prices and commodity prices; changing government policies; custom duties; environmental, health and safety regulations; employment, confidence, and disposable income levels of consumers can pose threat to both the supply-side and demand-side of the steel pipes and tubes industry.

Further, fluctuations in the steel prices based on the availability and cost of raw materials, steel demand, worldwide production and capacity, fluctuations in the volume of steel imports / exports, transportation costs and various social and political factors poses threat to steel pipes and tubes industry in India

- Low steel prices adversely affect the results of operations of the industry, resulting in lower revenues, lower margins, and write down of products and raw material inventories. Notably, decreases in steel and steel product prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength.
- The domestic players in the steel pipes and tubes industry could also be affected by the introduction of or increase in the levy of import tariffs in the countries to which they export or plan to export their products, changes in trade agreements between countries, and additional tariffs in the form of countervailing duty and anti-dumping duty on a number of items imported in India.

## 5.5 Steel pipes trade review

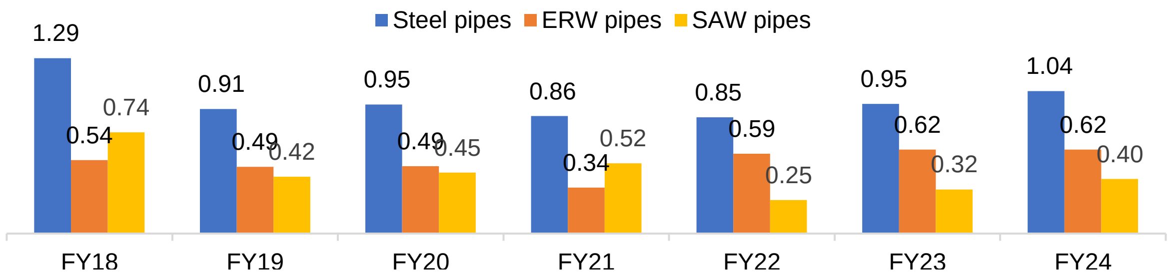
**ERW pipe exports**

The ERW pipes and tubes segment accounted for a major share of India's steel pipe exports in fiscal 2024, constituting 59% of the overall pipes and tubes exports. The exports have grown consistently over the years, except for fiscal 2021, when the ERW pipes and tubes exports plummeted on-year owing to pandemic led demand side disruptions across the globe.

**SAW pipe exports**

After a reduction in export volumes in the pandemic affected fiscal of 2022, the export volume of SAW pipes and tubes increased by 31% on-year to 0.32 MTPA in fiscal 2023, indicating a strong recovery in global demand.

**ERW and SAW pipes - export volume in MT**



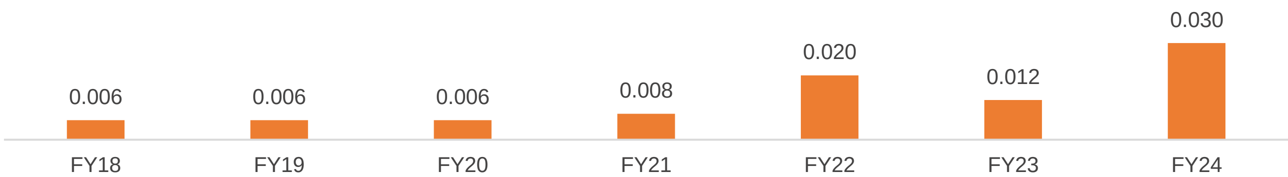

Source: Ministry of commerce, CRISIL MI&A Consulting, Industry
Note: The volume of steel pipes factors in seamless pipes
MT: million tonnes

Growth in export volumes of steel pipes and tubes in the last two fiscals has been led by strong demand from the Middle East, where investment towards the oil and gas sector has increased. Further, several water desalination projects in the region have also increased demand for pipes made in India.

**Seamless pipe exports**

In fiscal 2024, India only exported 0.03 MT of seamless pipes and tubes. That said, the segment has seen an upward trend as exports rose 143% on-year in fiscal 2024.

**Seamless pipes - export volume in MT**




Source: Ministry of Commerce, CRISIL MI&A Consulting, Industry
P: Projected; MT: million tonnes

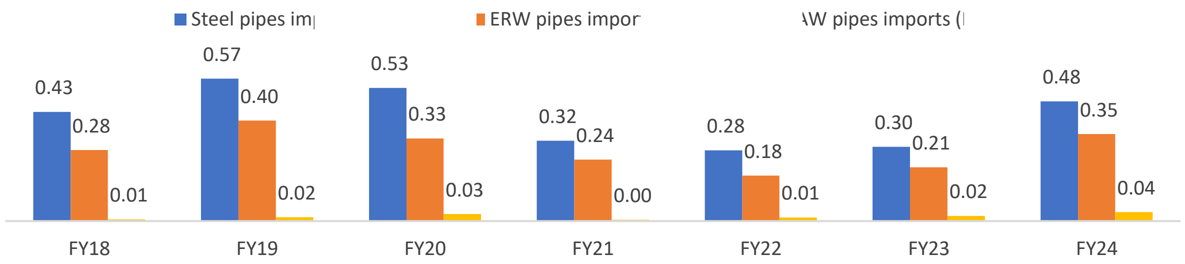
**ERW pipes and tubes imports**

ERW pipe's imports to India dwindled over fiscals 2018 and 2024, plummeting during the pandemic as economic activities slowed. However, the imports recovered to grow at over 50% on-year in fiscal 2024 to 0.35 MT. Notably, ERW pipes constituted more than 70% of India's steel pipe imports in fiscal 2024.

**SAW pipes and tubes imports**

The imports of SAW pipes and tubes accounted for only 7-8% of steel pipe imports in fiscal 2024, grew more than 77% on-year to 0.04 MT in fiscal 2024, indicating an increase in domestic demand for imported pipes and tubes.

**ERW pipes and SAW pipes - import volume in MT**

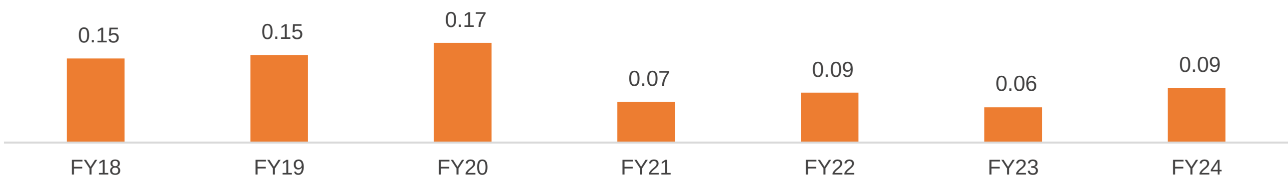



Source: Ministry of commerce, CRISIL MI&A Consulting, Industry
Note: The volume of steel pipes factors in seamless pipes
MT: million tonnes

**Seamless pipe imports**

Seamless pipes imports amounting to 0.09 MT in fiscal 2024, accounted for around 20% of India's total steel pipe imports.

**Seamless pipes - import volume in MT**



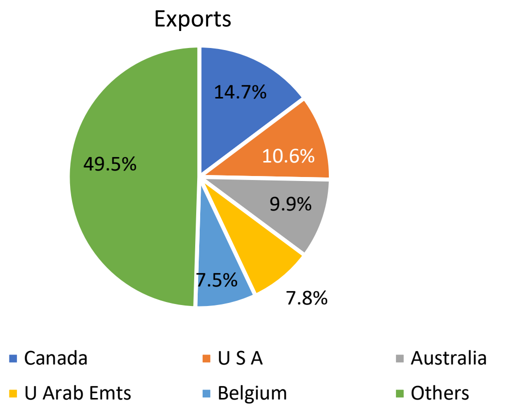

Source: Ministry of commerce, CRISIL MI&A Consulting, Industry
MT: million tonnes

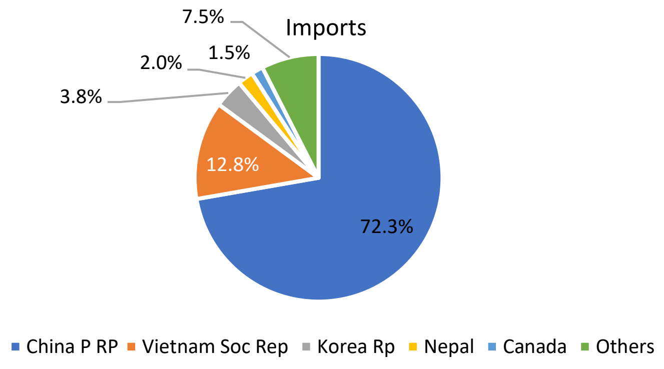
## 5.5.1 The import-export split in the steel pipe sector

**ERW pipes**

North America (Canada and USA) accounted for about 25% of India's ERW pipe and tube exports in fiscal 2024. Further, three-fourth of India's import requirements for ERW pipes and tubes were fulfilled by supply from China in fiscal 2024.

**ERW pipes import-export split by region (% share) (FY24)**



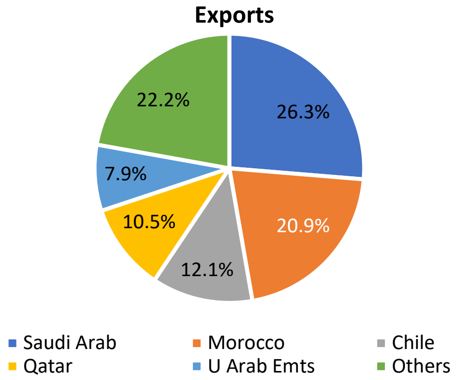

USA: United States of America; U Arab Emts: United Arab Emirates; China P RP: People's Republic of China; Vietnam Soc Rep: Socialist Republic of Vietnam; Korea Rp: Korea Republic
Source: Ministry of commerce, CRISIL MI&A Consulting, Industry

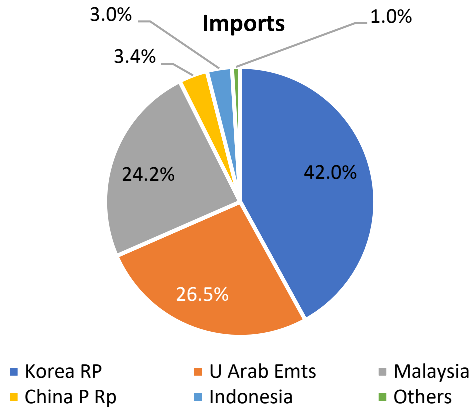
### SAW pipes

Countries in the Middle East were the biggest consumers of India-made SAW pipes, accounting for more than 40% of the segment's total exports as of fiscal 2024. In light of these countries' plans of boosting their crude oil production capacity, they are expected to remain primary target markets for the Indian SAW pipes industry.

On the imports front, Korea, UAE and Malaysia cumulatively accounted for more than 90% of India's SAW pipe imports in FY24.

**SAW pipes import-export split by region (% share) (FY24)**



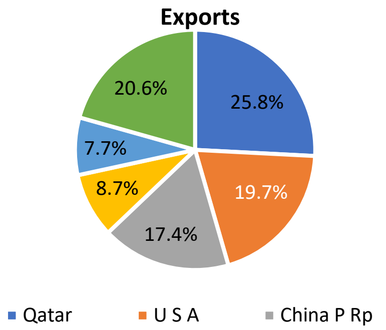



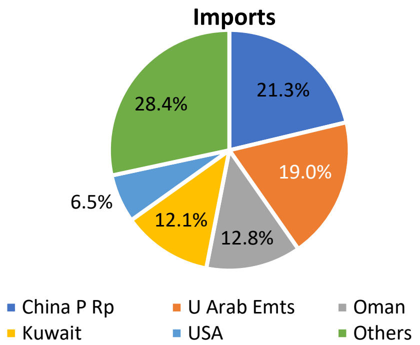

U Arab Emts: United Arab Emirates; Korea RP: Korea Republic; China P Rp: People's Republic of China
Source: Ministry of commerce, CRISIL MI&A Consulting, Industry

**Seamless pipes**

The Middle East is also a key market for seamless pipe exports from India, with Qatar accounting for 25.8% of the seamless pipes and tubes exports from India as of fiscal 2024. A significant proportion of the India made seamless pipes and tubes were also supplied the US and China which accounted for 19.7% and 17.4% share in India’s total exports.
On the other hand, China remained the top exporter of seamless pipes and tubes to India in fiscal 2024, which accounted for 21% share in total imports in India.

**Seamless pipes import-export split by region (% share) (FY24)**



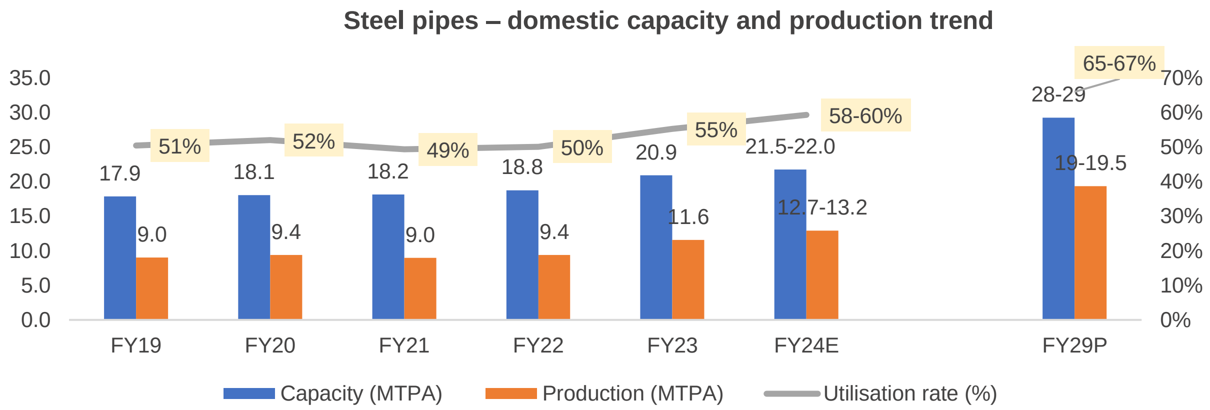

USA: United States of America; U Arab Emts: United Arab Emirates; China P RP: People's Republic of China
Source: Ministry of commerce, CRISIL MI&A Consulting, Industry

## 5.6 Supply assessment and outlook/ value-chain assessment

### 5.6.1 Estimated capacity and utility across pipe types (ERW, SAW and seamless)

Domestic steel pipe production capacity rose from 17.9 MTPA in fiscal 2019 to an estimated 21.5-22.0 MTPA in fiscal 2024. There was a significant capacity increment of 2-2.5 MTPA in fiscal 2023, followed by an estimated capacity addition of 0.7-0.9 MTPA in the following fiscal.
In fiscal 2023, APL Apollo tubes and Surya Roshni, which added around 1 MTPA and 0.36 MTPA of steel pipe capacity, respectively, were the key players contributing to the overall expansion of steel pipes capacity in India. In fiscal 2024, APL Apollo and Hitech pipes added around 0.4 MTPA and 0.17 MTPA, respectively, in the ERW pipe segment.

Along with the increase in capacity, the overall utilisation level of the steel pipe industry also improved from ~51% in fiscal 2019 to an estimated 58-60% in fiscal 2024, indicating bright prospects for the sector.




*Note: E – estimated; P – projected*
*Source: Industry, CRISIL MI&A Consulting*
*MTPA: million tonnes per annum*

The domestic steel pipe industry is projected to increase its production capacity to 28-29 MTPA with a capacity utilisation rate of 65-67% in fiscal 2029. The improvement in the overall capacity and utilisation rate will be on the back of expectations of upbeat demand from various end-use sectors such as infrastructure, real estate, oil and gas, WSS, and irrigation.

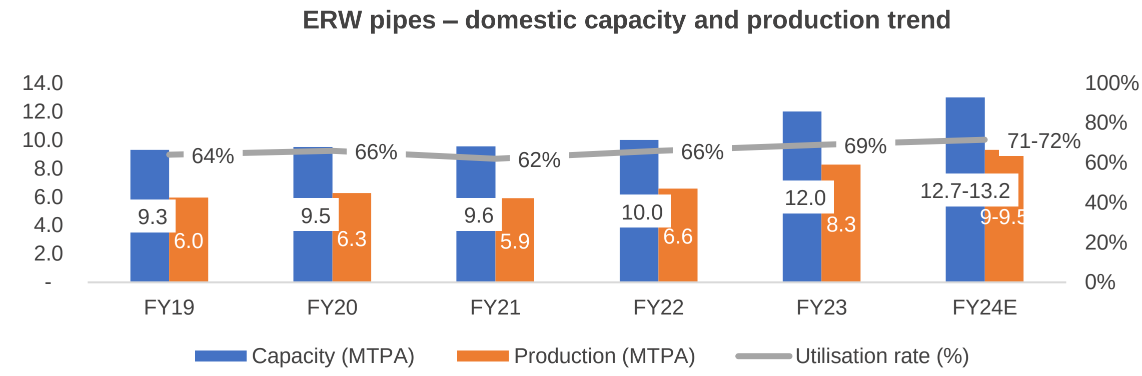
**Expansion plans of steel pipe manufacturers in India**

| Company | Type of product | Expansion in MTPA | Expected commissioning |
|---|---|---|---|
| APL Apollo | ERW pipes (structural pipes) | 1 MTPA | FY 2025 |
| Hitech Pipes | ERW pipes | 0.15 MTPA | FY 2025 |
| Utkarsh India | ERW pipes | 0.1 MTPA | FY 2025 |
| JTL Industries | ERW pipes | 1.4 MTPA | FY 2027 |

*Source: Industry, CRISIL MI&A*

**ERW pipe supply scenario**

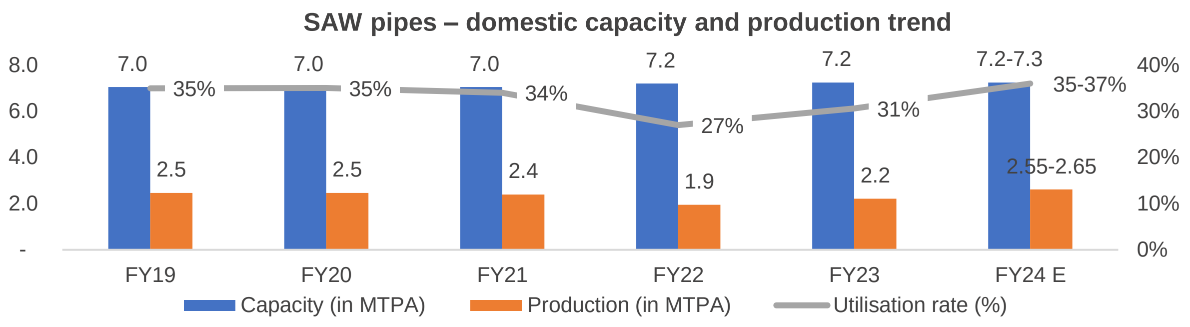
Production capacity of ERW pipes grew from 9.3 MTPA in fiscal 2019 to an estimated 12.7-13.2 MTPA in fiscal 2024. Along with the capacity addition, the capacity utilisation level also improved from 64% in fiscal 2019 to an estimated 71-72% in fiscal 2024, primarily owing to a demand uptick from the real estate, infrastructure, WSS, irrigation, and gas distribution sectors.




*Note: E – estimated*
*Source: Industry, CRISIL MI&A Consulting*
*MTPA: million tonnes per annum*

**SAW pipe supply scenario**

Production capacity of SAW pipes grew an estimated 0.2-0.3 MTPA from 7.0 MTPA in fiscal 2019 to an estimated 7.2-7.3 MTPA in fiscal 2024. The growth in production capacity was limited owing to a lower utilisation level, which was hit further by the pandemic in fiscal 2021 and 2022. The capacity utilisation level, however, is estimated to have breached the pre-pandemic level to clock 35-37% in fiscal 2024 on account of resumption of economic activity in key domestic end-use sectors (leading to a revival in domestic demand, improving the government's funding towards oil, gas, water infrastructure and irrigation) and an on-year surge in demand from the export market.



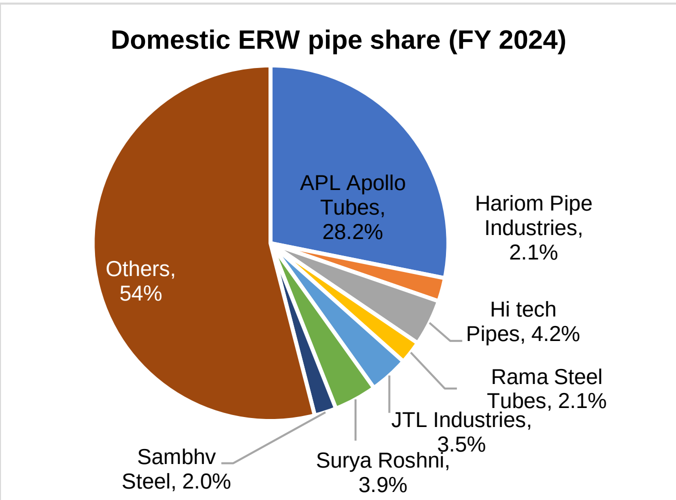

*Note: E – estimated*
*Source: Industry, CRISIL MI&A Consulting*

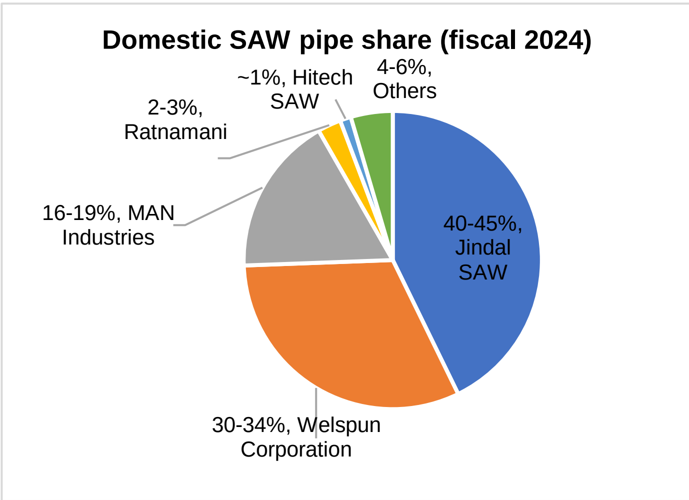
Going forward, the capacity utilisation level in the domestic SAW pipe industry is expected to get a boost from the government's strong focus on laying natural gas pipelines to complete the nationwide natural gas grid network, improving water transport infrastructure in the country, and investing in schemes such as Jal Jeevan Mission and Har Ghar Nal Yojana. Further, an expected increase in demand from countries in the Middle East would help increase production and, hence, utilisation.

**Overall pipes industry structure**

Overall steel pipes manufacturing industry is highly fragmented with 100+ steel pipe manufacturers operating in the country. While ERW segment, specifically, is similarly fragmented with low entry barriers, the SAW pipe industry is more consolidated. The top 10 SAW pipe manufacturers in the country account for ~70% of SAW pipe capacity and almost 90% of SAW pipe production.

**Market share for steel pipes (FY24)**



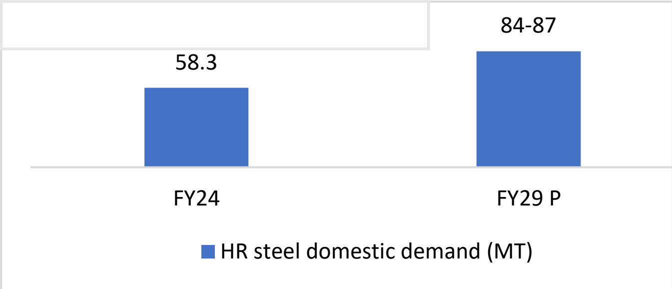



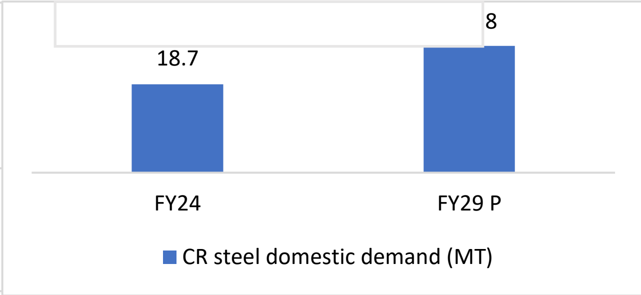

*Source: Industry, CRISIL MI&A*

Sambhv Steel has a market share of around 2.00% in domestic ERW pipe segment as of fiscal 2024 (in terms of sales volume). Amongst the three key sub-segments for ERW pipe segment, namely (1) hot rolled coil ERW pipes, (2) patra coil ERW pipes, and (3) narrow width coil ERW pipes, Sambhv Steel holds a significant market share in the narrow width coil ERW pipe segment. The specialization and strong market position of Sambhv Steel in the narrow width coil ERW pipe sub-segment helps it cater to the requirements of a large section of designated end use industries such as automobile, electrical appliances, furniture, fitness equipment, etc.

### 5.7 Overview of other products in the steel pipes value chain

**Hot rolled steel and cold rolled steel – domestic demand overview in MT**

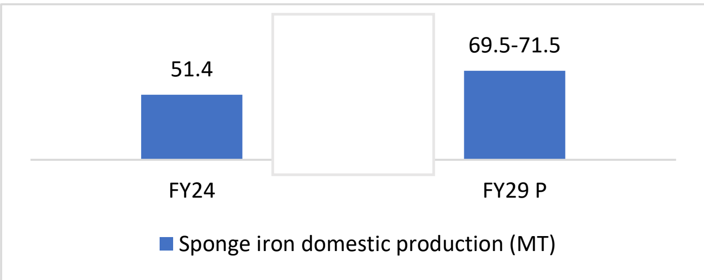


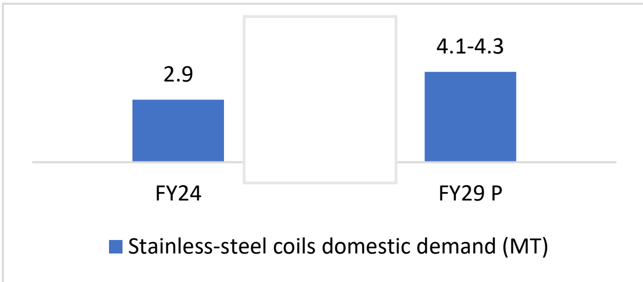




*Source: Industry, CRISIL MI&A; MT: million tonnes*

Flat steel is of two major types: hot rolled steel (HR steel) and cold rolled steel (CR steel). Domestic demands for both the categories of flat steel are expected grow at CAGRs of 7-8% during fiscals 2024-2029 on the account of expected healthy growths in urban housing, infrastructure, capital goods, and automobiles segments. The domestic demand for HR steel is expected to grow to 84-87 MT in fiscal 2029 from ~58 MT in fiscal 2024. On the other hand, the domestic demand for CR steel is expected to increase from ~19 MT in fiscal 2024 to 26-28 MT in fiscal 2029.

**Sponge iron (domestic production in MT) and stainless steel coils (domestic demand in MT)**




*Source: Industry, CRISIL MI&A; MT: million tonnes*

Sponge iron is one of the key raw materials used in induction furnace (IF) and electric arc furnace (EAF) to manufacture steel. Sponge iron sector is mainly domestic dependent with export/imports constituting a minimal share in production. Its domestic production is expected to increase at a CAGR of 6-7% from 51.4 million tonnes to 69.5-71.5 million tonnes in fiscal 2029. It is to be noted that majority of steel produced through the IF route (wherein sponge iron is majorly used) is converted to long products. However, the production growth CAGR of sponge iron during fiscals 2024-2029 is expected to remain a tad lower than the demand growth CAGR of long steel during the same period. This gap in the growth outlook between the two highly correlated products is on the account of expected decrease in share of steel production through the IF or EAF route as majority of the future capacity expansions are expected in the blast furnace or basic oxygen furnace route routes.

Domestic demand for stainless-steel coils is expected to grow at a CAGR of 7-9% during fiscals 2024-2029 from 2.9 million tonnes per annum to 4.1-4.3 million tonnes per annum in fiscal 2029. The major end-use industries that are expected to support growth include consumer goods, process industries, infrastructure, construction, and automobile.

5.8 **Manufacturing process and end-use applications of the products**

| Product | Product description | Key end use market | Domestic demand (FY24) | CAGR (FY24-29) |
|---|---|---|---|---|
| Sponge iron | Sponge iron, which is a substitute for scrap in steel making process, is a refined form of iron ore with a metallic content ranging from 80% to 88%, produced through the direct reduction process. | Sponge iron is used for the manufacturing of crude steel (blooms/ slabs). | 51.4 million tonnes | 6-7% |

| Product | Product description | Key end use market | Domestic demand (FY24) | CAGR (FY24-29) |
|---|---|---|---|---|
| | The basic raw materials to produce sponge iron are iron ore, iron ore pellets, non-coking coal (bituminous) and dolomite. | | | |
| Blooms/ slabs (mild steel and stainless steel) | Blooms are semi-finished steel products which typically have a square or rectangular cross-section. These are produced through a melting and casting process, wherein, molten steel obtained by melting sponge iron, scrap, and other ancillary minerals in the induction furnace, is poured into a mould and cast in the form of blooms/slabs of required cross section and length. | Blooms are rolled into multiple long and flat finished products such as HR coils, narrow-width HR coils | 144.4 million tonnes | 6.5-7.5% |
| Narrow-width HR coil (mild steel and stainless steel) | HR coil manufacturing process primarily involves deforming the blooms/ slabs at high temperature with roll pressure.<br>Hydraulic Automatic Gauge Control (HAGC) technology in the hot rolling mill infrastructure controls the thickness and surface quality of HR coil with high precision. | Narrow-width HR coils are used to manufacture ERW black pipes and tubes.<br>Further, stainless steel HR coils are used to manufacture HR AP coils and SS CR coils. | | |
| ERW black pipes and tubes | ERW black pipes and tubes are manufactured by rolling HR coils and then welding them longitudinally across their length through an electric resistance process. | The ERW black pipes and tubes are used in transportation of water, oil, gas, and chemicals; and in manufacturing fencing and scaffolding. | 5.5-6 million tonnes | 7-9% |
| GI pipes | GI pipes are manufactured by coating a protective layer of zinc on ERW black pipes and tubes through hot dipping process. | GI pipes are used as an essential product for hot and cold-water supply systems, irrigation systems, plumbing systems, etc. | 3-3.3 million tonnes | 8-10% |
| Steel door frames | Single or double door steel frames are manufactured by rolling HR coils and further welding them longitudinally across their length through an electric resistance process. | Steel door frames are used in affordable housing projects, villages and forest areas due to their termite proof and ecofriendly properties. | | |

*Source: Industry, CRISIL MI&A*

## 6. Competition benchmarking

### 6.1 Operational benchmarking

The steel pipes industry is a highly fragmented one, with the top 10 manufacturers contributing to ~25% of overall production. Sambhv steel faces competition from domestic and international manufacturers of sponge iron, blooms/slabs, HR coils, ERW black pipes, GI pipes and CR coils. Its peers are APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, Surya Roshni and JTL Industries.

#### 6.1.1 Product range mapping for companies

| Company | Manufacturing set up | | | Finished products | | | | |
|---|---|---|---|---|---|---|---|---|
| | DRI | Casting | Cold Rolling | HR coils | Pipes & Tubes | GI pipes | Steel Door frames | SS coils |
| APL Apollo Tubes | | ✓ | | | ✓ | ✓ | ✓ | |
| Hariom Pipe Industries | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Hi tech Pipes | | | ✓ | | ✓ | ✓ | | |
| Rama Steel Tubes | | | | | ✓ | ✓ | | |
| JTL Industries | | | ✓ | ✓ | ✓ | ✓ | | |
| Surya Roshni | | | ✓ | | ✓ | ✓ | | |
| Vibhor Steel Tubes | | | | | ✓ | ✓ | | |
| Sambhv Steel | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

*Note: Green colored tab indicates presence of the corresponding facility with the respective company.*
*DRI: Direct reduced iron (Sponge iron)*

Amongst the above listed players, Sambhv steel is the only integrated player with an efficient backward integration, as it has the captive availability of sponge iron which is used to produce slabs/blooms which are then processed to form coils/sheets and to make value added products such as GI pipes and steel door frames. In particular, the company uses the sheets to form welded pipes and tubes and further does the value-addition to make galvanized (GI/GP) pipes. As a result, the company has a wide product portfolio with the products ranging from sponge iron to mild steel and stainless-steel blooms/slabs, hot rolled coils, and pipes and tubes, along with the value-added products such as GI pipes and steel door frames. This wide product portfolio along with the complete integration gives the company an added advantage in the highly competitive domestic steel products industry.

### 6.1.2 FY 2024 Capacity overview & Pipes production

| Company | ERW pipes and tubes (FY24) | | |
|---|---|---|---|
| | Capacity (tonne) | Production (tonne) | Utilisation rate |
| APL Apollo Tubes | 3,600,000 | 2,618,000 | 73% |
| Hariom Pipe Industries | 252,000 | 199,000 | 79% |
| Hi tech Pipes | 580,000 | 391,000 | 67% |
| Rama Steel Tubes | 294,000 | 194,040 | 66% |
| JTL Industries | 586,000 | 329,853 | 56% |
| Surya Roshni | 601,000 | 360,600 | 60% |
| Vibhor Steel Tubes* | 223,160 | | |
| Sambhv Steel | 250,000 | 185,602 | 74% |

Source: Company reports, Industry, CRISIL MI&A Consulting, Industry

* Jindal pipes limited (JPL) and Vibhor Steel tubes have a long term agreement under which Vibhor steel tubes acts as a third-party contract manufacturer for JPL majorly for JPL's pipe brand "Jindal Star". Around 90% of Vibhor Steel's operating revenue comes from the contract manufacturing with JPL.

Note:
1) The above table only specifies the capacity and production for welded pipes (ERW pipes & SAW pipes). It does not include the capacity and production for seamless pipes, DI pipes.
2) The product-wise data of the listed peers is either not available in the public domain or the basis and manner of calculation of the figures is not ascertainable; thereby it may not be an accurate comparison with the company's data in a comparable manner, and hence not mentioned.

Sambhv Steel is one of the key manufacturers of electric resistance welded ("**ERW**") steel pipes and structural tubes (hollow section) in India in terms of installed capacity as of March 31, 2024. The capacity of company's ERW steel pipes and tubes facility is 250,000 metric tonnes per annum. High capacity and resulting high production volumes would give the company benefits of economies of scale.

### 6.1.3 Plant locations

| Company | Total Units | Locations |
|---|---|---|
| APL Apollo Tubes | 11 | Sikanderabad (3 units), Raipur (2 units), Hosur, Murbad, Chegunta, Bengaluru, Malur, and Dujana |
| Hariom Pipe Industries | 4 | Mahabubnagar (2 units), Anantapur, and Erode |
| Hi tech Pipes | 6 | Sikanderabad (2 units), Sanand (2 units), Hindupur, and Khopoli |
| Rama Steel Tubes | 3 | Sahibabad (2 units), Khopoli, Anantpur |
| JTL Industries | 4 | Derabassi, Mangaon, Mandi Gobindgarh, Raipur |
| Surya Roshni | 4 | Bahadurgarh, Malanpur, Hindupur, Bhuj |
| Sambhv Steel | 2 | Raipur (2 units) |

Source: Company reports, Industry, CRISIL MI&A Consulting, Industry
Note: The data corresponds to fiscal 2024

### 6.1.4 Manufacturing capabilities – level of integration

| Company | Backward Integration | Forward Integration |
|---|---|---|
| Hariom Pipe Industries | The company purchases iron ore mostly through online bidding process through MSTC portal | Company manufactures H-frame systems, cuplocks, planks, clamps, etc. |
| Hi tech Pipes | The company sources raw material (flat steel) from key integrated steel producers | Company produces GI pipes, GP pipes, crash barriers, coated coils and roofing sheets |
| Rama Steel Tubes | Most of the raw material is procured from the domestic suppliers under short-term fixed price contracts | Company produces scaffoldings, light poles, GI pipes, etc. |
| JTL Industries | The company has strategically positioned plants in Punjab, Maharashtra, and Raipur, which helps it get raw materials such as iron ore, coal and natural gas at competitive pricing<br>The company mitigates the raw material supply chain risks by entering into strategic partnerships with reliable suppliers | Company produces GI pipes, solar module mounting structures, road safety barrier, etc. |
| Surya Roshni | Sources raw material for pipe manufacturing from domestic as well as international sources | Company manufactures external coated pipes and various consumer goods such as fans, heating appliances, etc. |

| Company | Backward Integration | Forward Integration |
|---|---|---|
| Sambhv Steel | Fully integrated single location setup with the capability of manufacturing sponge iron, power, blooms/slabs, and hot rolled (HR) coils as major intermediate products for manufacturing finished and value-added products. | Company manufactures ERW pipes and tubes, GI pipes and single/double door frames, etc. Further, the company is in process of setting up manufacturing facilities for CRFH Pipes, GP Coils, Pre-Galvanised (GP) Pipes, SS HRAP Coils and SS CR Coils |

HR: Hot Rolled; CR: Cold Rolled; GI: Galvanized iron; GP: Galvanized Plain; CRFH: Cold Rolled Full Hard; HRAP: Hot Rolled Annealed and Pickled; SS: Stainless Steel
Source: Company Website, Industry, CRISIL MI&A Consulting

### 6.1.5 Dealer & distributor network

| Company | Dealers & distributors* |
|---|---|
| APL Apollo Tubes | 800+ |
| Hariom Pipe Industries | 800+ |
| Hi tech Pipes | 450+ |
| Rama Steel Tubes | 300+ |
| JTL Industries | 800+ |
| Surya Roshni | 250+ |
| Sambhv Steel | 600+ |

Source: Company website, Industry, CRISIL MI&A Consulting
*As of fiscal 2024

## 6.2 Financial benchmarking

To benchmark the performance of Sambhv Steel with its competitors, a comparison is drawn across the profitability, liquidity and leverage parameters for fiscals 2022-2024.

**Peer comparison for fiscal 2022 (₹ million, unless mentioned otherwise)**

| Particulars | APL Apollo Tubes | Hariom Pipe Industries | Hi-Tech Pipes | JTL Industries | Rama Steel Tubes | Surya Roshni | Sambhv Steel |
|---|---|---|---|---|---|---|---|
| Revenue from operations | 130,633.20 | 4,305.67 | 18,788.47 | 13,553.17 | 7,681.68 | 77,308.20 | 8,193.49 |
| EBITDA | 9,452.60 | 561.19 | 1,005.18 | 894.19 | 419.07 | 4,428.80 | 1,245.14 |
| EBITDA margin (%) | 7.24% | 13.03% | 5.35% | 6.60% | 5.46% | 5.73% | 15.20% |
| PAT | 6,189.80 | 319.57 | 403.26 | 610.63 | 273.15 | 2,049.20 | 721.08 |
| PAT margin (%) | 4.74% | 7.42% | 2.15% | 4.51% | 3.56% | 2.65% | 8.80% |
| Return on capital employed (%) | 29.58% | 26.47% | 14.31% | 30.96% | 17.66% | 15.45% | 28.90% |
| Return on equity (%) | 31.27% | 37.20% | 17.39% | 41.46% | 24.11% | 14.06% | 63.65% |
| Fixed asset turnover (ratio) | 7.69 | 8.05 | 7.86 | 27.90 | 14.57 | 8.20 | 3.48 |
| Working capital days (number) | 4 | 111 | 67 | 55 | 65 | 61 | 47 |
| Cash profit | 7,279.50 | 400.62 | 499.88 | 642.14 | 315.89 | 3,133.00 | 822.27 |
| Debt/equity | 0.26 | 0.87 | 1.41 | 0.46 | 0.11 | 0.39 | 1.62 |
| Interest coverage ratio | 19.72 | 6.20 | 2.52 | 11.67 | 4.30 | 6.05 | 6.06 |
| Operating cash flow to EBITDA | 0.69 | 0.07 | -0.17 | 0.19 | -0.83 | 0.64 | 0.27 |

Source: Company financials, CRISIL MI&A Consulting
Definitions of the financial parameters mentioned in the above table:
EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.
EBITDA margin is calculated as EBITDA divided by revenue from operations.
PAT Margin is calculated as profit for the period divided by revenue from operations.
Return on capital employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability.
Return on equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year.
Fixed Asset Turnover Ratio is calculated as revenue from operations divided by Property, Plant and Equipment.
Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.
Cash profit is calculated as the sum of profit for the period and depreciation.
Debt/equity is calculated as Debt divided by total equity. Debt is calculated as the sum of long term borrowings, short term borrowings and lease liability. Total equity is calculated as the sum of equity share capital and reserves and surplus for the year.
Interest Coverage Ratio is calculated as EBIT divided by Finance Cost. EBIT is calculated as profit for the period plus finance costs and total tax expense.
Operating Cashflow to EBITDA is calculated as CashFlow from Operations divided by EBITDA.

**Peer comparison for fiscal 2023 (₹ million, unless mentioned otherwise)**

| Particulars | APL Apollo Tubes | Hariom Pipe Industries | Hi-Tech Pipes | JTL Industries | Rama Steel Tubes | Surya Roshni | Sambhv Steel |
|---|---|---|---|---|---|---|---|
| Revenue from operations | 161,659.50 | 6,437.12 | 23,858.47 | 15,499.19 | 13,367.54 | 79,967.10 | 9,372.20 |
| EBITDA | 10,215.50 | 818.84 | 966.96 | 1,282.83 | 530.83 | 6,141.60 | 1,173.00 |
| EBITDA margin (%) | 6.32% | 12.72% | 4.05% | 8.28% | 3.97% | 7.68% | 12.52% |
| PAT | 6,418.60 | 462.08 | 376.81 | 901.28 | 274.37 | 3,355.20 | 603.83 |
| PAT margin (%) | 3.97% | 7.18% | 1.58% | 5.82% | 2.05% | 4.20% | 6.44% |
| Return on capital employed (%) | 23.28% | 10.82% | 12.62% | 24.89% | 12.47% | 21.47% | 20.20% |
| Return on equity (%) | 24.36% | 19.41% | 11.14% | 29.80% | 14.56% | 19.67% | 33.57% |
| Fixed asset turnover (ratio) | 6.62 | 4.79 | 8.33 | 23.71 | 17.97 | 8.76 | 3.19 |
| Working capital days (number) | 0 | 160 | 49 | 66 | 58 | 68 | 58 |
| Cash profit | 7,801.90 | 556.33 | 514.54 | 943.83 | 321.66 | 4,509.30 | 765.34 |
| Debt/equity | 0.29 | 0.79 | 0.56 | 0.26 | 0.77 | 0.22 | 1.35 |
| Interest coverage ratio | 13.87 | 7.05 | 2.41 | 20.31 | 2.73 | 12.81 | 4.72 |
| Operating cash flow to EBITDA | 0.68 | -1.23 | 1.38 | 0.03 | -1.81 | 0.46 | 0.55 |

Source: Company financials, CRISIL MI&A Consulting

**Peer comparison for fiscal 2024 (₹ million, unless mentioned otherwise)**

| Particulars | APL Apollo Tubes | Hariom Pipe Industries | Hi-Tech Pipes | JTL Industries | Rama Steel Tubes | Surya Roshni | Sambhv Steel |
|---|---|---|---|---|---|---|---|
| Revenue from operations | 181,188.00 | 11,531.88 | 26,992.93 | 20,402.29 | 10,465.10 | 78,092.70 | 12,857.57 |
| EBITDA | 11,921.70 | 1,385.95 | 1,148.59 | 1,521.90 | 600.99 | 5,724.20 | 1,598.72 |
| EBITDA margin (%) | 6.58% | 12.02% | 4.26% | 7.46% | 5.74% | 7.33% | 12.43% |
| PAT | 7,324.40 | 568.00 | 439.31 | 1,130.11 | 299.96 | 3,291.60 | 824.39 |
| PAT margin (%) | 4.04% | 4.93% | 1.63% | 5.54% | 2.87% | 4.21% | 6.41% |
| Return on capital employed (%) | 22.38% | 13.02% | 10.38% | 19.50% | 12.27% | 20.96% | 17.66% |
| Return on equity (%) | 22.16% | 13.54% | 8.83% | 19.12% | 10.25% | 16.34% | 25.42% |
| Fixed asset turnover (ratio) | 5.77 | 3.15 | 7.62 | 18.32 | 13.44 | 9.38 | 3.82 |
| Working capital days (number) | -4 | 127 | 63 | 57 | 42 | 67 | 41 |
| Cash profit | 9,083.70 | 906.66 | 594.19 | 1,185.69 | 356.41 | 4,464.30 | 1,033.49 |
| Debt/equity | 0.32 | 0.80 | 0.63 | 0.03 | 0.43 | 0.01 | 0.80 |
| Interest coverage ratio | 9.62 | 3.38 | 2.40 | 30.49 | 2.77 | 23.38 | 4.48 |
| Operating cash flow to EBITDA | 0.93 | 0.04 | -0.83 | -0.15 | 0.30 | 0.94 | 0.87 |

Source: Company financials, CRISIL MI&A

### 6.2.1 EBITDA margin

| Year | FY22 | FY23 | FY24 |
|---|---|---|---|
| EBITDA margin (%) | | | |
| APL Apollo Tubes | 7.24% | 6.32% | 6.58% |
| Hariom Pipe Industries | 13.03% | 12.72% | 12.02% |
| Hi-Tech Pipes | 5.35% | 4.05% | 4.26% |
| JTL Industries | 6.60% | 8.28% | 7.46% |
| Rama Steel Tubes | 5.46% | 3.96% | 5.74% |
| Surya Roshni | 5.73% | 7.68% | 7.33% |
| **Peer set average** | **6.64%** | **6.63%** | **6.79%** |
| **Sambhv Steel** | **15.20%** | **12.52%** | **12.43%** |

Note: The peer set includes the following six companies: APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni
Source: Company financials, CRISIL MI&A Consulting, industry.

Sambhv Steel has achieved higher EBITDA margins than average EBITDA margins of its peer set over fiscals 2022-24. It indicates that Sambhv Steel has been able to efficiently control operating costs throughout the period.

### 6.2.2 PAT margin

| Year | FY22 | FY23 | FY24 |
|---|---|---|---|
| PAT margin (%) | | | |
| APL Apollo Tubes | 4.74% | 3.97% | 4.04% |
| Hariom Pipe Industries | 7.42% | 7.18% | 4.93% |
| Hi-Tech Pipes | 2.15% | 1.58% | 1.63% |
| JTL Industries | 4.51% | 5.82% | 5.54% |
| Rama Steel Tubes | 3.56% | 2.05% | 2.87% |
| Surya Roshni | 2.65% | 4.20% | 4.21% |
| **Peer set average** | **3.90%** | **3.92%** | **3.97%** |
| **Sambhv Steel** | **8.80%** | **6.44%** | **6.41%** |

Note: The peer set includes the following six companies: APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni.
Source: Company financials, CRISIL MI&A Consulting, industry

Similar to EBITDA margins, the PAT margins of Sambhv Steel have also remained higher than the average PAT margins of its peer set during fiscals 2022-24.

### 6.2.3 Return on capital employed (ROCE)

| Year | FY22 | FY23 | FY24 |
|---|---|---|---|
| ROCE (%) | | | |
| APL Apollo Tubes | 29.58% | 23.28% | 22.38% |
| Hariom Pipe Industries | 26.47% | 10.82% | 13.02% |
| Hi-Tech Pipes | 14.31% | 12.62% | 10.38% |
| JTL Industries | 30.96% | 24.89% | 19.50% |
| Rama Steel Tubes | 17.66% | 12.47% | 12.27% |
| Surya Roshni | 15.45% | 21.47% | 20.96% |
| **Peer set average** | **22.83%** | **20.53%** | **19.46%** |
| **Sambhv Steel** | **28.90%** | **20.20%** | **17.66%** |

Note: The peer set includes the following six companies: APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni.
Source: Company financials, CRISIL MI&A Consulting, industry

ROCE for Sambhv Steel has remained close to average ROCE of its peer set. In fiscal 2022, the ROCE of Sambhv Steel was significantly higher than that of its peer set's average. However, in fiscals 2023 and 2024, the ROCE of Sambhv Steel declined to 20.20% and 17.66% respectively, falling a tad behind average peer set ROCE of 20.53% and 19.46% in the respective fiscals.

### 6.2.4 Return on equity (ROE)

| Year | FY22 | FY23 | FY24 |
|---|---|---|---|
| ROE (%) | | | |
| APL Apollo Tubes | 31.27% | 24.36% | 22.16% |
| Hariom Pipe Industries | 37.20% | 19.41% | 13.54% |
| Hi-Tech Pipes | 17.39% | 11.14% | 8.83% |
| JTL Industries | 41.46% | 29.80% | 19.12% |
| Rama Steel Tubes | 24.11% | 14.56% | 10.25% |
| Surya Roshni | 14.06% | 19.67% | 16.34% |
| **Peer set average** | **27.56%** | **24.32%** | **20.38%** |
| **Sambhv Steel** | **63.65%** | **33.57%** | **25.42%** |

Note: The peer set includes the following six companies: APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni.
Source: Company financials, CRISIL MI&A Consulting, industry

ROE of Sambhv Steel has remained significantly higher than the average ROE of its peer set throughout fiscals 2022-2024 period.

### 6.2.5 Working capital days

| Year | FY22 | FY23 | FY24 |
|---|---|---|---|
| **Working capital days (number)** | | | |
| APL Apollo Tubes | 4 | 0 | -4 |
| Hariom Pipe Industries | 111 | 160 | 127 |

| Year | FY22 | FY23 | FY24 |
|---|---|---|---|
| Hi-Tech Pipes | 67 | 49 | 63 |
| JTL Industries | 55 | 66 | 57 |
| Rama Steel Tubes | 65 | 58 | 42 |
| Surya Roshni | 61 | 68 | 67 |
| **Peer set average** | **30** | **29** | **25** |
| **Sambhv Steel** | **47** | **57** | **41** |

Note: The peer set includes the following six companies: APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni.
Source: Company financials, CRISIL MI&A Consulting, industry

Working capital days of Sambhv Steel remained more that its peer set average during fiscals 2022-2024. However, barring APL Apollo tubes, Sambhv Steel has managed to achieve working capital days lower than each of the other peers during the entire period. Sambhv Steel has also managed to bring working capital days down from 58 days in fiscal 2023 to 41 days in fiscal 2024, indicating company's improved ability to convert working capital into sales.

## 7. Profiling of Sambhv Steel

### 7.1 Business profile

Sambhv Steel is a leading domestic manufacturer of steel pipes and structural tubes (hollow section) with its two manufacturing facilities based in Raipur (Chhatisgarh). It is the only company in India with a single location (in Raipur) backward integrated manufacturing facility for steel pipes and tubes. It produces narrow width HR coils in-house by implementing high-end technology, which is unheard of in the Indian market, which are then used to manufacture pipes and tubes. The company's plants are strategically located in Raipur, which has an easy availability of heavy vehicles and is considered as the logistics and consumption hub. Further, owing to the location of its facilities in the mineral-rich state of Chhattisgarh, the company has access to the best quality coal and iron ore.
As of March 31, 2024, Sambhv Steel produced ~1 million tonne per annum of high-quality steel (intermediate and finished) products[5].

**Finished products and industry applications**

| Finished products | Applications |
|---|---|
| **HR coils (including stainless steel HR coils)** | Automatic clutch plates, wheels and wheel rims, pipes and tubes, agricultural equipment, metal buildings, and industrial and engineering parts |
| **ERW black pipes and tubes** | Engineering and structural purposes, fencing, scaffolding, automobile and agricultural sectors, and water and gas transportation |
| **Galvanised iron (GI) pipes and tubes** | Hot and cold-water supply, telecommunications, fire-fighting systems, agriculture and for use in coastal regions |

Intermediate products**:** Sponge iron, mild and stainless steel blooms/slabs, (and captive power).

The company is also expanding into stainless steel hot rolled annealed and pickled (HRAP) coils, cold rolled (CR) coils, stainless steel CR coils, galvanized plain (GP) coils, cold rolled full hard (CRFH) pipes, and GP pipes from fiscal 2025.

**Manufacturing process at the company**

The company is primarily involved in the manufacturing of ERW steel pipes and tubes along with value added products such as GI pipes. The company's production process is highly backward integrated as it starts with the production of sponge iron at its facilities through the direct reduced iron (DRI) process. The key raw materials utilized in the DRI process include iron ore and coal, which are sourced by the company from the nearby coal and iron ore mines. The company then produces steel blooms/slabs which are hot rolled to form hot rolled coils. The production process of crude steel is highly energy efficient as waste heat recovery boiler (WHRB) and atmospheric fluidized bed combustion (AFBC) methods are used to power the steel melting operations. The hot rolled coil is then slitted into strips, which are joined together through electric resistance welding (ERW) process to form ERW pipes.

**Key process innovation techniques adopted at the company**

[5] Note: As of fiscal 2025 (year-till-date), the company is producing at the rate of 1.5 million tonnes per annum

*Manufacture of Stainless Steel through argon oxygen decarburization ("**AOD**") process:*

In this process, scrap or virgin raw materials are melted in an induction furnace and subsequently decarburized and refined in a special AOD vessel. Controlled injection of oxygen mixed with argon or nitrogen decarburizes the molten metal with a minimum of unwanted metallic oxidation. De-oxidation, desulfurization (in the case of low alloy steels, dephosphorization), and recovery of desirable metals from the slag are carried out in the AOD vessel. Degassing, homogenization, and inclusion flotation proceed continuously throughout all stages of the process to produce a clean and uniform product. The company is among a limited number of manufacturers in India manufacturing SS blooms/slabs through the AOD process, which is a cost-effective process. This process consumes lower raw material and gives higher metallic yields than the other equivalent processes. Thus, better quality of product at a low cost and a minimum raw material consumption provides a degree of competitiveness edge to the Company.

*Manufacture of alloy steel through ladle refining process:*

A ladle refining furnace is used to raise the temperature and adjust the chemical composition of molten steel by conducting operations such as de-oxidation, desulphurization, dephosphorization, controlled additions of alloying elements and inclusion modification on molten steel. This process allows the company to manufacture quality steel products (alloy steel) through induction furnace route.

*WHRB based power plant:*

A WHRB power plant generates power using flue gases generated from DRI kilns. Use of this process for power generation results in energy conservation as no fuel is involved.

*AFBC based power plant:*

The AFBC boiler installed by the company is suitable for combustion of relatively low quality fuel (such as Dolochar) which is generated as a by-product during the sponge iron manufacturing process. This results in the reduction of the waste, the company generates and a relatively cost-effective method for power generation.

**Proposed / planned products**

| Product | Key end use market |
|---|---|
| **CR coils (mild steel)** | CR coils are used to CRFH pipes and GP coils |
| **Galvanized plain (GP) coils** | GP coils are used to manufacture GP pipes.<br>Further, GP pipes are directly sold to industries such as pre-fabricated buildings, purlin, cable trays |
| **Stainless Steel hot rolled annealed and pickled (HRAP) coils** | Stainless steel HRAP coils are used for production of stainless steel CR coils |
| **Stainless Steel CR coils** | Stainless steel CR coils are majorly sold to stainless steel pipe manufacturers, utensil makers, etc. |
| **Cold rolled full hard (CRFH) pipes** | CRFH pipes are generally used in furniture industry and in making industrial machinery components. |
| **Galvanized plain (GP) pipes** | GP pipes are generally used for telecommunications, infrastructure, construction, firefighting systems, irrigation systems, solar module mounting structure, fencing and handrails and in industrial and manufacturing applications.<br>Due to their corrosion resistant properties, they are also widely used in the coastal regions for construction and fabrication in place of ERW black pipes and tubes. |

*Source: Company*

## 7.2 Operational performance of the company

**Product wise capacities (in metric tonnes per annum) and capacity utilization levels (in %) (FY 2022-2024)**

| Products | FY22 | | | FY23 | | | FY24 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Figures in Metric Tonnes Per Annum, unless mentioned otherwise** | **Installed capacity** | **Available capacity** | **Capacity utilization (%)** | **Installed capacity** | **Available capacity** | **Capacity utilization** | **Installed capacity** | **Available capacity** | **Capacity utilization (%)** |
| Sponge iron | 90,000 | 90,000 | 120.16% | 105,000 | 99,904 | 111.32% | 105,000 | 105,000 | 114.67% |

| Products | FY22 | | | FY23 | | | FY24 | | |
|---|---|---|---|---|---|---|---|---|---|
| Figures in Metric Tonnes Per Annum, unless mentioned otherwise | Installed capacity | Available capacity | Capacity utilization (%) | Installed capacity | Available capacity | Capacity utilization | Installed capacity | Available capacity | Capacity utilization (%) |
| Blooms /Slabs | 150,000 | 138,575 | 110.40% | 231,000 | 178,849 | 94.52% | 317,400 | 298,227 | 82.57% |
| HR coils | 150,000 | 92,877 | 102.66% | 350,000 | 221,233 | 54.63% | 350,000 | 350,000 | 58.71% |
| Cold rolled coils | - | - | - | 100,000 | 35,616 | - | 100,000 | 100,000 | - |
| ERW (black) pipes | - | 150 | - | 250,000 | 168,767 | 41.78% | 250,000 | 250,000 | 74.04% |
| GI pipes | - | - | - | - | - | - | - | - | - |

*Source: Company*
*Note: Capacity utilization is determined with respect to available capacity*

**Product wise production and sales volume (both in metric tonnes per annum) (FY 2022-2024)**

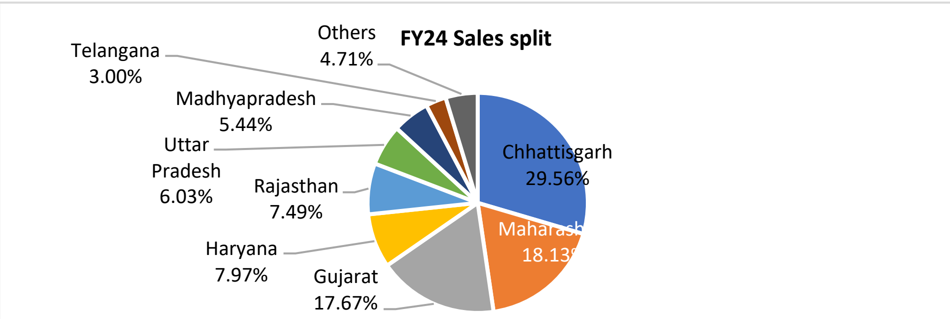
| Products | FY22 | | FY23 | | FY24 | |
|---|---|---|---|---|---|---|
| Figures in Metric Tonnes Per Annum | Production volume | Sales volume | Production volume | Sales volume | Production volume | Sales volume |
| Sponge iron | 108,141 | 14,157 | 111,213 | 7,941 | 120,405 | 2,125 |
| Blooms/Slabs | 152,991 | 53,893 | 169,048 | 42,122 | 246,240 | 31,096 |
| HR coils | 95,346 | 89,334 | 120,863 | 42,303 | 205,485 | 4,977 |
| ERW (black) pipes | 150 | - | 70,509 | 64,780 | 185,096 | 179,374 |
| GI pipes | - | - | - | 907 | 5,709 | 5,689 |
| **Total** | **356,628** | **157,384** | **471,633** | **158,053** | **762,935** | **223,261** |

*Source: Company*

## 7.3 Footprint across Indian steel pipes market (FY 2024)

**Region-wise sales of products**

At present, the company is supplying its products to over 15 states and one union territory with more than 60% of the sale volume coming from just 3 states, namely Chhattisgarh, Maharashtra, and Gujarat. The region-wise split for the company's sales volume for fiscal 2024 is as below:




*Source: Company*

## 7.4 Strengths, weakness and opportunity analysis

**Strengths**

<u>Manufacturing and backward integration capabilities</u>

- Sambhv Steel is the only company in India with a single location backward integrated manufacturing facility for ERW steel pipes and tubes with presence across the value chain as of March 31, 2024. The company is also the only player in India to manufacture narrow-width HR coil with backward integration capability, as of March 31, 2024. The company's backward integration processes allow it to manufacture a range of finished products including ERW black pipes and tubes (hollow section) and galvanized iron ("**GI**") pipes, using intermediate products such as sponge iron, blooms/slabs and hot rolled ("**HR**") coil which are manufactured in-house. Further, the company is one of the two players in India manufacturing ERW steel pipes and tubes (along with hollow section pipes and tubes) using narrow-width HR coil as of March 31, 2024. Furthermore, the company is the only ERW steel pipes and tubes manufacturer in India that refines steel directly from iron ore instead of making products from aftermarket coil.

- Sambhv Steel is the only company in India producing narrow-width HR coils through a secondary manufacturing route, using induction furnaces and direct reduced iron ("**DRI**"). The backward integration capability helps the company to reduce inventory management costs and logistics costs.
- The induction furnaces convert steel scrap and sponge iron into liquid steel by induction heating. This liquid metal is further processed into blooms/slabs, narrow width HR coils and other products. As compared to production of HR coils by way of a blast furnace, a method generally adopted by primary HR coil manufacturers, Sambhv Steel's narrow-width HR coil manufacturing capabilities, which are at par with those of primary manufacturers of HR coils, leads to reduced capital expenditure and costs during its pipe manufacturing process and reduces dependency on external HR coil suppliers.
- The company uses sponge iron or DRI as a feed in induction furnaces and as a substitute for steel scrap because high-quality scrap is costly and scarcely available.
- The company's in-house narrow-width HR coil manufacturing allows it to manufacture ERW pipes and tubes with varied thickness and size as per customer requirements and reduce the dependency on the external markets, giving it a competitive edge. The company's integrated manufacturing facility is designed in such a manner that it is able to respond swiftly to market demand for a particular size of pipe or tube as it controls the end-to-end supply chain for its products unlike other industry players who rely on external coil manufacturers for supply of the required grade and size of HR coils. Furthermore, the integrated manufacturing processes enable the company to deliver consistent quality products with reduced delivery timeline and at competitive prices, ensuring that the customers prefer the company, which gives it a competitive advantage.
- Backward integration helps the company in achieving operational efficiency, reducing product costs, controlling supply of raw materials, and monitoring quality of the products, thus giving it a competitive advantage.
- The company has an integrated Hydraulic Automatic Gauge Control (HAGC) system controlling coil thickness which can gauge thickness tolerance of around 0.05 mm which is at par with the best industry standards ensuring high quality output.
- The company's WHRB based power plant, which powers steel making process using the gases generated during the sponge iron manufacturing process and thus uses no fuel, results in energy conservation.
- The company's AFBC based power plant generates power from the combustion of low-quality fuel (such as Dolochar), which is generated as a by-product during the sponge iron manufacturing process. This results in a cost-effective while also reducing waste generation in the whole process.

<u>Locational advantages</u>

- The company's manufacturing facility is well connected by roads and railways.
- Chhattisgarh, which is present near the geographical center of the country, is emerging as the country's logistics and distribution hub. Raipur, where the company's operations are situated, is a major distribution hub for consumables such as FMCG products, grains, fruits, vegetables and other household items which are received from various parts of India and distributed to nearby states. Thus, the location of the manufacturing facilities in Raipur serves the company multiple advantages from the perspective of logistics and distribution.
- The current manufacturing facilities of the company, located respectively in villages Sarora (Tehsil: Tilda) and Kuthrail (Tehsil: Dharsiwa), and a new proposed facility located in Village Kesda (Tehsil: Simga) are in proximity to each other. Further, the strategic selection of these three locations helps the company to streamline its operations in an efficient manner while keeping the logistics costs low.
- The company's strategic location in Raipur helps it to cater to the demand across India, with well-connected road and rail infrastructure.

*(FMCG: Fast moving consumer goods)*

*Proximity to raw material suppliers*

- The company manufactures ERW black steel pipes and structural tubes (hollow section) at its Sarora (Tilda) Facility, which is spread across 334,540 square meters of owned land strategically located in the mineral rich belt of Raipur, Chhattisgarh. The facility is located in close proximity to its key raw material suppliers. The company sources its iron ore requirements from a navratna PSU mining company's mines which are known for producing India's highest grade of iron ore. As a result, the company has access to DRCLO grade iron ore as raw material for its products. Further, one of the key iron ore producing units of this PSU is present in the Bailadila Sector in Chhattisgarh, which is nearby to company's plant location in Raipur, providing the company a key locational advantage.

*(PSU: Public sector undertaking; DRCLO: Directly reduced calibrated lump ore)*

Further, the company sources its coal requirements from a maharatna PSU through one of its highest coal producing subsidiary whose mines are Asia's largest coal mines and are merely 250 kilometres from the company's Sarora (Tilda) Facility. Maharatna PSU is the largest coal producer in India and contributes to approximately 85% of India's total domestic coal production and the company has a long term coal supply agreement with them to fulfill its major coal requirements. This strategic proximity not only optimizes the company's logistics but also ensures a steady and efficient supply chain.

Sales / distribution / margins advantages

- As of March 31, 2024, the company has 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39. These distributors in turn distribute the company's finished products through its 600 dealers in India as of March 31, 2024. The company's distribution network and its marketing initiatives have resulted in effective outreach of its products to a wide network of retailers and fabricators, thus increasing its brand presence in the market. Additionally, easy availability of heavy vehicles in the Chhattisgarh region ensures connectivity to states across India for the company's finished products.
- The company has a wide-spread presence in the Indian states of Chhattisgarh, Maharashtra, Gujarat, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh and Telangana.
- In fiscal 2024, the company had a market share in domestic ERW pipes segment in India of approximately 2.00% in terms of sales volume.
- Further, the company has been posting operating margins of over 12-13% consistently for the last few fiscals

**Opportunities**

- The demand for steel pipes and tubes in India is expected to grow at a CAGR of 8-9% between fiscals 2025-2029 to 18-20 million tonnes per annum in fiscal 2029, primarily owing to government initiatives to augment urban structural infrastructure and irrigation sector and to infuse investments in the oil and gas sector.
- Water supply, sanitation, irrigation, and flood control have consistently been top end-use sectors for the steel pipes and tubes industry and are expected to continue to drive their demand over the next few years.
- Government led schemes such as Jal Jeevan Mission, Har Ghar Nal Yojana, etc. will also support the demand growth for steel pipes and tubes.
- The company's continuous endeavor is to innovate to produce specialized material grades that are in limited supply in India to meet market requirements. It has recently supplied corten steel, a type of steel alloy, which resists the corrosive effects of rain, snow, ice, fog, and other meteorological conditions by forming a coating of dark brown oxidation over the metal, which inhibits deeper penetration and negates the need for painting and costly rust-prevention maintenance over the years. Corten Steel is used primarily for container manufacturing which are used in marine transport.
- Through process innovation, the company has been able to produce customized value-added products. As part of its forward integration strategy, the company has recently introduced GI pipes, engineered with advanced threading to enhance performance. The company has also diversified into manufacture of single as well as double door frames, which are gaining market share over traditional door frames and are increasingly used in affordable housing projects, villages and forest areas due to their termite proof and ecofriendly properties. These ventures will help the company to cater to a new category of customers.
- The company aims to leverage its expertise in ERW pipes and tubes (GI and GP) and the increasing demand from international markets for these pipes and tubes.
- The company's planned venture into SS HRAP coils, SS cold rolled coils, CRFH pipes, GP coils and GP pipes will increase its capability to provide an improved dimensional accuracy and an improved surface finish. These new products will provide a diversification opportunity to the company by increasing its end-use industry exposure towards various sectors such as hot and cold-water supply systems,

telecommunications, infrastructure, construction, firefighting systems, irrigation systems, plumbing systems, poles, signage supports, fencing, and handrails.

- The company's proposed supply of pre-galvanized (GP) pipes aims to meet the growing demand, especially targeting the coastal belt of the country where the demand of such products is higher.

**Weaknesses**

- The company's EBITDA margins and PAT margins have remained rangebound in the last two fiscals of 2023 and 2024 after falling from the highs of fiscal 2022. The company would need to optimize costs to keep growths in financial parameters intact.
- Working capital days in fiscal 2024, although improved from the low levels of fiscal 2023, remained higher than those of fiscal 2022. The company would need to find new ways in which it can optimize its raw material and finished goods inventory to quickly convert into sales. ***About CRISIL Limited***

CRISIL Limited (**CRISIL**) is a leading, agile and innovative global analytics company driven by its mission of making markets function better. CRISIL, along with its subsidiaries, is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint. It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide. It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India and globally.

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 31 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 33, 265 and 344, respectively, for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 265. Also see, "Definitions and Abbreviations" on page 1 for certain terms used in this section.*

*The manner of calculation and presentation of some of the financial and operational performance indicators included in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Financial Information, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. See "Risk Factors – This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian steel industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies." on page 62.*

*In this Draft Red Herring Prospectus, unless specified otherwise, any reference to "the Company" or "our Company" refers to Sambhv Steel Tubes Limited, on a standalone basis, and a reference to "we", "us" or "our" for any period prior to September 16, 2024 refers to our Company and for any period on or after September 16, 2024, is a reference to our Company and our Subsidiary, on a consolidated basis.*

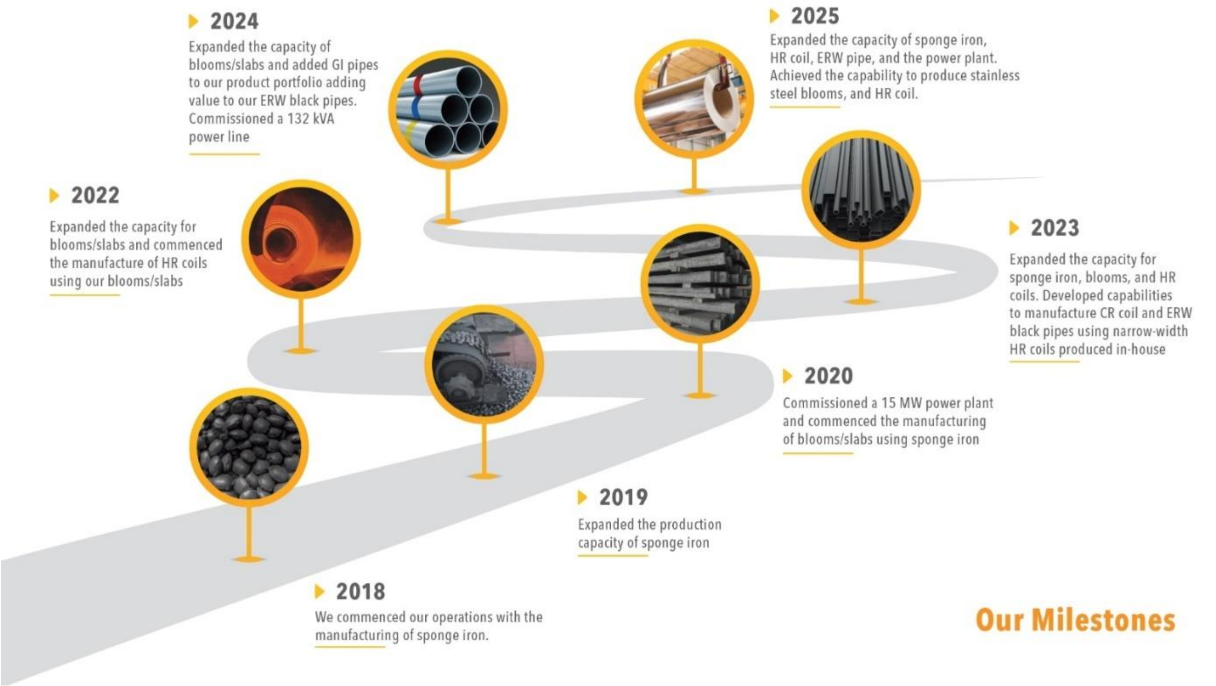
*Unless stated otherwise, industry and market data used in this section have been extracted from the CRISIL Report, exclusively prepared, commissioned and paid for by our Company for the purposes of the Offer and issued by CRISIL MI&A who was appointed by our Company pursuant to a technical proposal dated June, 2024. For further information, see "Risk Factors — Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks." on page 63. Also see "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 28. The CRISIL Report will be available on the website of our Company at https://sambhv.com/investor-page/ from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

*The following should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Definitions and Abbreviations", "Risk Factors", "Industry Overview", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Result of Operations" on pages 1, 33, 147, 265 and 344, respectively.*

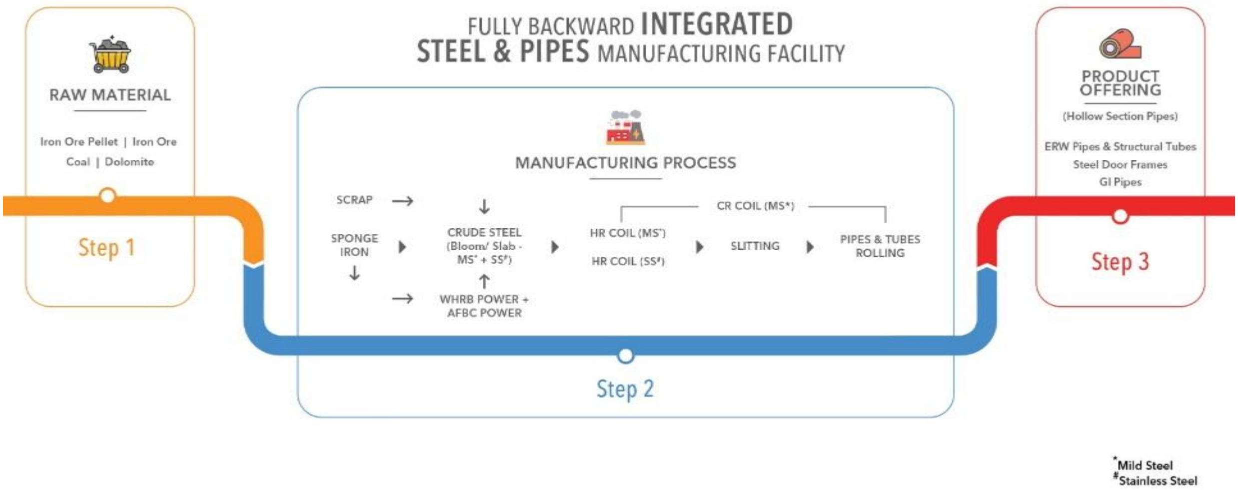
### Overview

We are one of the key manufacturers of electric resistance welded ("**ERW**") steel pipes and structural tubes (hollow section) in India in terms of installed capacity as of March 31, 2024. (*Source: CRISIL Report*) We are the only company in India with a single location backward integrated manufacturing facility for ERW steel pipes and tubes with presence across the value chain as of March 31, 2024. (*Source: CRISIL Report*) Our backward integration processes allow us to manufacture a range of finished products including ERW black pipes and tubes (hollow section) and galvanized iron ("**GI**") pipes, using intermediate products such as sponge iron, blooms/slabs and hot rolled ("**HR**") coil which are manufactured in-house. We are one of the two players in India manufacturing ERW steel pipes and tubes (along with hollow section pipes and tubes) using narrow-width HR coil, as of March 31, 2024. We are the only player in India to manufacture narrow-width HR coil with backward integration capability, as of March 31, 2024 (*Source: CRISIL Report*) Our products are rust-resistant and tailored to meet specific market requirements, ensuring wide application across multiple sectors including housing and infrastructure, water transportation, agriculture, automobile, telecommunications, oil and gas, engineering, solar energy, fire-fighting systems, and for support structures of conveyors. We have a wide distribution network in India which extends across 15 states and one union territory as of March 31, 2024.

We commenced our operations in 2018 with the manufacturing of sponge iron. In our six-year journey, we have continuously moved towards manufacture of value-added products through our integrated set up, as demonstrated below:




The infographic below sets forth our key products and backward integrated manufacturing process as of the date of this Draft Red Herring Prospectus:




Our existing manufacturing facility is located in Village - Sarora, Tehsil Tilda, Raipur ("**Sarora (Tilda) Facility**") in the mineral rich state of Chhattisgarh. We are located in close proximity to our key raw material suppliers. We source our iron ore requirements from a "Navratna" public sector undertaking ("**PSU**") mining company's mines, which are known for producing India's highest grade of iron ore. (*Source: CRISIL Report*) This enables us to access directly reduced calibrated lump ore ("**DRCLO**") grade iron ore as raw material for our products. Further, we source our coal requirements from a "Maharatna" PSU through one of its highest coal producing subsidiary whose mines are Asia's largest coal mines and are merely 250 kilometres from our Sarora (Tilda) Facility. The Maharatna PSU is the largest coal producer in India and contributes to approximately 85% of India's total domestic coal production and our Company has a long term coal supply agreement with them to fulfill its major coal requirements. This strategic proximity not only optimizes our Company's logistics but also ensures a steady and efficient supply chain. *(Source: Crisil Report)*

Our Sarora (Tilda) Facility is equipped with advanced technology and production processes. We continuously upgrade our plant and machinery in an effort to improve productivity and reduce costs. Our advanced hot rolling mill with hydraulic automatic gauge control ("**HAGC**") technology increases precision and efficiency of our HR coil and controls the thickness and surface quality of steel with high precision as a result of which our narrow-width HR coil manufacturing capabilities becomes at par with primary manufacturers of HR coils.

We produce narrow-width HR coil which allows us to manufacture ERW black pipes and tubes of thickness as per customer requirements and reduces our dependency on external HR coil suppliers, thus giving us a competitive edge. Our ERW pipes and tubes are available in thickness ranging from 1.20 mm to 5.00 mm with the following configuration (i) square section ranging from 15.00 mm x 15.00 mm to 113.00 mm x 113.00 mm; (ii) rectangular section ranging from 40.00 mm x 20.00 mm to 145.00 mm x 82.00 mm and (iii) round pipes ranging from 15 nominal bore ("**NB**") to 125 NB. Additionally, we also produce large diameter pipes from wider coils which can range up to 6.00 mm in terms of thickness and are available in the following configuration (i) square section up to 150.00 mm x 150.00 mm; (ii) rectangular section up to 200.00 mm x 100.00 mm and (iii) round pipes up to 150 NB.

Our integrated manufacturing facility is designed in such a manner that we are able to respond swiftly to market demand for a particular size of pipe or tube as we control the end-to-end supply chain for our products unlike other industry players who rely on external coil manufacturers for supply of the required grade and size of HR coils. (*Source: CRISIL Report*) Our focus on innovation and integrated manufacturing has resulted in successful launch of customized value added products and increased our gross margins from 24.35% in Fiscal 2022 to 25.66% in Fiscal 2023 and 28.43% in Fiscal 2024. In the current Fiscal, we propose to expand our product portfolio to include additional value added products such as galvanized ("**GP**") coils, pre-galvanized (GP) pipes, cold rolled full hard ("**CRFH**") pipes, stainless steel ("**SS**") HR annealed and pickled ("**HRAP**") coils and SS cold rolled ("**CR**") coils.

We are focused on implementing quality control procedures at our manufacturing facility and manufacturing quality products. Our Sarora (Tilda) Facility has been certified in accordance with international standards of quality management systems such as ISO 9001:2015; environmental management systems such as ISO 14001:2015; occupational health and safety management systems such as ISO 45001:2018; and energy management systems such as ISO 50001:2018. Further, we are certified with Dedal - Attestation and Certification Ltd, Bulgaria for conformity of the factory production control and have EN 10025-1:2004 and EN 10219-1:2006 certifications.

As of March 31, 2024 and September 20, 2024, we had a total installed capacity of 1,122,400 metric tons per annum ("**MTPA**") and 1,540,000 MTPA, respectively of high-quality steel (intermediate and finished) products. We have continuously expanded our manufacturing capacity as set forth below:

| Products | Installed capacity | | | | Capacity utilization# | | |
|---|---|---|---|---|---|---|---|
| | **September 20, 2024** | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| | *(in MTPA)* | | | | *(%)* | | |
| Sponge iron | 280,000 | 105,000 | 105,000 | 90,000 | 114.67 | 111.32 | 120.16 |
| Bloom/ slabs (mild steel) | 300,000** | 317,400 | 231,000 | 150,000 | 82.57 | 94.52 | 110.40 |
| Bloom/ Slabs with argon oxygen decarburization ("**AOD**") (SS) | 60,000** | - | - | - | - | - | - |
| HR coil (mild steel) | 390,000 | 350,000 | 350,000 | 150,000 | 58.71 | 54.63 | 102.66 |
| HR coil (SS) | 60,000 | - | - | - | - | - | - |
| ERW and GI pipes | 350,000 | 250,000 | 250,000 | - | 74.04 | 41.78 | - |
| CR coils (mild steel)* | 100,000 | 100,000 | 100,000 | - | - | - | - |
| **Total Installed Capacity (MTPA)** | **1,540,000** | **1,122,400** | **1,036,000** | **390,000** | - | - | - |
| Power | 25 MW | 15 MW | 15 MW | 15 MW | 90.11% | 92.71% | 91.44% |

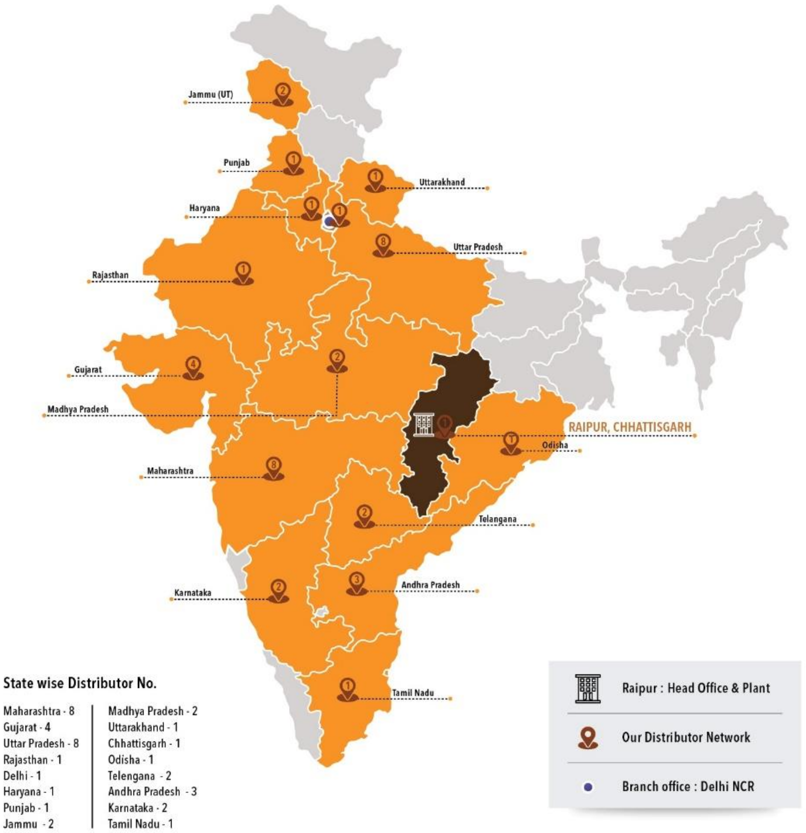
*As certified by Independent Chartered Engineer pursuant to his certificate dated September 30, 2024.*
***** *Capacity not utilized as of the date of this Draft Red Herring Prospectus*
*** Installed capacity of blooms/slabs has increased to 360,000 MTPA from the installed capacity of 317,400 MTPA as March 31, 2024; however due to change in product mix, the installed capacity has been apportioned into blooms/slabs (mild steel) and blooms/slabs (SS).*
#*Annualized*

We have recently expanded the installed capacity at our Sarora (Tilda) Facility which enables us to handle higher volume of production, thereby enhancing operational efficiency. We also intend to operationalize our second manufacturing facility which will be located in Village - Kuthrel, in District Raipur, Chhattisgarh in the current fiscal and will primarily manufacture value added products such as GP coils, GP pipes, SS HRAP coils, SS CR coils. Our Sarora (Tilda) Facility and the proposed Kuthrel manufacturing facility are in close proximity to each other, which further augments our backward integration capabilities.

In order to boost productivity and sustainability, we have installed a captive power plant which, as of September 20, 2024, operates with an installed capacity of 25 MW (comprising a 16 MW waste heat recovery boiler ("**WHRB**") and 9 MW atmospheric fluidized bed combustion ("**AFBC**") system) that provides a localized source of power to our Sarora (Tilda) Facility. We have recently expanded the installed capacity of our captive power plant from 15 MW as of March 31, 2024 to 25 MW as of September 20, 2024. With this expansion, we expect that our captive power plant will be able to meet up to 56.40% of the total power requirement for our Sarora (Tilda) Facility, compared to up to 43.70% in Fiscal 2024, resulting in increased cost savings. This underscores our focus on sustainable captive power generation maximising energy efficiency and reducing environmental impact. We also have a dedicated 132 KvA power transmission line.

As of March 31, 2024, we have 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39. These distributors in turn distribute our finished products through over 600 dealers in India as of March 31, 2024. Our distribution network and our marketing initiatives has resulted in effective outreach of our products to a wide network of retailers and fabricators, thus increasing our brand presence in the market. Additionally, easy availability of heavy vehicles in the Chhattisgarh region ensures connectivity to states across India for our finished products. We have a wide-spread presence in the Indian states of Chhattisgarh, Maharashtra, Gujarat, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh and Telangana. According to the CRISIL Report, in Fiscal 2024, we had a market share in domestic ERW pipes segment in India of approximately 2.00% in terms of sales volume. (*Source: CRISIL Report*)

The following map illustrates the locations of our distributors across India, and the strategic location of our head-office, manufacturing facility and branch office:




Our dedicated sales and marketing team comprising 23 personnel, as of July 31, 2024, is instrumental in promoting our product portfolio and establishing relationships with our distributors/customers, dealers, retailers and fabricators. To effectively market our products, we focus on a comprehensive multi-faceted approach that combines direct engagement with dealers, retailers and fabricators, extensive visibility through digital and offline channels, integrated marketing campaigns and proactive brand building. Our direct engagement efforts include personalized visits to fabricators, informal group meetings with fabricators and periodic meets with select distributors, dealers and retailers, which enable us to showcase out latest products, gather feedback and insights and build relationships. We regularly participate in international and domestic industry events, trade fairs and exhibitions, which allow us to connect with potential distributors/customers and gather market intelligence. Our digital and offline marketing initiatives include social media marketing, dealer boards and hoarding campaigns in the various cities across India which enhances our product visibility and promotes our brand.

Our Promoters, Brijlal Goyal, Suresh Kumar Goyal and Vikas Kumar Goyal, who have an average experience of over 20 years in the steel making and manufacturing sectors, have played a vital role in the growth of our business. Our distinguished Board also includes Bhavesh Khetan, our Executive Director and Chief Operating Officer who has relevant sector experience.

We have witnessed healthy revenue growth and profitability in the three preceding Fiscals.

The table below sets forth certain financial information for the last three Fiscals:

| **Particulars** | **As of/ For the Financial Year Ended March 31,** | | | **Percentage of CAGR (Fiscal 2022 – Fiscal 2024)** |
|---|---|---|---|---|
| | **2024** | **2023** | **2022** | |
| | ***(in ₹ million, except otherwise specified)*** | | | |
| Revenue from Operations | 12,857.57 | 9,372.20 | 8,193.49 | 25.27% |
| Total Income | 12,893.75 | 9,390.04 | 8,207.53 | 25.34% |
| Gross Profit Margin (%)[(1)] | 28.43 | 25.66 | 24.35 | - |

| Particulars | As of/ For the Financial Year Ended March 31, | | | Percentage of CAGR (Fiscal 2022 – Fiscal 2024) |
|---|---|---|---|---|
| | 2024 | 2023 | 2022 | |
| | *(in ₹ million, except otherwise specified)* | | | |
| EBITDA [2] | 1,598.72 | 1,173.00 | 1,245.15 | 13.31% |
| EBITDA Margin (%) [3] | 12.43 | 12.52 | 15.20 | - |
| Profit after tax | 824.39 | 603.83 | 721.08 | 6.92% |
| PAT Margin (%)[4] | 6.41 | 6.44 | 8.80 | - |
| Fixed Asset Turnover Ratio[5] | 3.82 | 3.19 | 3.48 | - |
| Debt[6] | 3,505.40 | 2,850.53 | 2,416.40 | 20.44% |
| Debt to EBITDA [7] | 2.19 | 2.43 | 1.94 | - |
| Capital Employed[8] | 8,075.72 | 5,096.57 | 4,006.39 | 41.98% |
| Return on Equity (%) [9] | 25.42 | 33.57 | 63.65 | - |
| Return on Capital Employed (%) [10] | 17.66 | 20.20 | 28.90 | - |
| Working capital days (*Days*)[11] | 41 | 57 | 47 | - |
| EBITDA/ton (in ₹)[12] | 7,160.70 | 7,421.54 | 7,911.47 | - |

*Notes:*

*(1) Gross Profit Margin is calculated as Gross Profit divided by revenue from operations for the year*

*(2) EBITDA is calculated as profit for the period minus other income plus finance costs, depreciation and amortisation and total tax expense.*

*(3) EBITDA Margin is calculated as EBITDA divided by revenue from operations*

*(4) PAT Margin is calculated as profit for the period divided by Revenue from Operations.*

*(5) Fixed Asset Turnover Ratio is calculated as revenue from operations divided by property, plant and equipment*

*(6) Debt is calculated as sum of long term borrowings, short term borrowings and lease liabilities for the period.*

*(7) Debt / EBITDA is calculated as Debt divided by EBITDA.*

*(8) Capital Employed is calculated as the sum of tangible net worth, debt and deferred tax liability*

*(9) Return on Equity is calculated as profit for the period divided by average equity where average equity is the average of opening and closing equity for the year.*

*(10) Return on Capital Employed is calculated as EBIT divided by capital employed. EBIT is calculated as profit for the period plus finance costs and total tax expense. Capital Employed is calculated as the sum of Tangible Net Worth, Debt and Deferred Tax Liability*

*(11) Working capital days is computed as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as trade receivables divided by revenue from operations multiplied by 365 days. Trade payables days is calculated as trade payables divided by revenue from operations multiplied by 365 days.*

*(12) EBITDA/ton is calculated as EBITDA divided by Total Sales Volume.*

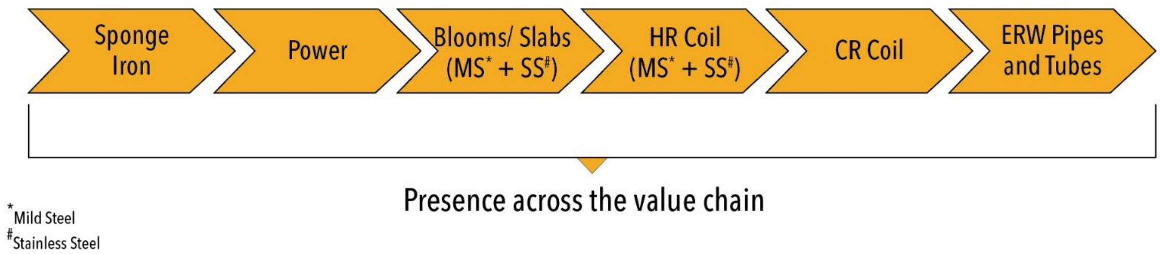
**Our Competitive Strengths**

We benefit from the competitive strengths set out below.

***The only single location backward integrated facility in India***

We are the only company in India with a single location backward integrated manufacturing facility for ERW steel pipes and tubes with presence across the value chain as of March 31, 2024. (*Source: CRISIL Report*) Our fully integrated manufacturing operations encompass production of intermediate products, namely sponge iron, mild steel blooms/slabs and HR coils, which are used primarily for captive consumption for manufacturing our final products, namely ERW black pipes and tubes (hollow section), GI pipes, steel door frames. We have also recently started manufacturing stainless steel blooms/slabs and HR coil.

The infographic below shows our presence across the product value chain:




Over the years, we have undertaken forward integration initiatives, enabling us to produce value added finished products using raw materials manufactured in-house, which has resulted in cost advantages. We are the only ERW steel pipes and tubes manufacturer in India that refines steel directly from iron ore instead of making products from aftermarket coil. (*Source: CRISIL Report*) In Fiscal 2020, we started manufacturing blooms/slabs using sponge iron, a portion of which was manufactured in-house. In Fiscal 2022, we commenced the manufacture of

HR coils using blooms manufactured in-house and in Fiscal 2023, we developed capabilities to manufacture ERW black pipes by the captive consumption of narrow-width HR coil. Our narrow-width HR coil manufacturing capabilities which are at par with those of primary manufacturers of HR coils leads to reduced capital expenditure and costs during our pipe manufacturing process and reduces dependency on external HR coil suppliers. In Fiscal 2024, we added GI pipes to our product portfolio by making value additions to our ERW black pipes.

Backward integration helps us in achieving operational efficiency, reducing product costs, controlling supply of raw materials, and monitoring the quality of our products, thus giving us a competitive advantage. Our integrated set up also reduces delivery timelines which allows us to service our customers faster, leads to higher operating margins and allows us to produce value added products.

Our Sarora (Tilda) Facility is supported by our captive power plant which operates with an installed capacity of 25 MW (comprising WHRB and AFBC systems) as of September 20, 2024. The WHRB harnesses residual heat from our sponge iron kiln and the steam generated from these boilers is typically used for power generation. The use of this renewable source of energy results in energy conservation through waste heat recovery and reduction in green-house gas emissions and carbon dioxide emissions. The AFBC system utilizes coal fines and dolochar by-products from the sponge iron process as fuel. We have recently expanded the installed capacity of our captive power plant from 15 MW as of March 31, 2024 to its current installed capacity of 25 MW. With this expansion, we expect that our captive power plant will be able to meet up to 56.40% of the total power requirement for our Sarora (Tilda) Facility, compared to up to 43.70% in Fiscal 2024, resulting in increased cost savings. This underscores our focus on sustainable captive power generation and our commitment to maximising energy efficiency and reducing environmental impact. We also have a dedicated 132 KvA power transmission line.

As a backward integrated manufacturer of ERW black steel pipes and structural tubes, we also benefit from utilizing scrap generated across our pipe and tube mill, hot rolling mill, steel melt divisions to manufacture blooms/ slabs. This aids our focus on recycling scrap and reducing wastage in the manufacturing processes and enables us to improve our operating margins.

Due to our focused approach on integrated operations, we have consistently achieved high EBIDTA margins. Set forth below are details of our EBITDA margins as compared to that of the peer set average in the last three Fiscals:

| **Name** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
|---|---|---|---|
| | ***(%)*** | | |
| Our Company | 12.43% | 12.52% | 15.20% |
| Peer set average* | 6.79% | 6.63% | 6.64% |

**Source: CRISIL Report*
*Note:*
*(i) The peer set includes the following six companies: APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, JTL Industries, and Surya Roshni.*

***Strategically located manufacturing plants resulting in operational efficiencies***

We manufacture ERW black steel pipes and structural tubes (hollow section) at our Sarora (Tilda) Facility, which is spread across 334,540 square meters of owned land strategically located in the mineral rich belt of Chhattisgarh. We are located in close proximity to our key raw material suppliers. We source our iron ore requirements from a "Navratna" public sector undertaking ("**PSU**") mining company's mines, which are known for producing India's highest grade of iron ore. (*Source: CRISIL Report*) This enables us to access directly reduced calibrated lump ore ("**DRCLO**") grade iron ore as raw material for our products. Further, we source our coal requirements from a "Maharatna" PSU through one of its highest coal producing subsidiary whose mines are Asia's largest coal mines and are merely 250 kilometres from our Sarora (Tilda) Facility. The Maharatna PSU is the largest coal producer in India and contributes to approximately 85% of India's total domestic coal production and our Company has a long term coal supply agreement with them to fulfill its major coal requirements. This strategic proximity not only optimizes our Company's logistics but also ensures a steady and efficient supply chain. *(Source: Crisil Report)*. By harnessing the natural resources of Chhattisgarh, primarily coal and iron ore, we are able to produce sponge iron which is integral to our steel products and a key input in our production value chain.

Further, our manufacturing facility is well connected by roads and railways. Chhattisgarh, which is present near the geographical center of the country, is emerging as the country's logistics and distribution hub. Raipur, where our operations are situated, is a major distribution hub for consumables such as FMCG products, grains, fruits, vegetables and other household items which are received from various parts of India and distributed to nearby states. (*Source: CRISIL Report*) This locational advantage ensures easy availability of heavy vehicles for the distribution of our products to various parts of India. By strategically situating our manufacturing plant, we have not only ensured a steady and efficient supply chain for procuring our raw materials but also minimized logistics complexities for distribution of our finished products, thus resulting in operational efficiencies. This strategic advantage allows us to ensure timely delivery and superior service to our valued customers.

***Strong process innovation and execution capabilities allowing us to produce value-added products***

We commenced our operations in 2018 with the manufacturing of sponge iron and have since then expanded our product offerings to include value added and customized pipe and tube products.

Our innovation journey began with the manufacturing of narrow-width HR coils. We are the only company in India producing narrow-width HR coils through a secondary manufacturing route, using induction furnaces and direct reduced iron ("**DRI**"). (*Source: CRISIL Report*) We use sponge iron or DRI as a feed in induction furnaces and as a substitute for steel scrap because high-quality scrap is costly and scarcely available. (*Source: CRISIL Report*) The induction furnaces convert steel scrap and sponge iron into liquid steel by induction heating. This liquid metal is further processed into blooms/slabs, narrow width HR coils and other products. Our narrow-width HR coil manufacturing capabilities, which are at par with those of primary manufacturers of HR coils, leads to reduced capital expenditure and costs during our pipe manufacturing process and reduces dependency on external HR coil suppliers. (*Source: CRISIL Report*)

Other key process innovation techniques adopted by us include the following:

- *Manufacture of Stainless Steel through argon oxygen decarburization ("**AOD**") process:*

  In this process, scrap or virgin raw materials are melted in an induction furnace and subsequently decarburized and refined in a special AOD vessel. Controlled injection of oxygen mixed with argon or nitrogen decarburizes the molten metal with a minimum of unwanted metallic oxidation. De-oxidation, desulfurization (in the case of low alloy steels, dephosphorization), and recovery of desirable metals from the slag are carried out in the AOD vessel. Degassing, homogenization, and inclusion flotation proceed continuously throughout all stages of the process to produce a clean and uniform product. As of the date of this Draft Red Herring Prospectus, we are among a limited number of manufacturers in India manufacturing SS blooms/slabs through the AOD process, which is a cost-effective process. This process consumes lower raw material and gives higher metallic yields than the other equivalent processes. Thus, better quality of product at a low cost and a minimum raw material consumption provides a degree of competitiveness edge to our Company. (*Source: CRISIL Report*)

- *Manufacture of alloy steel through ladle refining process:*

  A ladle refining furnace is used to raise the temperature and adjust the chemical composition of molten steel by conducting operations such as de-oxidation, desulphurization, dephosphorization, controlled additions of alloying elements and inclusion modification on molten steel. This process allows us to manufacture quality steel products (alloy steel) through induction furnace route. (*Source: CRISIL Report*)

- *WHRB based power plant:*

  A WHRB power plant generates power using flue gases generated from DRI kilns. Use of this process for power generation results in energy conservation as no fuel is involved. (*Source: CRISIL Report*)

- *AFBC based power plant:*

  The AFBC boiler installed by our Company is suitable for combustion of relatively low quality fuel (such as Dolochar) which is generated as a by-product during the sponge iron manufacturing process. This results in the reduction of the waste we generate and a relatively cost-effective method for power generation. (*Source: CRISIL Report*)

Through process innovation, we have been able to produce customized value-added products. As part of our forward integration strategy, we have recently introduced GI pipes, engineered with advanced threading to enhance performance. We have also diversified into manufacture of single as well as double door frames, which are gaining market share over traditional door frames and are increasingly used in affordable housing projects, villages and forest areas due to their termite proof and ecofriendly properties. (*Source: CRISIL Report*)

Our continuous endeavor is to innovate to produce specialized material grades that are in limited supply in India to meet market requirements. We have recently supplied corten steel, a type of steel alloy, which resists the corrosive effects of rain, snow, ice, fog, and other meteorological conditions by forming a coating of dark brown oxidation over the metal, which inhibits deeper penetration and negates the need for painting and costly rust-prevention maintenance over the years. CortenSteel is used primarily for container manufacturing which are used in marine transport. (*Source: CRISIL Report*) By undertaking process innovation, we believe we are able to manufacture diverse products and cater to a broader spectrum of customers.

***Wide-spread well connected distribution network across India***

As of March 31, 2024, we have 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39. These distributors in turn distribute our finished products through over 600 dealers in India as of March 31, 2024. We believe that our distribution network provides us with a competitive advantage over other players in the ERW steel pipes and structural tubes sector. Our distribution network and our marketing initiatives has resulted in effective outreach of our products to a wide network of retailers and fabricators. We increasingly moved towards a distribution model for sale of our products in Fiscal 2024 when we commenced production of ERW black pipes and tubes (hollow section) and in just over year, we have established a wide-spread distribution network. We have a wide-spread presence in the Indian states of Chhattisgarh, Maharashtra, Gujarat, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh and Telangana. In addition to our wide-spread distribution network, we also supply our products directly to end-customers such as construction and infrastructure companies and government organizations and projects.

We through our distributors also supply to original equipment manufacturers ("**OEMs**") engaged in a diverse range of industries, including crane manufacturers, tractor part producers, cultivator manufacturers, and telecommunication tower manufacturers. This engagement with the OEMs through our distributors highlights our versatility and commitment to supporting various industrial applications.

The table below sets forth the number of distributors by geography in India and the revenue contribution from each geography through these distributors in Fiscal 2024 and 2023. In Fiscal 2022, we were not using distributors for supplying our products and therefore equivalent data is not available.

| Geography | Number of Distributors (As of March 31, 2024) | Fiscal 2024 | |
|---|---|---|---|
| | | Amount | Percentage of Revenue from Operations |
| | *(in ₹ million, except %)* | | |
| West India | 12 | 3,863.68 | 30.05% |
| North India | 17 | 2,823.09 | 21.96% |
| East India | 2 | 968.47 | 7.53% |
| South India | 8 | 234.50 | 1.82% |
| **Total** | 39 | 7,889.74 | 61.36% |

| Geography | Number of Distributors (As of March 31, 2023) | Fiscal 2023 | |
|---|---|---|---|
| | | Amount *(in ₹ million)* | Percentage of Revenue from Operations (%) |
| West India | 10 | 1,068.46 | 11.40% |
| North India | 3 | 154.84 | 1.65% |
| East India | 1 | 440.59 | 4.70% |
| South India | 6 | 191.73 | 2.05% |
| **Total** | 20 | 1,855.62 | 19.80% |

*Note: Corresponding data for distributors in Fiscal 2022 has not been included as our Company had not started producing pipes and tubes during that period and was not using distributors for supply of its products.*

***Well-positioned to take advantage of the growing demand for quality ERW steel pipes and tubes***

Steel pipes find applications in several industries and sectors. According to the CRISIL Report, various projects and schemes initiated by the central government and several state governments have been driving the demand for steel pipes in India. Water supply, sanitation, irrigation, and flood control have consistently been top end-use sectors for the steel pipe industry and are expected to continue to drive the steel pipes' demand over the next few years as well through government led schemes such as Jal Jeevan Mission, Har Ghar Nal Yojana, among others. (*Source: CRISIL Report*)

The demand for domestic steel pipes and tubes is expected to have grown at a CAGR of 5-6% during Fiscals 2019-2025 to rise from 8.8 MTPA in Fiscal 2019 to 12.50-13.50 MTPA in Fiscal 2025, led by government initiatives to augment urban structural infrastructure and to infuse investments in the oil and gas sector. (*Source: CRISIL Report*) Going forward, domestic steel pipe demand is projected to increase to 18.50-20.50 MTPA in Fiscal 2029 at a 8-9% CAGR during the period between Fiscal 2025 and Fiscal 2029 on a high base. (*Source: CRISIL Report*) The growth would primarily be led by structural infrastructure and irrigation sector, which would continue to account for 50-55% of total domestic steel pipe demand. (*Source: CRISIL Report*)

Further, the demand for steel pipes and tubes will also be getting the push from the potential substitution of conventional construction materials, such as concrete cement and conventional steel. For example, owing to tubular steel being 10-20% lighter than conventional steel, the foot-over bridges and ceiling planned to be constructed under the government's "Amrit Bharat Station Scheme" would be made completely from steel pipes and tubes. The scheme, which plans to redevelop around 1,275 Indian railway stations in next 5 years, is expected to present a total sales opportunity of 500-3,000 tons of steel pipes and tubes per railway station. Steel tubes are also finding opportunities in the construction of other infrastructure projects such as new airports, high-rise complexes, warehouses, data centers, water tanks and hospitals. (*Source: CRISIL Report*)

We believe that as an end-to-end ERW steel pipes and structural tubes manufacturer with in-house competence in procurement of raw materials, production, marketing and sales, we are well-positioned to capitalize on the growth in the sector. Our integrated manufacturing processes enable us to deliver consistent quality products with reduced delivery timeline and at competitive prices, ensuring that the customers prefer us, which gives us competitive advantage. (*Source: CRISIL Report*)

***Experienced Promoters and management team with vast experience in the steel industry***

We are part of the group founded by our Promoter, Brijlal Goyal, which boasts over three decades of expertise in steel and plastic manufacturing. Our Promoters, Brijlal Goyal, Suresh Kumar Goyal and Vikas Kumar Goyal, who have an average experience of over 20 years in the steel making and manufacturing sectors, have played a vital role in the growth of our business. Our Chairman and Executive Director, Suresh Kumar Goyal is a veteran of the steel manufacturing industry and has been instrumental in diversifying our product portfolio, adopting new technology and seamless execution of projects. His strategic insights and leadership earned him the prestigious Times Most Powerful Leader award in 2022. Since assuming the role of Managing Director and Chief Executive Officer of our Company, Vikas Kumar Goyal has leveraged his expertise in the plastics and steel manufacturing industry to drive our Company's success. His role includes oversight of all key functions of the business including finance, strategy, sales and business development, marketing, procurement and information technology. He has recently been awarded the Young Leader award 40 under 40 by Brand Story for 2024 at the Asian Brand & Leadership Conclave, New Delhi, India.

Our Board also includes Bhavesh Khetan, our Executive Director and Chief Operating Officer, who has relevant sector experience and oversees our overall plant operations and administration. Additionally, the experience of our Independent Directors supports our direction and growth.

Our Promoters and our Board are supported by a management team some of whom have been associated with our Company since our formative years. Our management and operational team comprises members with diverse skills and expertise in manufacturing, sales and marketing, finance and supply chain management. Our senior personnel include Upendra Kumar, Senior General Manager (Techno Commercial), who is key in managing our stainless steel division, Mayank Agrawal, Assistant Vice President – Investor Relations, a chartered accountant and is responsible for overseeing business performance and strategies along with communication with our investors and shareholders, Syed Ahmad Mehdi Husaini, our Chief Marketing Officer who has an extensive experience in the field of marketing and drives all our marketing efforts. For further details of our management, see "*Our Management*" on page 236.

***Track record of healthy financial performance***

We have established a track record of healthy revenue growth and profitability. Our revenue from operations increased to ₹12,857.57 million in Fiscal 2024 from ₹8,193.49 million in Fiscal 2022 while our restated profit for the year increased to ₹824.39 million in Fiscal 2024 from ₹721.08 million in Fiscal 2022. Further, our total income increased to ₹12,893.75 million in Fiscal 2024 from ₹8,207.53 million in Fiscal 2022, our total equity increased to ₹4,382.82 million as of March 31, 2024 from ₹1,492.97 million as of March 31, 2022 and our total assets increased to ₹9,401.34 million as of March 31, 2024 from ₹4,585.09 million as of March 31, 2022. We believe that our focus on efficiency, productivity improvements and cost rationalization have enabled us to keep our operating costs under control and improve our margins.

Our EBITDA (excluding other income) increased to ₹1,598.72 million in Fiscal 2024 from ₹1,245.15 million in Fiscal 2022 and our total sales volume increased to 223,552 MTPA as of March 31, 2024 from 157,384 MTPA as of March 31, 2022. We believe that we have utilized our resources prudently, and that our operational and financial performance will allow us to take advantage of the growth opportunities in our industry. For reconciliation in relation to EBITDA, EBITDA Margin, Return on Equity and Return on Capital Employed, see "*Management's*

*Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures*” on page 348.

**Our Strategies**

Set forth below are our key business and growth strategies.

***Production capacity expansion with focus on valued added products***

We undertake our manufacturing operations at our Sarora (Tilda) Facility in Raipur, Chhattisgarh, which is spread across approximately 334,540 square meters and has a total installed capacity of 1,122,400 MTPA as of March 31, 2024 and 1,540,000 MTPA as of September 20, 2024.

The table below shows how our installed capacity has increased in our Sarora (Tilda) Facility over the years to reach our installed capacity as of September 20, 2024:

| Fiscal Year | Milestone | Total Installed Capacity (MTPA) |
|---|---|---|
| 2018 | Acquired the Sarora (Tilda) Facility and commenced manufacturing sponge iron with installed capacity of 60,000 MTPA | 60,000 |
| 2019 | Increased the sponge iron installed capacity to 90,000 MTPA | 90,000 |
| 2020 | Commissioned a 15 MW captive power plant and commenced manufacturing blooms/slabs with installed capacity of 120,000 MTPA | 210,000 |
| 2022 | Increased the installed capacity of blooms/slabs to 150,000 MTPA and commenced manufacturing HR coils with installed capacity of 150,000 MTPA | 390,000 |
| 2023 | Increased the installed capacity of sponge iron to 105,000 MTPA, increased the installed capacity of blooms/slabs to 231,000 MTPA, increased the installed capacity of HR coils to 350,000 MTPA, installed 100,000 MTPA capacity to manufacture CR coil, commenced manufacturing ERW pipes with installed capacity of 150,000 MTPA and then increased the installed capacity of ERW pipes to 250,000 MTPA | 1,036,000 |
| 2024 | Increased the installed capacity of blooms/slabs to 317,400 MTPA and commenced manufacturing GI pipes | 1,122,400 |
| | Commissioning of dedicated 132 KvA power line | |
| 2025* | Increased the installed capacity of sponge iron to 280,000 MTPA, increased the installed capacity of HR coil to 390,000 MTPA, allocated the installed capacity of blooms/slabs for mild steel to 300,000 MTPA, increased the installed capacity of ERW and GI pipes to 350,000 MTPA and increased installed capacity of captive power plant to 25 MW | 1,540,000 |
| | Commissioned production of stainless steel blooms/slabs with installed capacity of 60,000 MTPA and stainless steel HR coil with installed capacity of 60,000 MTPA | |

* *As of September 20, 2024*

Our total installed capacity in our Sarora (Tilda) Facility has increased by 417,600 MTPA since March 31, 2024. We also intend to commission our Kuthrel manufacturing plant within Fiscal 2025, thereby further augmenting our production capacity. The Kuthrel manufacturing plant will have the capacity to produce galvanised (GP) coils, pre-galvanised (GP) pipes, stainless steel HRAP coils and stainless steel CR coils. We believe our expansion plans and strategy will allow us to meet the anticipated increase in demand of our products in the future, enabling us to serve growing markets more efficiently and drive profitability. The site of the Kuthrel manufacturing plant also includes certain excess land owned by us which, subject to certain approvals, provides us with the opportunity to further expand the manufacturing plant in the future.

Further, we are planning to commission a greenfield manufacturing facility in Village - Kesda, District Baloda Bazar Bhatapara, Chhattisgarh. This facility will be operated by our subsidiary, Sambhv Tubes Private Limited. We intend to add an installed capacity of approximately 1.20 MMTPA of finished product in three phases. Phase 1, for which a no objection certificate from the Kesda gram panchayat has been received, is expected to be commissioned by Fiscal 2027. The HR mill for this facility has been procured and is in the process of being imported and approximately 350,653 square meters of land has been acquired by our subsidiary, Sambhv Tubes Private Limited. Our Sarora (Tilda) Facility, the Kuthrel facility and the proposed Kesda manufacturing facilities are in close proximity to each other. We believe this will further augment our existing backward integration capabilities.

***Expanding our distributor network and increasing business share from existing distributors and direct customers***

We intend to continue to expand our distribution network by leveraging our relationship with our existing distributors, while simultaneously pursuing opportunities to develop new relationships in new geographies by expanding our production capacities.

As of March 31, 2024, our products were distributed by 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39 in India and a major portion of sales value in Fiscal 2024 and Fiscal 2023 came from north and west India, respectively. The table below sets forth our revenue from different distributors in the identified Indian States for the years indicated:

| State | Number of distributors as of March 31, 2024 | Total sales through distributors as of March 31, 2024 (*in ₹ million)* | Percentage of Revenue from Operations (%) | Number of distributors as of March 31, 2023 | Total sales through distributors as of March 31, 2023 (*in ₹ million)* | Percentage of Revenue from Operations (%) |
|---|---|---|---|---|---|---|
| Maharashtra | 8 | 1,988.66 | 15.47 | 6 | 566.66 | 6.05 |
| Gujarat | 4 | 1,875.02 | 14.58 | 4 | 501.80 | 5.35 |
| Chhattisgarh | 1 | 967.30 | 7.52 | 1 | 440.59 | 4.70 |
| Haryana | 1 | 832.22 | 6.47 | 1 | 56.27 | 0.60 |
| Madhya Pradesh | 2 | 646.17 | 5.03 | 1 | 28.18 | 0.30 |
| Rajasthan | 1 | 624.47 | 4.86 | - | - | 0.00 |
| Uttar Pradesh | 8 | 550.61 | 4.28 | 1 | 70.39 | 0.75 |
| Andhra Pradesh | 3 | 87.34 | 0.68 | 1 | 53.36 | 0.57 |
| Uttarakhand | 1 | 78.83 | 0.61 | - | - | 0.00 |
| Tamil Nadu | 1 | 62.59 | 0.49 | 1 | 16.58 | 0.18 |
| Telangana | 2 | 60.62 | 0.47 | 2 | 100.72 | 1.07 |
| Punjab | 1 | 56.39 | 0.44 | - | - | 0.00 |
| Jammu | 2 | 26.08 | 0.20 | - | - | 0.00 |
| Karnataka | 2 | 23.94 | 0.19 | 2 | 21.06 | 0.22 |
| Delhi | 1 | 8.31 | 0.06 | - | - | 0.00 |
| Odisha | 1 | 1.16 | 0.01 | - | - | 0.00 |
| **Total** | **39** | **7,889.74** | **61.36** | 20 | **1,855.62** | **19.79** |

*Note: Corresponding data for state wise revenue in Fiscal 2022 has not been included as our Company had not started producing pipes and tubes during that period and was not using distributors for supply of its products*.

With our capacity expansion plan, we expect to expand our reach to other Indian States while increasing the supply to existing States as well which will also improve product availability. To achieve this goal, we plan to increase the number of distributors which will ensure outreach of our products to a much larger pool of dealers, retailers and fabricators. Our sales and expansion strategy is tailored to state-wise distributor requirements based on analysis of market size, demand and target potential. Further, we also intend to increase our wallet share with our existing distributors and direct customers, including through the introduction of our new proposed products.

Our proposed supply of pre-galvanized (GP) pipes aims to meet the growing demand, especially targeting the coastal belt of the country where the demand of such products is higher. (*Source: CRISIL Report*) Accordingly, we plan to increase our distributor network in the coastal States and also certain other States/Union Territories such as Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Goa and Delhi, where we currently have limited or no presence. We also intend to further expand our presence in Maharashtra.

Further, we also plan to expand our international footprint. Our revenue from exports amounted to ₹10.29 million in Fiscal 2024 which was primarily from products exported to the Middle East. We have supplied GI pipes to Saudi Arabia. We aim to leverage our expertise in ERW pipes and tubes (GI and GP) and the increasing demand from international markets for these pipes and tubes. (*Source: CRISIL Report*) This approach not only enables us to diversify our revenue base and expand our geographical footprint, but it also has the potential to improve our margins. We believe that as we enter new export markets, we will be able to take advantage of the increased margins associated with these markets and improve our profitability. Furthermore, our strategy of diversifying our revenue base and expanding our geographical footprint helps us mitigate the risks associated with economic fluctuations in any one region.

***Continue to focus on value added products and customization***

We will continue to develop new value added products and focus on customization in order to increase our customer base and to satisfy evolving market trends. Ongoing product development remains a core focus area for our Company, and we aim to continue this in the future. We regularly work with our customers to develop customized products for them. We believe that this enables us to increase wallet share, while simultaneously enabling us to diversify our product basket, offering customers with newer solutions. In the current Fiscal, we propose to commence production of SS HRAP coils, SS CR coils, CRFH pipes, GP coils and GP pipes. These products offer improved dimensional accuracy and surface finish and provide a diversification opportunity to our Company by increasing its end-use industry exposure towards sectors such as hot and cold-water supply systems, telecommunications, infrastructure, construction, firefighting systems, irrigation systems, plumbing systems, poles, signage supports, fencing, and handrails.

***Continue to focus on operational and cost optimization***

We continue to strive to achieve higher operational efficiencies and cost optimization. Our machining capabilities, automation of manufacturing processes, adherence to high standards of quality and consistency help in achieving operational efficiency. Our initiatives such as establishing a captive power plant to reduce dependency on external power sources and using by-products from our manufacturing processes, such as dolochar, to manage our costs underscore our focus on cost optimization. We have entered into a long-term energy supply agreement (ESA) for solar power under a group captive model. This agreement once implemented is expected to further reduce our power costs. We also have a dedicated 132KvA power line which ensures cost effective and reliable power. Further, for our proposed GP coils and GP pipes, we propose to adopt advanced technology which will use significantly less quantity of zinc thereby further improving our cost efficiency without compromising on quality. We intend to continue enhancing our operational efficiencies, and exploit economies of scale, by better absorbing our fixed costs, while also reducing other operating costs to strengthen our competitive position.

***Continue our emphasis on brand building***

We continue to implement various branding initiatives, including impactful advertisements across electronic media, outdoor branding, digital platforms, and print media, to increase our visibility and market presence. Our comprehensive, multi-faceted marketing approach includes direct engagement with end-users, visibility through both digital and offline channels, integrated marketing campaigns, and proactive brand-building efforts. Our direct engagement efforts include personalized visits to fabricators, weekly informal group meetings with fabricators through "Chai pe Charcha" and periodic formal meets with select distributors, dealers and retailers, which has enabled us to showcase our latest products, gather valuable feedback and insights and build relationships. For example, in June 2024, we organized a dealer meet in Singapore for our distributors and dealers which included interactive sessions with them where they shared their feedback and suggestions, fostering a collaborative atmosphere. The meet not only reinforced our customers' loyalty but also showcased our commitment to recognizing and rewarding their hard work and dedication. We also proactively meet industry experts, including architects, builders, contractors and traders to discuss trends and explore opportunities.

We also regularly participate in international and domestic industry events, trade fairs and exhibitions, which allows us to connect with potential customers and gather market intelligence. Some of the events in which we have participated in the past include International Tube and Pipe Fair in June 2022 in Düsseldorf, Germany, Tube and Pipe Fair in October 2023 in New Delhi, India, Cosmo Expo in January 2024 in Raipur, Chhattisgarh and the Tube and Pipe Fair 2024 in Hyderabad, India in August 2024. Our digital and offline marketing initiatives include social media marketing, dealer boards and hoarding campaigns in the various cities across India. We plan to continue to build on our marketing activities and initiatives to create further brand awareness.

**Our Business Operations**

**Products**

The following table lists our current bouquet of steel products, as well as their principal end uses and markets:

| Products and product type | Images | Process/Product description | Principal end usage/ markets |
|---|---|---|---|
| Sponge iron<br><br>(Intermediate) |  | Sponge iron is a refined form of iron ore with a metallic content ranging from 80% to 88%, produced through direct reduction process. The reduction is carried out in a rotary kiln, which is rotated at a specific speed at a temperature of around 800 to 1,100 degrees Celsius. The basic raw materials for the production of sponge iron are iron ore, iron ore pellets, non-coking coal (bituminous) and dolomite. It is a substitute for scrap. | Sponge iron is used for the manufacturing of crude steel (blooms/ slabs). We consume sponge iron by using it in our steel making process. |
| Blooms/ slabs (Mild steel and stainless steel)<br><br>(Intermediate and finished) |  | Blooms are semi-finished steel products which typically have a square or rectangular cross-section. It is produced through a melting and casting process, where molten steel received from induction furnace by melting of sponge iron, scrap and other ancillary minerals is poured into a mould and cast in the form of blooms/slabs of required cross section and length.<br><br>For manufacturing stainless steel blooms/slabs, the melting process has an additional step called argon oxygen decarburization, or AOD process.<br><br>Further, we use ladle refining furnace (LRF) for producing special grade (alloy)_steel such as corten steel. | Blooms can be rolled into multiple long and flat finished products.<br><br>We use majority of our in-house blooms/ slabs for manufacturing narrow-width HR coils. We also sell some of our blooms/ slabs to other steel product manufacturers. |
| Narrow-width HR coil (mild steel and stainless steel)<br><br>(Intermediate and finished) |  | HR coil manufacturing process primarily involves deforming the blooms/ slabs at high temperature and roll pressure. The material runs through a series of roll with pre-determined roll gaps, pressure and speeds to achieve its finished dimensions while being at high temperatures. The HAGC technology of our hot rolling mill controls the thickness and surface quality of HR coil with high precision. | We use majority of our in-house narrow-width HR coil to manufacture ERW black pipes and tubes. We also sell HR coils to other manufacturers who use HR coil as a raw material.<br><br>HR coils (stainless steel) is used to manufacture HRAP coils and SS CR coils. |

| Products and product type | Images | Process/Product description | Principal end usage/ markets |
|---|---|---|---|
| ERW black pipes and tubes<br><br>(Finished) |  | ERW black pipes and tubes are manufactured by rolling HR coils and then welding it longitudinally across its length through an electric resistance process. ERW black pipes have a welded joint in their cross-section that ensures a seamless bond. | We sell ERW black pipes and tubes primarily to distributors. We also through our distributors sell ERW black pipes to certain OEMs, governmental entities and projects, infrastructure companies, telecommunication tower manufacturers and agricultural equipment manufacturers. |
| GI pipes<br><br>(Finished) |  | GI pipes are manufactured by coating a protective layer of zinc on ERW black pipes and tubes through hot dipping process. It strengthens the metal and protects it from corrosion and increases life expectancy. | We sell GI pipes and tubes primarily to our distributors and directly to various consumers, which include certain government projects.<br><br>GI pipes are used as an essential product for hot and cold water supply systems, irrigation systems, plumbing systems, among other things, due to its corrosion resistant properties |
| Steel door frames<br><br>(Finished) |  | Single or double door steel frames are manufactured by rolling HR coils and further welding it longitudinally across its length through an electric resistance process. | We sell steel door frames primarily to our distributors. Steel door frames are used in affordable housing projects, villages and forest areas due to their termite proof and ecofriendly properties. |

The following table lists some of the products, that we propose to commence supplying within the current Fiscal, as well as their principal end uses and markets:

| Proposed Products and product type | Process/Product description | Principal end usage/ markets |
|---|---|---|
| CR coils (mild steel)<br><br>(Intermediate) | CR coils are hot rolled coils that have been further processed through cold rolling. In cold rolling process, the hot rolled coil is rolled below the recrystallization temperature and is rolled at room temperature. | We intend to use majority of our CR coil production to manufacture CRFH pipes and GP coils. |
| GP coils<br><br>(Intermediate and finished) | GP coils are made by coating CR coils with a layer of zinc through electroplating. | We will use majority of our in-house GP coils to manufacture GP pipes and intend to sell to industries such as pre-fabricated buildings, purlin, cable trays. |
| Stainless Steel HRAP coils<br><br>(Intermediate and finished) | Stainless Steel HRAP coils are annealed and pickled HR coils in continuous annealing-pickling lines. They have a cleaner surface and improved mechanical properties for downstream processing | We intend to sell our SS HRAP coil production in the market and also use it in-house for production of SS CR coils. |
| Stainless Steel CR coils<br><br>(Finished) | Stainless Steel CR coils are HRAP coils that have been further processed through cold rolling | We intend to sell majority of our SS CR coil production in the market majorly to SS pipe manufacturers, utensil makers etc. |
| CRFH pipes | CRFH pipes are manufactured by rolling CR coils and further welding it | CRFH pipes are generally used in industries such as furniture industry. |

| Proposed Products and product type | Process/Product description | Principal end usage/ markets |
|---|---|---|
| (Finished) | longitudinally across its length through an electric resistance process | |
| GP pipes<br><br>(Finished) | GP pipes are manufactured by rolling galvanised (GP) coils and further welding it longitudinally across its length through an electric resistance process. | GP pipes are generally used for telecommunications, infrastructure, construction, fire fighting systems, irrigation systems, solar module mounting structure, fencing and handrails and in industrial and manufacturing applications. Due to its corrosion resistant properties, they are also widely used in the coastal regions for construction and fabrication in place of ERW black pipes and tubes. |

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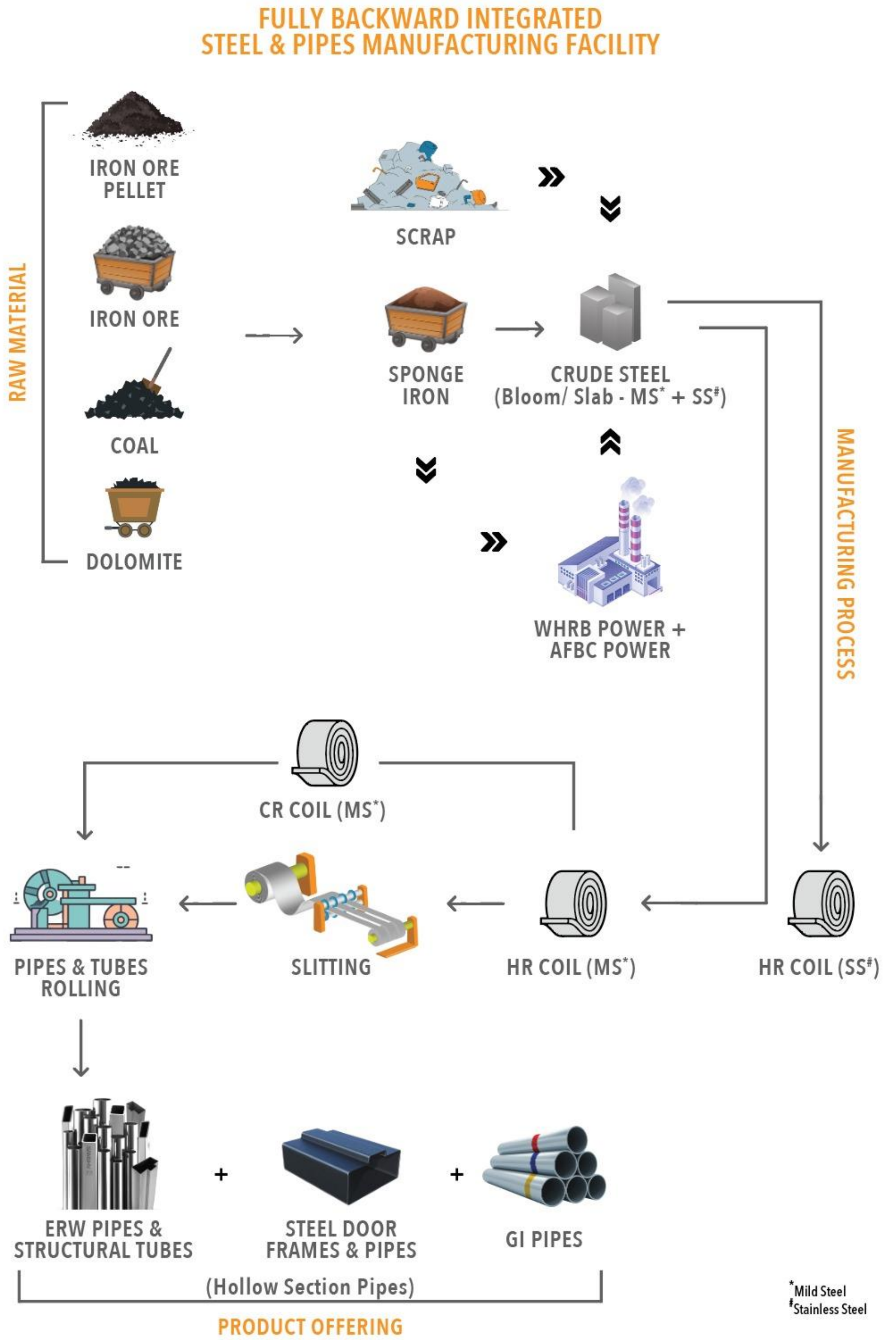
**Manufacturing Process**

The manufacturing processes involved in the production of our products are described below:



*Manufacturing process of ERW black pipes and tubes*

ERW black pipes and tubes are manufactured by a process of cold-forming a sheet of steel into a cylindrical shape. A step wise manufacturing process for ERW pipes and tubes is set forth below:


| Particular | Description |
|---|---|
| Uncoiling the HR Coil | The HR coil is unwound to prepare for subsequent processing. |
| Forming | During the shaping stage, the initial step involves the transformation of a flat steel strip into a cylindrical shape. The ideal pipe shape is attained by subjecting the strip to a sequential process including passing it through multiple rollers, which gradually induce the necessary curvature. |
| Welding | The molten condition of the edges of the steel strip is achieved with the application of high frequency electric currents, after which they are compressed together to create a weld that is free of any visible seams. The welding procedure yields a robust connection that spans the entirety of the pipe. |
| Sizing and Straightening | Following the welding operation, the pipe and tube is subjected to a size and straightening procedure. This phase is crucial in ensuring that the pipe adheres to the given dimensions and maintains a straight and uniform shape. |
| Cutting to length | The pipe is cut to the desired length after it has been sized and straightened. The completion of this phase is important in the process of preparing the pipes for their designated applications. |
| End finishing | The termination points of the pipes are finalized in accordance with the specifications provided by the customers. The potential end preparations includes, among other things, beveling, threading, and other similar techniques. |
| Surface treatment | The pipes may undergo surface treatment techniques, such as galvanization or coating, in order to improve their resistance to corrosion, depending upon specific applications. |

**Manufacturing Facility**

As of the date of this Draft Red Herring Prospectus, we have one operational manufacturing facility located at Sarora (Tilda), Raipur, Chhattisgarh. We also have a manufacturing facility in Kuthrel, which is yet to be commissioned as of the date of this Draft Red Herring Prospectus.

The details of the facilities in Sarora (Tilda) and Kuthrel are set forth below:

| S. No. | Name/ Location | Status | Key Products |
|---|---|---|---|
| 1. | Village - Sarora, Tehsil - Tilda, District - Raipur 493 114, Chhattisgarh | Commissioned | Existing products: Sponge iron, power (WHRB and AFBC), blooms/slabs with AOD process (mild steel and stainless steel), HR coils (mild steel and stainless steel), ERW pipes and tubes and steel door frames<br><br>Proposed products: CR coil (mild steel), CRFH pipes |
| 2. | Village – Kuthrel, Tehsil – Dharsiwa, District – Raipur 493 116, Chhattisgarh | Not yet commissioned | Proposed products: GP coil, GP pipe, SS HRAP coils and SS CR coils |

***Sarora (Tilda) Facility***

This manufacturing facility is spread across an area of 334,540 square meters and includes the following: (i) sponge iron/direct reduced iron division for manufacturing sponge iron; (ii) steel melting shop division for manufacture of blooms/ slabs (mild steel and stainless steel); (iii) hot rolled coil division for the production of narrow width HR coils (mild steel and stainless steel); (iv) cold rolled division for production of CR coils; (v) tube mill division for the production of our pipes and tubes; and (vi) captive power plant.

*Sponge Iron/Direct Reduced Iron Division*

*Steel Melting Shop Division (Mild Steel)*

*Steel Melting Shop Division (Stainless Steel)*

*Steel Melting Shop Division (CCM)*

*Hot Rolled Coil Division*

*Tube Mill Division*

*Power Plant*

*Cold Rolled Division*

***Proposed Kuthrel Facility***

This manufacturing facility is spread across an area of 73,980 square meters and is scheduled to be commissioned in the current Fiscal.

***Proposed Kesda Facility***

We are also planning to commission a greenfield manufacturing facility in Village - Kesda, District Baloda Bazar Bhatapara, Chhattisgarh. This facility will be operated by our Subsidiary, Sambhv Tubes Private Limited. The HR mill for this facility has been procured and is in the process of being imported and approximately 350,653 square meters of land has been acquired by our subsidiary, Sambhv Tubes Private Limited. Further, no objection certificate (NOC) from Gram Panchayat Kesda has also been received.

***Installed Capacity, Available Capacity, Actual Production and Capacity Utilisation***

The information relating to the installed capacity, available capacity, actual production and capacity utilisation of our products included below and elsewhere in this Draft Red Herring Prospectus has been certified by the Independent Chartered Engineer by certificate dated September 30, 2024. The information on capacity utilization and available capacity is based on various assumptions and estimates and these assumptions and estimates include standard capacity calculation practice in the steel industry and capacity of other ancillary equipment installed at the relevant manufacturing facility. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing manufacturing facilities included in this Draft Red Herring Prospectus. See "*Risk Factors — Information relating to the capacity utilization of our operational manufacturing facility included in this Draft Red Herring Prospectus is based on various assumptions and* *estimates and future production and capacity may vary.* " on page 51. The table below sets forth certain information relating to the installed capacity, available capacity, actual production and capacity utilisation for our products for the years indicated:

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| Products | As of/ For the year ended | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | | | | March 31, 2023 | | | | March 31, 2022 | | | |
| | Installed Capacity[(1)] | Available Capacity[(1)] | Actual Production [(2)] | Capacity Utilisation [(3)] | Installed Capacity[(1)] | Available Capacity[(1)] | Actual Production [(2)] | Capacity Utilisation [(3)] | Installed Capacity[(1)] | Available Capacity[(1)] | Actual Production [(2)] | Capacity Utilisation [(3)] |
| Sponge iron (MTPA) | 105,000 | 105,000 | 120,405 | 114.67% | 105,000 | 99,904 | 111,213 | 111.32% | 90,000 | 90,000 | 108,141 | 120.16% |
| Blooms/ slabs (MTPA) | 317,400 | 298,227 | 246,240 | 82.57% | 231,000 | 178,849 | 169,048 | 94.52% | 150,000 | 138,575 | 152,991 | 110.40% |
| Narrow width HR coils (MTPA) | 350,000 | 350,000 | 205,485 | 58.71% | 350,000 | 221,233 | 120,863 | 54.63% | 150,000 | 92,877 | 95,346 | 102.66% |
| Cold rolled coils (MTPA) | 100,000 | 100,000 | - | - | 100,000 | 35,616 | - | - | - | - | - | - |
| ERW black pipes and tubes (MTPA) | 250,000 | 250,000 | 185,096 | 74.04% | 250,000 | 168,767 | 70,509 | 41.78% | - | - | 150 | - |
| Power (kWh) | 118,800,000 | 118,800,000 | 107,053,500 | 90.11% | 118,800,000 | 118,800,000 | 110,137,100 | 92.71% | 118,800,000 | 118,800,000 | 108,626,800 | 91.44% |
| GI Pipes (MTPA) | - | - | 5,709 | - | - | | | - | - | - | | - |

*As certified by Independent Chartered Engineer pursuant to his certificate dated September 30, 2024.*

[(1)] *Installed capacity represents the installed capacity as of the last date of the relevant Fiscal and the available capacity has been calculated based on the average of daily available capacity for the relevant Fiscal. The installed capacity and the available capacity are based on various assumptions and estimates, including standard capacity calculation practice in the steel industry and capacity of other ancillary equipment installed at the relevant manufacturing facility.*

[(2)] *Actual production represents quantum of production in the relevant Fiscal.*

[(3)] *Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the available capacity during such Fiscal.*

**Production and Sales Volume**

The following table sets forth the production and sales volume of our products for the periods indicated below:

| Products | As of March 31, 2024 | | As of March 31, 2023 | | As of March 31, 2022 | |
|---|---|---|---|---|---|---|
| | **Production Volume** | **Sales Volume** | **Production Volume** | **Sales Volume** | **Production Volume** | **Sales Volume** |
| | | | ***(MTPA)*** | | | |
| Sponge Iron | 120,405 | 2,125 | 111,213 | 7,941 | 108,141 | 14,157 |
| Blooms / Slabs | 246,240 | 31,096 | 169,048 | 42,122 | 152,991 | 53,893 |
| HR Coil | 205,485 | 4,977 | 120,863 | 42,303 | 95,346 | 89,334 |
| ERW black pipes and tubes | 185,096 | 179,374 | 70,509 | 64,780 | 150 | - |
| GI Pipes | 5,709 | 5,689 | - | 907 | - | - |
| **Total** | 762,935 | 223,261 | 471,633 | 158,053 | 356,628 | 157,384 |

*The captive consumption of intermediate products for production of our finished products increased in Fiscal 2024 and hence our sales volumes from the sales of intermediate products has declined.*

**Customers**

We primarily sell our finished products to distributors who in turn supply to dealers and retailers. Dealers and retailers sell our products to end consumers such as retail customers, OEMs, contractors and fabricators who are actual users of our products.

As of March 31, 2024, we had 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39 in India. These distributors in turn distribute our finished products through over 600 dealers in India as of March 31, 2024.

In addition to our wide-spread distribution network, we also supply our products directly to end-customers such as construction and infrastructure companies, and government organizations and projects. We also supply to OEMs through our distributors engaged in a diverse range of industries, including crane manufacturers, tractor part producers, cultivator manufacturers, and telecommunication tower manufacturers This engagement with the OEMs through our distributors highlights our versatility and commitment to supporting various industrial applications.

**Raw Material Procurement**

Our primary raw materials for the manufacture of sponge iron are iron ore, iron ore pellets and coal.

We primarily source our requirements of (i) iron ore from a “Navratna” PSU and India’s largest iron ore producer; (ii) iron ore pellets from Godawari Power and Ispat Limited, Sarda Energy and Minerals Limited and Shyam Metalics and Energy Limited; and (iii) coal from one of the major subsidiaries of a “Maharatna” PSU, which is the largest coal producer in India, Adani Enterprises Limited, Agarwal Coal Corporation Private Limited and Mahendra Strips Private Limited. Our fuel supply agreements for supply of coal entered into with the major subsidiary of a “Maharatna” PSU are valid for a term ranging between five to 10 years.

**Sales and Marketing Team**

Our dedicated sales and marketing team comprising 23 employees as of July 31, 2024, is instrumental in promoting our product portfolio and establishing relationships with our customers, distributors, retailers dealers and fabricators. To effectively market our products, we focus on a comprehensive multi-faceted approach that combines direct engagement with dealers, retailers and fabricators, extensive visibility through digital and offline channels, integrated marketing campaigns and proactive brand building.

Some of our marketing initiatives are set forth below:

- Personalized visits: Our Company organizes personalized visits to retailers and fabricators. During such visits, we provide detailed information in relation to our key products and assist in addressing their queries.
- Community events: We organize informal bi-weekly gatherings "*Chai-Pe-Charcha*" with our fabricators to showcase our products and conduct educational sessions.
- Retailers' meet: These formal meetings with the retailers involve a detailed presentation about our Company and its key products offerings. We conduct such sessions once a month.
- Dealers' meet: These are quarterly sessions conducted to showcase our latest products and their benefits, apprise the dealers of the latest developments and gather feedback. For example, in July 2023, we hosted a dealer's meeting in Raipur in connection with the inauguration of our fifth tube mill. This event was attended by dealers from across India, and featured a detailed presentation on the new mill's capabilities and the advanced technology adopted by us. This meeting not only showcased our new infrastructure but also about strengthened our relationships with our dealers and reinforced our shared vision for growth.
- Distributors' meets: These are annual events aimed at appreciating and rewarding the distributors for their services. We organized a distributor and dealers meet in Singapore in June 2024 which provided a platform to them to share their feedback on our key product offerings and collaborate and deliberate ideas and upcoming opportunities in the industry.
- Architect/end-user meets: Such sessions are aimed at showcasing latest innovations, demonstrating key features of our product offerings and building relationships.


In addition, our marketing team regularly participates in international and domestic industry events, trade fairs and exhibitions, which allows us to connect with potential customers and gather market intelligence. Some of the events in which we have participated in the past include International Tube and Pipe Trade Fair in June 2022 in Düsseldorf, Germany, Tube and Pipe Fair in October 2023 in New Delhi, India, Cosmo Expo in January 2023 in Raipur, Chhattisgarh, India and the Tube and Pipe Fair 2024 in Hyderabad, India in August 2024. Our digital and offline marketing initiatives include social media marketing, wall paintings, dealer boards and hoarding campaigns in the various cities across India which enhances our product visibility and promotes our brand. Our advertisement and sales promotion expenses for Fiscals 2024, 2023 and 2022 were ₹68.58 million, ₹3.33 million and ₹1.63 million, respectively, which represented 0.53%, 0.04% and 0.02% of our revenue from operations for the respective Fiscals.

**Logistics**

Our manufacturing facilities are strategically located in the mineral rich belt of Chhattisgarh. We use different modes of transportation, including road, rail and sea for our operations. We engage third-party logistic service providers to provide support for our transportation requirements on a need basis. In Fiscals 2024, 2023 and 2022, our logistics and freight expenses were ₹611.61 million, ₹485.59 million and ₹549.00 million, respectively, which represented 5.19%, 5.66% and 7.58% of our revenue from operations for the respective Fiscals. While transportation charges in relation to procurement of raw materials from suppliers is incurred by our Company, the transportation charges in relation to delivery of products is incurred by distributors and direct customers.

**Power and Fuel**

Our manufacturing processes require an uninterrupted supply of power and fuel. We have made arrangements for power purchase from local utilities. We have also installed a 25 MW captive power plant at our Sarora (Tilda) Facility to utilize non-conventional energy sources. This underscores our focus on sustainable captive power generation and our commitment to maximising energy efficiency and reducing environmental impact. Further, we have a dedicated 132 KvA transmission line in our Sarora (Tilda) Facility which also ensures a reliable and uninterrupted power supply. In Fiscal 2024, 2023 and 2022, our power and fuel expenses were ₹ 844.88 million, ₹ 397.74 million and ₹ 237.73 million, respectively, which represented 6.57%, 4.24% and 2.90% of our revenue from operations for the respective Fiscals.

**Quality Assurance and Quality Control**

We have implemented a quality control mechanism to ensure compliance with quality standards and customer requirements. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. Our finished products such as HR coil, ERW black pipes and tubes undergo quality tests including testing for their chemical and physical parameters, bend tests, flattening tests and hydro testing. As of July 31, 2024, we have a separate team comprising 75 employees, responsible for quality control. Our facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015; environmental management systems such as ISO 14001:2015; occupational health and safety management systems such as ISO 45001:2018; and energy management systems such as ISO 50001:2018, each in relation to manufacturing of sponge iron, billet, hot rolled coil, hot rolled strip, CR coil, cold rolled strip, electric resistance welded (ERW) / high frequency induction welding (HFIW) welded black and galvanized steel pipes and tubes and power through WHRB and AFBC. Our products have obtained the following certifications as of the date of this Draft Red Herring Prospectus:

| Product | Certifications |
|---|---|
| Hot rolled medium and high tensile structural steel | IS 2062:2011 issued by the Bureau of Indian Standards |
| | IS:20748 |
| Hot rolled products of structural steels | Standard EN 10025-1:2004 issued by Dedal - Attestation and Certification Ltd, Bulgaria |
| Cold form welded structural hollow sections of non-alloy and fine grain steels | Standard EN 10219-1:2006 issued by Dedal - Attestation and Certification Ltd, Bulgaria |
| Non-Alloy steel tubes suitable for welding and threading | Standard EN 10255:2004+A1:2007 issued by Dedal - Attestation and Certification Ltd, Bulgaria |
| Loose steel tubes for tube and coupler scaffolds | Standard EN 39:2001 issued by Dedal - Attestation and Certification Ltd, Bulgaria |
| Steel tubes used for water wells | IS 4270:2001 issued by the Bureau of Indian Standards in relation to manufacturing process of ERW grade of steel |
| Steel tubes for idlers for belt conveyers | IS 9295:1983 issued by the Bureau of Indian Standards in relation to manufacturing process of ERW black steel |
| Hot rolled steel strip for welded tubes and pipes | IS 10748:2004 issued by the Bureau of Indian Standards |
| Petroleum and natural gas industries steel pipeline for pipeline transportation system | IS/ISO 3183:2019 issued by the Bureau of Indian Standards in relation to manufacturing of high frequency welding (HFW) pipes |
| Steel tubes for mechanical and general engineering purposes | IS 3601:2006 issued by the Bureau of Indian Standards |
| Steel tubes, tubulars and other wrought steel fittings | IS 1239:Part 1:2004 issued by the Bureau of Indian Standards |
| Steel tubes for structural purposes | IS 1161:2014 issued by the Bureau of Indian Standards |
| Hollow steel sections for structural use | IS 4923:2017 issued by the Bureau of Indian Standards |

**Human Resources**

As of July 31, 2024 we have 1,292 permanent employees. The table below sets forth details of our permanent employees, as of July 31, 2024:

| S. No. | Department | Number of Employees |
|---|---|---|
| 1. | Administration | 280 |
| 2. | Manufacturing | 814 |
| 3. | Power plant | 95 |
| 4. | Quality control | 75 |
| 5. | Sales and Marketing | 23 |
| 6. | IT | 5 |
| **Total** | | **1,292** |

We also appoint independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. As of July 31, 2024, we had 644 contract labours. Our employees are not unionized into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three Fiscals.

**Environment, health and safety**

We are committed to providing a safe and healthy working environment to our employees. We have a comprehensive onboarding process for newly hired employees to ensure that they acquire the requisite skills. We conduct programs on safety protocols in the workplace, quality processes, and skill development. In addition, we implement employee safety audits and employee safety meetings, as well as conduct emergency mock drills in our manufacturing facilities.

We endeavour to adhere to laws and regulations relating to protection of health, employee safety and the environment. We have an employee health and safety guidelines to promote workplace health and safety and minimise the risk of accidents at our facilities. We carry out our activities while following appropriate standards of work safety and we strive to ensure that our working conditions remain a healthy and safe work environment for our employees.

Our manufacturing facility is supported by our captive power plant which provides a localized source of power to our Sarora (Tilda) plant. This results in energy conservation through waste heat recovery, reduction in green-house gas emissions and carbon dioxide emissions.

Further, our facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015; environmental management systems such as ISO 14001:2015; occupational health and safety management systems such as ISO 45001:2018; and energy management systems such as ISO 50001:2018.

**Competition**

We face competition from domestic and international manufacturers of sponge iron, blooms/slabs, HR coils, ERW black pipes, GI pipes and CR coils. Our peers are APL Apollo Tubes, Hariom Pipe Industries, Hi-Tech Pipes, Rama Steel Tubes, Surya Roshni and JTL Industries. (*Source: CRISIL Report*). For more information on operational benchmarking and financial benchmarking, see "*Industry Overview – Competition benchmarking*" on page 184.

**Information Technology**

Our IT systems are a key part of our business operations and include the following:

(i) **ERP system:** We have a customized ERP system which assists in various business functions such as material management, inventory management, finance and accounting, production management, procurement planning and human resource management. ERP systems automate the workflow, reducing manual errors and operational cost. Advanced analytics and reporting tools within the ERP system allow for precise tracking of key metrics and performance indicators. It also supports compliance with industry standards and regulations by maintaining accurate records and audit trails.

(ii) **Payroll Management System:** It allows us to manage our human resource. This system automates the entire payroll process ensuring accurate and timely salary disbursement. It includes features such as employee data management, payroll calculation, deductions, leave and attendance tracking.

(iii) **Firewall and endpoint security:** Firewall and endpoint security are crucial components of our cybersecurity endeavour. Firewall helps us to protect against unauthorized access, malware and other cyber threats by filtering data packets and blocking suspicious activities. Endpoint security, on the other hand, involves securing individual devices such as laptops, desktops and mobile devices that connect to the network. This includes measures such as antivirus software, intrusion detection systems, and data encryption to safeguard against potential threat that could compromise the network.

**Insurance**

We maintain an Industrial All Risk Insurance Policy, which covers fire and allied perils, burglary, accidental damage, breakdown as well as business interruption. We also have a marine cargo open policy that offers financial coverage to the insured cargo or goods during their transit from their origin to source. We also maintain group accident insurance policy for our employees and insurance policies covering our promoters and directors.

**Intellectual Property**

As of the date of this Draft Red Herring Prospectus, our Company has registered two trademarks including under class 6, with the Registrar of Trademarks under the Trademarks Act, 1999 and has applied for three including, , which is currently pending.

**Properties**

The Registered and Corporate Office of our Company is situated at Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India and is leased by us from Ganpati Sponge Iron Private Limited, a member of our Promoter Group and a Group Company.

The table below sets forth details of our manufacturing facilities and other key properties:

| S No. | Purpose | Location | Plot size (in sq.mt.) | Leased/ Owned |
|---|---|---|---|---|
| 1. | Registered and Corporate Office | Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh | ~185.80 | Leased from Ganpati Sponge Iron Private Limited, a member of the Promoter Group and a Group Company<br><br>Tenure – 5 years (*From August 1, 2024 to July 31, 2029*)<br><br>Monthly lease rent - ₹0.05 million |
| 2. | Manufacturing unit | Village - Sarora, Tehsil - Tilda, District – Raipur 493 114, Chhattisgarh | 334,540 | Owned |
| 3. | Manufacturing unit (yet to be commissioned) | Village – Kuthrel, Tehsil – Dharsiwa, District – Raipur 493 116, Chhattisgarh | 73,980 | Leased 60,460 sq.mt. from our Subsidiary, Sambhv Tubes Private Limited<br><br>Tenure – 30 years<br><br>13,520 sq. mt. – owned |
| 4. | Land for a proposed manufacturing unit | Village Kesda, Halka Number 19, Revenue Inspector Simga, District Baloda Bazar Bhatapara 493 114, Chhattisgarh | 350,653 | Owned by Subsidiary, Sambhv Tubes Private Limited |
| 5. | Commercial Office (branch office) | A-57, Sector -136, 5th, Noida 201 301, Uttar Pradesh | ~4.18 | Seat usage arrangement; leased from third party<br><br>Monthly rent of ₹0.04 million<br><br>Tenure - 36 months (April 22, 2024 onwards) |
| 6. | Registered office of our Subsidiary, Sambhv Tubes Private Limited | Office No. 501, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh | ~92.90 | Rented from Ganpati Sponge Iron Private Limited, a member of the Promoter Group and a Group Company<br><br>Monthly rent of ₹0.02 million<br><br>Tenure – 11 months commencing from September 20, 2024 |

**Corporate Social Responsibility**

We have constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out our CSR activities. We have undertaken several CSR activities in the past, particularly in the areas of health where we organize free health camps every month in villages close to our Sarora (Tilda) and Kuthrel Facilities. As part of these efforts, we had also provided donations to several organizations. We have also worked on campaigns focusing on health and nutrition requirements of pregnant women. Apart from this, we also work towards tree plantation, construction of roads and other infrastructure facilities in villages close to our Sarora (Tilda) Facility. Our CSR activities are also aligned to multiple Sustainable Development Goals ("**SDGs**") and we are currently contributing to several key SDGs, such as, *inter alia*, sustainable energy, health and well-being and providing education through our CSR activities.

## KEY REGULATIONS AND POLICIES

*The following is an indicative summary of certain relevant industry specific laws, regulations and policies in India which are applicable to our business and operations. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, which are subject to amendments or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. For details, see "Risk Factors" on page 33.*

*Under the provisions of various Central Government and State Government statutes and legislations, we are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details of such licenses and registration required to be obtained by our Company, see "Government and Other Approvals" on page 383.*

**Business related laws**

***National Mineral Policy, 2019 (the "Mineral Policy 2019")***

The National Mineral Policy, 2019 was approved by the Union Cabinet in February 2019. It focuses on promoting domestic industry, reducing import dependency, and contributing to the *'Make in India'* initiative. The Mineral Policy 2019 aims to ensure, among other things, environmentally sustainable mining, with stakeholders' participation; devolution of benefits of mining to mining-affected persons and areas; maintaining high levels of trust among all stakeholders; implementing a conducive regulatory environment for ease of doing business in the sector; and simpler, transparent, and time-bound procedures for obtaining clearances for mining. In addition, India has also adopted the United Nations Framework Classification of Mineral Reserves / Resources to report mineral resources, status of exploration and feasibility of extractions.

***Mines and Minerals (Development and Regulations) Act, 1957, as amended (the "MMDR Act") and the Mineral Conservation and Development (Amendment) Rules, 2011 (the "MMDR Rules")***

Management of mineral resources fall under the control of both Central and State Governments, pursuant to entry 54 of Union List and entry 23 of State List, respectively, of the Seventh Schedule of the Constitution of India. The MMDR Act regulates the mining sector in India and aims for the development and regulation of mines and minerals. The MMDR Act classifies mining-related activities into: (i) reconnaissance, which involves preliminary prospecting of minerals; (ii) prospecting, which includes exploring, locating, or proving mineral deposits; and (iii) mining, the commercial activity of extraction of minerals. The MMDR Rules makes it mandatory for all the mining lessees, traders, stockists, exporters, end users, etc. engaged in mineral business to register with the Indian Bureau of Mines.

***National Steel Policy, 2017 ("NSP 2017")***

The NSP 2017 seeks to enhance domestic steel demand with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. It also aims to create environment for attaining (i) self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, central public sector enterprises 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; and (iv) facilitate investment in overseas asset acquisitions of raw materials. 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.

***Steel and Steel Products (Quality Control) Order, 2024*** (***the "QC Order"***)

The QC Order was notified by the Ministry of Steel, Government of India, to vide Gazette Notification No. S.O. 574(E) dated February 5, 2024 to bring certain steel products under mandatory certification of Bureau of Indian Standards. All manufacturers of steel and steel products are required to apply for certification and ensure compliance with the QC Order. The QC Order further provides that certain 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. The sub-standard or defective steel and steel product, which do not conform to the specified standard, shall be disposed off as scrap in such a way so that there is no violation of the Bureau of Indian Standards Act, 2016. Any person who contravenes any of the provisions of this Order shall be punishable under section 29 of the Bureau of Indian Standards Act, 2016.

***Bureau of Indian Standards Act, 2016 ("BIS Act")***

The BIS Act provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The functions of the BIS, under the BIS Act includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) enter and search places, premises or vehicles, and inspect and seize goods, articles and documents to enforce the provisions of the BIS Act; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

***The Indian Boilers Act, 1923 (the "Boilers Act") and the Indian Boiler Regulations, 1950 (the "Boiler Regulations")***

The Boilers Act seeks to regulate, inter alia, the manufacture, possession and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act and they deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers, boiler mountings and fittings.

***Legal Metrology Act, 2009 (the "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, among others, 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 license under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state government under the Legal Metrology Act. Any non-compliance or violation under the LM Act may result in, among others, a monetary penalty or seizure of goods or imprisonment in certain cases.

***Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodity Rules")***

The Packaged Commodity Rules framed under the Legal Metrology Act, 2009, lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers, packers and importers. The Packaged Commodity Rules prescribe, among others, the declarations to be made on every package, the manner in which the declarations shall be made. These declarations that are required to be made include, among others, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set out in the Packaged Commodity Rules.

**Environmental laws**

***The Environment Protection Act, 1986 (the "Environment Protection Act") and Environment Protection Rules, 1986 (the "Environment Protection Rules")***

The Environment Protection Act was enacted to provide a framework for coordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorises the Central Government to protect and improve environment quality, control, and reduce pollution. The Environment Protection Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as prescribed. The contravention or failure to comply with the provisions of the Environment Protection Act may attract penalties in the form of imprisonment or fine. Further, the Environment Protection Rules specifies, amongst others, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas.

***The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")***

The Water Act was enacted to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. Further, the Water Act also provides for the establishment of central pollution control board and state pollution control board with a view to carry out the aforesaid purpose, for conferring on and assigning to such boards powers and functions relating thereto. Any person establishing or taking steps to establish any industry, operation or process, or any treatment and disposal system or extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream, well, sewer or on land is required to obtain the previous consent of the concerned state pollution control board.

***Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")***

The Air Act was enacted and designed for the prevention, control and abatement of air pollution and establishes Central and State pollution control boards for the aforesaid purposes. In accordance with the provisions of the Air Act, any person establishing or operating an industrial plant in an air pollution control area must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended (the "Hazardous Waste Rules")***

The objective of the Hazardous Waste Rules is to control the collection, reception, treatment, storage, reuse, recycling, recovery, pre-processing, utilisation including co-processing and disposal of hazardous waste. The Hazardous Waste Rules prescribes for every person who is engaged in, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilisation, offering for sale, transfer or disposal of the hazardous and other wastes to obtain an authorisation from the relevant state pollution control board.

**Labour related laws**

***The Factories Act, 1948 (the "Factories Act")***

The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the 'occupier' of a factory to ensure the health, safety, and welfare of all workers in the factory premises. Further, the 'occupier' of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training, and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

In addition to the above, the various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following:

i. Contract Labour (Regulation and Abolition) Act, 1970;
ii. Relevant state specific shops and commercial establishment legislations;
iii. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
iv. Employees' State Insurance Act, 1948;
v. Minimum Wages Act, 1948;
vi. Payment of Bonus Act, 1965;

vii. Payment of Gratuity Act, 1972;
viii. Payment of Wages Act, 1936;
ix. Maternity Benefit Act, 1961;
x. Equal Remuneration Act, 1976;
xi. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
xii. Employees' Compensation Act, 1923;
xiii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
xiv. Industrial Employment (Standing Orders) Act, 1946;
xv. Industrial Disputes Act, 1947;
xvi. Occupational Safety, Health and Working Conditions Code, 2020[(1)];
xvii. Code on Social Security, 2020[(2)];
xviii. Industrial Relations Code, 2020[(3)]; and
xix. Code on Wages, 2019[(4)]

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*(1) The Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Occupational Safety, Health and Working Conditions Code, 2020. Once effective, it will subsume, among others, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Contract Labour (Regulation & Abolition) Act, 1970.*

*(2) The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. The code proposes to subsume, among others, the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The Ministry of Labour and Employment, Government of India has notified the draft rules relating to Employee's Compensation under the Code on Social Security, 2020 on June 3, 2021, inviting objections and suggestions, if any, from the stakeholders. Further, draft rules under the Code on Social Security, 2020 were notified on November 13, 2020. The draft rules propose to subsume, among others, the Employees' State Insurance (Central) Rules, 1950 and the Payment of Gratuity (Central) Rules, 1972. Pursuant to notifications dated May 3, 2023, certain provisions of the Code on Social Security, 2020 have been brought into force.*

*(3) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.*

*(4) The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India. The code proposes to subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. In pursuance of the code, the Code on Wages (Central Advisory Board) Rules, 2021 have been notified, which prescribe, among others, the constitution and functions of the Central Advisory Board set up under the Code on Wages, 2019.*

**Intellectual property laws**

***The Trade Marks Act, 1999 (the "Trade Marks Act")***

The Trade Marks Act provides for the application and registration of trade marks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of registered trade marks. The Trade Marks Act prohibits the registration of any trade marks which are, among others, (a) devoid of any distinctive character, (b) consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographic origin or the time of production of the goods or rendering of the service or other characteristic of the goods or service or (c) consist exclusively of marks or indications which have become customary in the current language or in the *bona fide* and established practices of the trade. A trademark registration under the Trade Marks Act is valid for a term of 10 years, subject to renewal or removal from the register of trade marks.

**Other applicable laws**

***Information Technology Act, 2000 and the rules made thereunder***

The Information Technology Act, 2000 (the "**IT Act**") has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information made available to or hosted by them and creates liability for failure to protect sensitive personal data.

The IT Act has created a mechanism for authenticating electronic documentation by means of digital signatures, and provides for civil and criminal liability including fines and imprisonment for various offences. By means of an amendment in 2008, the IT Act legalized the validity of contracts formed through electronic means. The IT Act prescribes various offences, including those offences relating to unauthorized access of computer systems, unauthorized disclosure of confidential information and frauds emanating from computer applications.

***Digital Personal Data Protection Act, 2023 (the "DPDP Act")***

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data; (ii) build reasonable security safeguards to prevent a data breach; (iii) intimate the Data Protection Board of India (the "**DPB**") and affected persons in the event of a breach; and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act.

**Foreign investment and trade regulations**

***Foreign investment regulations***

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the "**Consolidated FDI Policy**"). Under the current Consolidated FDI Policy, foreign investment in manufacturing sector is under automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/ or retail, including through e-commerce, without Government approval. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 434.

***The Foreign Trade (Development and Regulation) Act, 1992***

Foreign Trade (Development and Regulation) Act, 1992 (the "**Foreign Trade Act**") empowers the Government of India to: (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate a foreign trade policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating and implementing the foreign trade policy. The Foreign Trade Act mandates that every importer and exporter shall obtain an 'importer exporter code number' from the Director General of Foreign Trade or from any other duly authorized officer.

**Other applicable laws**

In addition to the above, our Company is also required to comply with other applicable laws and regulations imposed by the central and state governments and other authorities for its day-to-day operations, including the Companies Act and rules framed thereunder, municipal laws and fire safety laws, to the extent applicable. Our Company is also amenable to various central and state tax laws.

# HISTORY AND CERTAIN CORPORATE MATTERS

## Brief History of our Company

Our Company was originally incorporated on April 24, 2017 at Chhattisgarh, India as 'Sambhv Sponge Power Private Limited', a private limited company under the Companies Act, 2013 and was granted a certificate of incorporation by the Registrar of Companies, Central Registration Centre, on April 25, 2017. Subsequently, the name of our Company was changed to 'Sambhv Steel Tubes Private Limited' pursuant to a special resolution adopted by our Shareholders on January 16, 2024 to more accurately reflect the nature of business of our Company, and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, Central Processing Centre, on February 22, 2024. Our Company was then converted into a public limited company under the Companies Act, 2013 pursuant to a special resolution adopted by our Shareholders on April 24, 2024, consequent to which, the name of our Company was changed to 'Sambhv Steel Tubes Limited' and a fresh certificate of incorporation, consequent upon change of name, was issued to our Company by the Registrar of Companies, Central Processing Centre, on July 9, 2024.

## Changes in our Registered and Corporate Office

The Registered and Corporate Office of our Company is currently situated at Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India.

There has been no change in the registered office of our Company since its incorporation other than as set out below:

| Date of change of registered office | From | To | Reasons for change |
|---|---|---|---|
| November 30, 2017 | 310A, 3rd Floor, Samta Arcade Complex, Samta Colony, Raipur 492 001, Chhattisgarh, India | Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur 492 001, Chhattisgarh, India | Administrative convenience |

## Main Objects of our Company

The main objects of our Company contained in the Memorandum of Association are as disclosed below.

1. *"To manufacture, deal, import and export pig iron, sponge iron, ferro silicon, ferro chrome and other ferrous substances and metals of every description and grades and to manufacture, deal, import and export all kinds and varieties of non-ferrous raw metals such as aluminum, copper, tin, lead etc. and the by-products obtained in processing and manufacturing these raw metals*

2. *To set up steel furnaces and continuous casting and hot and cold rolling mill plants for producing ferrous and non-ferrous metals, alloy steels, steel ingots, billets and all kinds and all sizes of Iron and Steel re-rolled sections i.e. flats, angles, rounds, squares, rails, joints, channels, slabs, strips, sheets, plates, deformed bars, plain and cold twisted bars and shaftings.*

3. *To undertake manufacturing, marketing, generation, transmission, distribution, trading, selling, import, export of electricity and other allied products and to do all works and perform all services as an independent power producer including but not limited to on a build-own-operate (BOO), build-own-operate-transformer (BOOT) or build own operate maintain (BOOM) basis and promote carry on in India or elsewhere the business of coal washeries and install, operate and manage all necessary plants, establishment and works.*

4. *To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power at such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants and other power plants based in any source of energy as may be developed or invented in future.*

5. *To act as agent, broker, representative, consultant, collaborator, stockist, lessor, franchiser, wholesaler, retailer, job-worker, exporter, importer, dealer or in any such other capacity in respect of products manufactured or dealt with by the Company."*

The objects clause as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out.

**Amendments to the Memorandum of Association in the last 10 years**

The amendments to the Memorandum of Association of our Company since incorporation are as detailed below.

| Date of Shareholders' Resolution | Nature of Amendment |
|---|---|
| June 12, 2017 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 10,000,000 comprising 1,000,000 equity shares of face value ₹10 each to ₹ 100,000,000 comprising 10,000,000 equity shares of face value ₹10 each. |
| October 28, 2017 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 100,000,000 comprising 10,000,000 equity shares of face value ₹10 each to ₹ 200,000,000 comprising 20,000,000 equity shares of face value ₹10 each. |
| December 16, 2019 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 200,000,000 comprising 20,000,000 equity shares of face value ₹10 each to ₹ 225,000,000 comprising 22,500,000 equity shares of face value ₹10 each. |
| September 30, 2023 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 225,000,000 comprising 22,500,000 equity shares of face value ₹10 each to ₹ 250,000,000 comprising 25,000,000 equity shares of face value ₹10 each. |
| January 16, 2024 | Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from 'Sambhv Sponge Power Private Limited' to 'Sambhv Steel Tubes Private Limited'. |
| February 20, 2024 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 250,000,000 comprising 25,000,000 equity shares of face value ₹10 each to ₹ 2,500,000,000 comprising 250,000,000 equity shares of face value ₹10 each. |
| April 24, 2024 | Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from 'Sambhv Steel Tubes Private Limited' to 'Sambhv Steel Tubes Limited' on account of conversion of our Company from a private limited company to a public limited company. |
| August 28, 2024 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 2,500,000,000 comprising 250,000,000 equity shares of face value ₹10 each to ₹ 10,000,000,000 comprising 1,000,000,000 equity shares of face value ₹10 each. |

**Major Events and Milestones**

The table below sets forth some of the major events and milestones in the history of our Company:

| Fiscal Year | Particulars |
|---|---|
| 2018 | Acquired the Sarora (Tilda) Facility and commenced manufacturing sponge iron with installed capacity of 60,000 MTPA |
| 2019 | Increased the sponge iron installed capacity to 90,000 MTPA |
| 2020 | Commissioned a 15 MW captive power plant and commenced manufacturing blooms/slabs with installed capacity of 120,000 MTPA |
| 2022 | Increased the installed capacity of blooms/slabs to 150,000 MTPA and commenced manufacturing HR coils with installed capacity of 150,000 MTPA |
| 2023 | Received investment from certain investors |
| | Increased the installed capacity of sponge iron to 105,000 MTPA, increased the installed capacity of blooms/slabs to 231,000 MTPA, increased the installed capacity of HR coils to 350,000 MTPA, installed 100,000 MTPA capacity to manufacture CR coil, commenced manufacturing ERW pipes with installed capacity of 150,000 MTPA and then increased the installed capacity of ERW pipes to 250,000 MTPA |
| 2024 | Increased the installed capacity of blooms/slabs to 317,400 MTPA and commenced manufacturing GI pipes |
| | Commissioning of dedicated 132 KvA power line |
| 2025* | Our Company was converted into a public limited company |
| | Increased the installed capacity of sponge iron to 280,000 MTPA, increased the installed capacity of HR coil to 390,000 MTPA, allocated the installed capacity of blooms/slabs for mild steel to 300,000 MTPA, increased the installed capacity of ERW and GI pipes to 350,000 MTPA and increased installed capacity of captive power plant to 25 MW |
| | Commissioned production of stainless steel blooms/slabs with installed capacity of 60,000 MTPA and stainless steel HR coil with installed capacity of 60,000 MTPA |

| Fiscal Year | Particulars |
|---|---|
| | Acquisition of 100% of the equity share capital of our Subsidiary pursuant to share purchase agreement dated September 13, 2024 |

* *Installed capacity as of September 20, 2024*

**Key Awards, Accreditations and Recognitions**

The table below sets forth certain key awards, accreditations, certifications and recognitions received by our Company and Promoters:

| Calendar Year | Particulars |
|---|---|
| 2022 | Our Chairman and Executive Director, Suresh Kumar Goyal was recognised as one of the Times Most Powerful Leaders 2022 |
| 2023 | Our Company's management system was found to conform to (i) quality management system standard ISO 9001:2015; (ii) environmental management system standard ISO 14001:2015; (iii) occupational health and safety management system standard ISO 45001:2018; and (iv) energy management system standard ISO 50001:2018 by Staunchly Management and System Services Limited |
| 2024 | Our Managing Director and Chief Executive Officer, Vikas Kumar Goyal was awarded the Young Leader award 40 under 40 2024 by the Brand Story at the Asian Brand & Leadership Conclave 2024, New Delhi |
| | Our Company was awarded the Ispat Udyog Ratan Award for "Excellence in Market Presence" by AIIFA, Sustainable Steel Manufacturers Association |

**Other Details Regarding our Company**

*Significant Financial and Strategic Partners*

Our Company does not have any financial and strategic partners as of the date of this Draft Red Herring Prospectus.

*Defaults or Rescheduling of Borrowings from Financial Institutions/Banks*

No defaults or rescheduling/restructuring have occurred in relation to any borrowings availed by our Company from any financial institutions or banks.

*Time and Cost Overruns*

Our Company has not experienced any instances of time or cost overruns in respect of our business operations, as of the date of this Draft Red Herring Prospectus.

*Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants*

For details of key products launched by our Company, entry into new geographies or exit from existing markets and capacity/facility creation or location of plants, to the extent applicable, see "*Our Business*" and "*-Major Events and Milestones*" on pages 195 and 230, respectively.

**Details Regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 years**

Our Company has not made any material acquisitions or divestments of any business/ undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets since the incorporation of our Company. However, our Company has made the following acquisitions and divestments since its incorporation:

***Share purchase agreement dated September 13, 2024, entered into among our Company, Suresh Kumar Goyal, Manoj Kumar Goyal and Sambhv Tubes Private Limited ("STPL SPA") for the acquisition of our Subsidiary, Sambhv Tubes Private Limited***

Pursuant to the STPL SPA, our Company has acquired 100% shareholding (i.e., 10,000 equity shares of face value of ₹ 10 each) of Sambhv Tubes Private Limited from one of our Promoters and Chairman and Executive Director, Suresh Kumar Goyal and one of the members of our Promoter Group, Manoj Kumar Goyal, who each held 5,000 equity shares of face value of ₹ 10 each in Sambhv Tubes Private Limited, for a total consideration of ₹ 2.66 million ("**Transaction**").

In this regard, our Subsidiary, Sambhv Tubes Private Limited has obtained a valuation report dated September 12, 2024 issued by Vishal Gupta, a registered valuer to determine the fair market value of the equity shares of our Subsidiary, as of March 31, 2024 ("**Valuation Report**"). The Valuation Report has been disclosed in the section "*Material Contracts and Documents for Inspection*" on page 470. Pursuant to the Transaction, Sambhv Tubes Private Limited has become our wholly-owned Subsidiary with effect from September 16, 2024. For further details in relation to Sambhv Tubes Private Limited, see "— *Our Subsidiary*" on page 232.

***Divestment of Sambhv Green Steel Private Limited ("SGPL")***

SGPL was incorporated on December 18, 2023 as a wholly owned subsidiary of the Company. Pursuant to a resolution adopted by our Board dated February 23, 2024, our Company approved the divestment of its entire shareholding in SGPL to our Promoters, Suresh Kumar Goyal (also our Chairman and Executive Director) and Vikas Kumar Goyal (also our Managing Director and Chief Executive Officer) pursuant to a transfer of 5,000 equity shares of face value of ₹ 10 each of SGPL by our Company to each of them (including 100 equity shares held by Suresh Kumar Goyal as a nominee of our Company to Vikas Kumar Goyal) for an aggregate consideration of ₹0.1 million (i.e., ₹10 per equity share). SGPL ceased to be a subsidiary of our Company with effect from March 20, 2024. For further details, see "*Financial Statements – Restated Financial Information – Note 10(b)*" on page 297.

Further, except as disclosed below, as of the date of this Draft Red Herring Prospectus our Company does not have any proposed arrangements pursuant to which it would undertake any material acquisitions or divestments of business/undertakings, slump sales, mergers, amalgamation, any revaluation of assets.

***Share purchase agreement dated September 20, 2024 entered into among our Company, CleanMax Enviro Energy Solutions Private Limited and Clean Max Opia Private Limited ("Clean Max SPA"), read with the energy supply agreement dated September 20, 2024 entered into between our Company and Clean Max Opia Private Limited ("ESA")***

Pursuant to the ESA, Clean Max Opia Private Limited ("**Clean Max**") is developing a solar power generation facility in Bemetara district in Chhattisgarh, having solar capacity of 105 MWp (DC) (i.e., 70 MWac) for supplying approximately 105 MWp of solar electricity to our Company per annum for a period of 25 years from the date of commencement of supply of electricity to our Company ("**Project**"). In furtherance of the requirements of the Electricity Act, 2003, and rules made thereunder, each as amended, our Company has entered into the Clean Max SPA, to purchase 26% of the total issued, subscribed and paid-up capital of Clean Max, i.e., 2,600 equity shares of face value of ₹ 10 each of Clean Max ("**Sale Shares**"), from CleanMax Enviro Energy Solutions Private Limited ("**CleanMax Enviro**") for a consideration of approximately ₹ 0.03 million ("**Transaction**"). The remaining 74% of Clean Max will be held by CleanMax Enviro. In this regard, a valuation report dated August 31, 2024 has been obtained from CA Siddhi Mutha and Associates, a registered valuer. The said valuation report has been disclosed in the section "*Material Contracts and Documents for Inspection*" on page 470.

Pursuant to the ESA and Clean Max SPA, our Company will enter into a shareholders' agreement with CleanMax Enviro and Clean Max ("**Clean Max SHA**") which will set out the rights and obligations of our Company, CleanMax Enviro and Clean Max in relation to the management and operation of Clean Max. The 26% acquisition of shares of Clean Max is yet to be completed. This will be completed upon execution of the Clean Max SHA which is currently pending. Pursuant to the purchase of the 26% stake by our Company, Clean Max will become our associate, as defined under the Companies Act.

**Our Holding Company**

As of the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

**Our Subsidiary**

As of the date of this Draft Red Herring Prospectus, our Company has one subsidiary. The details are provided below:

**1.** Sambhv Tubes Private Limited ("**STPL**")

*Corporate information*

STPL was incorporated on October 28, 2020 under the Companies Act and a certificate of incorporation was issued on October 29, 2020 by the Registrar of Companies, Central Registration Centre. It has its registered office at Office No. 501, 5th floor, Harshit Corporate, Amanaka, G.E. Road, Raipur 492 001, Chhattisgarh, India.

*Nature of business*

STPL is authorized under the provisions of its memorandum of association to engage in the business of, *inter alia*, manufacturers, processors, repairers, importers and exporters, of and dealers in ferrous and non-ferrous castings of all kinds.

*Capital structure*

The authorized share capital of STPL is ₹1,000,000 divided into 100,000 equity shares of ₹10 each.

*Shareholding*

The shareholding pattern of STPL as of the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of the Shareholder | Number of equity shares held of face value of ₹ 10 each | Percentage of total shareholding (%) |
|---|---|---|---|
| 1. | Sambhv Steel Tubes Limited | 9,900 | 99.00 |
| 2. | Vikas Kumar Goyal* | 100 | 1.00 |
| **Total** | | **10,000** | **100.00** |

*Nominee of Sambhv Steel Tubes Limited

*Financial information**

*(in ₹ million, except per share data)*

| Particulars | As of and for the Financial Year ended March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Equity share capital | 0.10 | 0.10 | 0.10 |
| Net Worth | 1.21 | (0.06) | 0.02 |
| Revenue from operations | 0.00 | 0.00 | 0.00 |
| (Profit/ loss) After Tax | 1.27 | (0.08) | (0.06) |
| Basic EPS (in ₹ ) | 127.53 | (8.06) | (5.77) |
| Diluted EPS (in ₹ ) | 127.53 | (8.06) | (5.77) |
| Net Asset Value per Equity Share | 121.17 | (6.35) | 1.71 |
| Total Borrowings | 21.33 | 18.79 | 13.81 |

**Sambhv Tubes Private Limited became our Subsidiary with effect from September 16, 2024.*

*Accumulated profits or losses*

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiary, which are not accounted for by our Company.

*Common Pursuits*

Our Subsidiary is in similar line of business as our Company and accordingly there are certain common pursuits between our Subsidiary and our Company. However, as the result of such common pursuits, there is no conflict of interest between our Subsidiary and our Company, as its business is synergistic with the business of our Company.

*Business interest between our Company and our Subsidiary*

Except as stated in "*Our Business*" on page 195, our Subsidiary does not have any business interest in our Company.

*Other Confirmations*

Our Subsidiary is not listed on any stock exchange in India or abroad. Further, neither has the Subsidiary been refused listing in the last ten years by any stock exchange in India or abroad, nor has our Subsidiary failed to meet the listing requirements of any stock exchange in India or abroad.

**Our Joint Ventures**

As of the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

**Material Agreements**

As of the date of this Draft Red Herring Prospectus, except as disclosed in the Draft Red Herring Prospectus and below, there are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter se agreements, any agreements between our Company, our Promoters and Shareholders, agreements of like nature or agreements comprising any clauses/ covenants which are material to our Company, and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer. Further, there are no clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company, or which may have a bearing on any investment decision.

***Trademark license letter dated September 25, 2024 from our Company to our Subsidiary, Sambhv Tubes Private Limited ("Trademark Licensing Letter")***

Our Company has issued the Trademark Licensing Letter to our Subsidiary, Sambhv Tubes Private Limited, in relation to the trademarks for which our Company is the proprietor ("**Trademarks**"), to grant the Subsidiary the license to manufacture structural steel tubes and pipes through backward integration process with the Trademarks embossed or printed thereon. Further, in-principle approval has been granted by our Company to enter into a formal license agreement, which will set out the terms and conditions of the licensing of such Trademarks to our Subsidiary.

As of the date of this Draft Red Herring Prospectus, none of our Promoters, Key Management Personnel, Senior Management, Directors or any other employee of our Company have entered into an agreement, 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 the dealings of the securities of our Company.

(*Remainder of this page has been intentionally left blank*)

**Details of Guarantees given to third parties by the Promoter Selling Shareholders**

One of our Promoter Selling Shareholders, Shashank Goyal has provided a personal guarantee to third parties in relation to facilities availed by S. Pyarelal Ispat Private Limited, one of the members of the Promoter Group and a Group Company. The details of such guarantees are set out below.

| **S. no.** | **Entity in whose favour guarantee has been provided** | **Guarantee Amount Outstanding as of August 31, 2024** *(₹ million)* | **Reason for guarantee** | **Consideration** *(₹ in million)* | **Obligations on our Company** |
|---|---|---|---|---|---|
| 1. | Punjab National Bank | 327.10 | As security in relation to facilities availed by S. Pyarelal Ispat Private Limited. | Nil | Nil |

The aforementioned guarantee shall continue and remain in force until the underlying facilities are repaid by S. Pyarelal Ispat Private Limited, as applicable. In the event of any default towards payment of the outstanding amount under the aforementioned facilities, Shashank Goyal, the Promoter Selling Shareholder, shall be liable for the payment of the principal, interest, cost, charges and expenses incurred by the lender.

Except as disclosed above, our Promoter Selling Shareholders have not given any guarantee to third parties.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association require that our Board comprises not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board comprises six Directors, of which three are Executive Directors and three are Independent Directors (including one woman independent director).

The following table sets forth details of our Board as of the date of this Draft Red Herring Prospectus.

| S. No. | Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth | Age (Years) | Other Directorships |
|---|---|---|---|
| 1. | Suresh Kumar Goyal<br><br>***DIN*: 00318141**<br><br>***Designation***: Chairman and Executive Director<br><br>***Address***: House No. A-42, Walfort City, Ring Road No. 1, Bhatagaon, Raipur, Chhattisgarh 492 013, India<br><br>***Occupation***: Business<br><br>***Term***: For a period of five years with effect from March 25, 2024<br><br>***Period of directorship:*** Director since March 25, 2024<br><br>***Date of birth:*** June 12, 1976 | 48 | *Indian Companies:*<br><br>Sambhv Tubes Private Limited;<br>Sambhv Green Steel Private Limited<br><br>*Foreign Companies*:<br><br>Nil |
| 2. | Vikas Kumar Goyal<br><br>***DIN*: 00318182**<br><br>***Designation***: Managing Director and Chief Executive Officer<br><br>***Address***: A-43, Wallfort City, Bhatagaon, PO: Sunder Nagar, Raipur, Chhattisgarh 492 013, India<br><br>***Occupation***: Business<br><br>***Term*:** For a period of five years with effect from June 1, 2024 and not liable to retire by rotation<br><br>***Period of directorship:*** Director since April 24, 2017<br><br>***Date of birth:*** August 6, 1981 | 43 | *Indian Companies:*<br><br>Brijwasi Plastic Private Limited;<br>Jai Bhole Realty Projects Private Limited;<br>Sambhv Tubes Private Limited; and<br>Sambhv Seva Foundation.<br><br>*Foreign Companies*:<br><br>Nil |
| 3. | Bhavesh Khetan<br><br>***DIN*: 10249740**<br><br>***Designation***: Executive Director and Chief Operating Officer<br><br>***Address*:** E-18, Behind Krishana Adlab Cinema, Samta Colony, in front of Sankalp Vatika Garden, Raipur, Chhattisgarh 492 001, | 35 | *Indian Companies:*<br><br>Nil<br><br>*Foreign Companies*:<br><br>Nil |

| S. No. | Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth | Age (Years) | Other Directorships |
|---|---|---|---|
| | India<br><br>***Occupation*****:** Business<br><br>***Term***: For a period of five years with effect from July 22, 2023<br><br>***Period of directorship:*** Director since July 22, 2023<br><br>***Date of birth:*** January 8, 1989 | | |
| 4. | Nidhi Thakkar<br><br>***DIN*****:** 07587986<br><br>***Designation*****:** Independent Director<br><br>***Address*****:** 602, block D2, VIP Karishma Khamardih, Shankar Nagar, Raipur, Chhattisgarh 492 007, India<br><br>***Occupation*****:** Business<br><br>***Term*****:** For a period of five years with effect from September 12, 2024<br><br>***Period of directorship:*** Director since September 12, 2024<br><br>***Date of birth:*** January 19, 1985 | 39 | *Indian Companies:*<br><br>Gudshape Foods Private Limited<br><br>*Foreign Companies*:<br><br>Nil |
| 5. | Manoj Khetan<br><br>***DIN*****:** 06395265<br><br>***Designation*****:** Independent Director<br><br>***Address*****:** A-9, 603, Flower Velly, Panchpakhedi, Cadbury Junction Thane (West), Naupada, Thane, Maharashtra 400 602, India<br><br>***Occupation*****:** Business<br><br>***Term*****:** For a period of five years with effect from September 12, 2024<br><br>***Period of directorship:*** Director since September 12, 2024<br><br>***Date of birth:*** October 8, 1963 | 60 | *Indian Companies:*<br><br>Rajmudra Real Estate Private Limited<br><br>*Foreign Companies*:<br><br>Nil |
| 6. | Kishore Kumar Singh<br><br>***DIN*****:** 00097156<br><br>***Designation*****:** Independent Director<br><br>***Address*****:** E-1/115, Arera Colony, Bhopal, Madhya Pradesh 462 016, India<br><br>***Occupation*****:** Business<br><br>***Term*****:** For a period of five years with effect from September 12, 2024 | 63 | *Indian Companies:*<br><br>Madhya Pradesh Urban Development Co. Limited<br><br>*Foreign Companies*:<br><br>Nil |

| S. No. | Name, DIN, Designation, Address, Occupation, Term, Period of Directorship and Date of Birth | Age (Years) | Other Directorships |
|---|---|---|---|
| | ***Period of directorship:*** Director since September 12, 2024<br><br>***Date of birth:*** August 20, 1961 | | |

**Relationships among our Directors, Key Managerial Personnel and members of our Senior Management**

Except as disclosed below, none of our Directors, Key Managerial Personnel and members of our Senior Management are related (as defined under Companies Act) to each other.

| S. No. | Name of Director, Key Managerial Personnel and members of Senior Management | Designation | Name of relative | Nature of family relationship |
|---|---|---|---|---|
| 1. | Suresh Kumar Goyal | Chairman and Executive Director | Vikas Kumar Goyal | Brother |
| 2. | Vikas Kumar Goyal | Managing Director and Chief Executive Officer | Suresh Kumar Goyal<br>Sheetal Goyal | Brother<br>Spouse |
| 3. | Sheetal Goyal | Head – Corporate Social Responsibility | Suresh Kumar Goyal<br>Vikas Kumar Goyal | Brother of spouse<br>Spouse |

**Brief Biographies of our Directors**

**Suresh Kumar Goyal** is the Chairman and Executive Director of our Company and has been on the Board since March 25, 2024. Prior to his current appointment he served as a Director of our Company since its incorporation and until January 27, 2024. He has passed the final examination of bachelor’s degree in commerce from Pt. Ravishankar Shukla University, Raipur. Previously, he has been a director on the board of directors of Ganpati Sponge Iron Private Limited, Goyal Realty & Agriculture Private Limited, Hindupur Steel & Alloys Private Limited and S. Pyarelal Ispat Private Limited. He currently serves as a director on the board of directors of Sambhv Green Steel Private Limited and our Subsidiary, Sambhv Tubes Private Limited. He has over 20 years of experience in steel manufacturing industry.

**Vikas Kumar Goyal** is the Managing Director and Chief Executive Officer of our Company and has been on the Board since the incorporation of our Company. He has passed the final examination of bachelor’s degree in commerce from Pt. Ravishankar Shukla University, Raipur. Previously, he has been a director on the board of director of various companies including Agrasen Rerollers Private Limited, Avinash Ispat Private Limited, S.Pyarelal Ispat Private Limited, Ganpati Sponge Iron Private Limited, Goyal Realty & Agriculture Private Limited and Brijdham Minerals Private Limited. He currently serves as a director on the board of directors of Brijwasi Plastic Private Limited, Sambhv Tubes Private Limited, Jai Bhole Realty Projects Private Limited and Sambhv Seva Foundation. He has over 19 years of experience in steel manufacturing industry.

**Bhavesh Khetan** is the Executive Director and Chief Operating Officer of our Company and has been on the Board since July 22, 2023. He holds a bachelor’s degree in commerce from Pt. Ravishankar Shukla University, Raipur. Prior to joining our Company, he was associated as a proprietor with Vinayak Traders which is involved in trading of iron, scrap and coal. He has over 10 years of experience in trading of iron, scrap and coal.

**Nidhi Thakkar** is the Independent Director of our Company and has been on the Board since September 12, 2024. She has passed the final examination of bachelor’s degree in engineering (chemical engineering) from Pt. Ravishankar Shukla University, Raipur and post graduate diploma in in business administration with specialization in operations and finance from Symbiosis Centre for Distance Learning, Pune. She was previously associated with Sarda Energy and Minerals Limited as ‘manager (CMD) office’ and with Lafarge India Private Limited in the process and administration department. She currently serves as a director on the board of directors of Gudshape Foods Private Limited. She has over 14 years of experience in process and administration.

**Manoj Khetan** is the Independent Director of our Company and has been on the Board since September 12, 2024. He has passed the final examination of the bachelor’s degree in commerce from the University of Bombay. He has also been admitted as a fellow member of the Institute of Chartered Accountants of India. He was previously associated with National Steel & Agro Industries Limited as a whole-time director and the chief financial officer and with Shreeyam Power and Steel Industries Limited as a whole-time director. He currently serves as a director on the board of directors of Rajmudra Real Estate Private Limited. He has over nine years of experience in the steel industry.

**Kishore Kumar Singh** is the Independent Director of our Company and has been on the Board since September 12, 2024. He holds a bachelor's degree in science (engineering) from Ranchi University and bachelor's degree in law from Ravishankar University, Raipur. He also holds a master's degree in business administration from Indira Gandhi National Open University, New Delhi. He is a retired Indian administrative services ("**IAS**") officer of Madhya Pradesh cadre and has served at many positions including Agricultural Production Commissioner, President, Professional Examination Board, Madhya Pradesh, and Rehabilitation Commissioner (Additional Secretary), Relief and Rehabilitation Department, among others. He currently serves as a director on the board of directors of Madhya Pradesh Urban Development Co Limited. He has over 36 years of experience in the field of administration.

**Details of directorship in companies suspended or delisted**

None of our Directors are or were directors of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their directorship in such company.

Further, none of our Directors are, or were, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

**Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

**Service contracts with Directors**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

**Borrowing Powers**

In accordance with our Articles of Association and the applicable provisions of the Companies Act, and pursuant to a special resolution of our Shareholders dated August 5, 2024, our Board is authorized to borrow such sum or sums of money in any manner from time to time with or without security and upon such terms and conditions as the Board may deem fit and expedient for the purpose of the business of the Company, notwithstanding, that the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the then aggregate paid-up capital and free reserves of the Company, provided however, that the total amount borrowed / to be borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed ₹ 15,000 million.

**Terms of Appointment of our Directors**

**(A) Terms of employment of our Executive Directors**

(i) Suresh Kumar Goyal

Suresh Kumar Goyal has been appointed as Executive Director on the Board of our Company pursuant to the resolutions adopted by our Board dated February 23, 2024 and by our Shareholders dated March 25, 2024. He has also been appointed as the Chairman of the Company pursuant to a resolution adopted by our Board dated June 1, 2024. Further, his current terms of appointment were approved by the Board and Shareholders pursuant to their resolutions dated September 5, 2024 and September 12, 2024, respectively. The following table sets forth the terms of appointment of Suresh Kumar Goyal.

| | |
|---|---|
| **Remuneration** | ₹ 1.5 million per month |

| | |
|---|---|
| **Other benefits and payments** | Entitled to reimbursement of all actual expenses incurred as per the rules of the Company including on entertainment and travelling incurred in the course of Company's business.<br>Entitled to fully paid leave as per the rules of the Company applicable to senior executives.<br>Entitled to all the benefits under the schemes, privileges and amenities as are granted to managerial personnel as per Companies Act.<br>Appointment shall be terminated by our Company by giving him six months' notice or on payment of six months' basic salary in lieu thereof and by him giving six months' notice. In the event of no profits or if the profits are inadequate in any financial year, subject to applicable law, the Company shall pay basic salary, perquisites and allowances as specified above |

(ii) Vikas Kumar Goyal

Vikas Kumar Goyal has been recently appointed as the Managing Director on the Board of our Company pursuant to the resolutions adopted by our Board dated May 2, 2024 and by our Shareholders dated May 30, 2024. He has also been appointed as the Chief Executive Officer of the Company pursuant to a resolution adopted by our Board dated June 1, 2024. Further, his current terms of appointment were approved by the Board and Shareholders pursuant to their resolutions dated September 5, 2024 and September 12, 2024, respectively. The following table sets forth the terms of appointment of Vikas Kumar Goyal.

| | |
|---|---|
| **Remuneration** | ₹1.5 million per month |
| **Other benefits and payments** | Entitled to reimbursement of all actual expenses incurred as per the rules of the Company including on entertainment and travelling incurred in the course of the Company's business<br>Entitled to fully paid leave as per the rules of the Company applicable to senior executives.<br>Eligible for housing loan , subject to applicable provisions of the Companies Act and in accordance with the rules of the Company.<br>Entitled to the benefits under all other schemes, privileges and amenities granted to senior executives of the Company, in accordance with the Company's practice, rules and regulations.<br>Entitled to payment of any sitting fees for attending the meetings of the Board or a committee thereof.<br>Appointment shall be terminated by our Company by giving him six months' notice or on payment of six months' basic salary in lieu thereof and by him giving six months' notice.<br>In the event of no profits or if the profits are inadequate in any financial year, subject to applicable law, the Company shall pay basic salary, perquisites and allowances as specified above |

(iii) Bhavesh Khetan

Bhavesh Khetan has been appointed as Executive Director on the Board of our Company pursuant to the resolutions adopted by our Board dated July 1, 2023 and by our Shareholders dated July 22, 2023. He has also been appointed as the Chief Operating Officer of the Company pursuant to a resolution adopted by our Board dated June 1, 2024. Further, his current terms of appointment were approved by the Board and Shareholders pursuant to their resolutions dated September 5, 2024 and September 12, 2024, respectively. The following table sets forth the terms of appointment of Bhavesh Khetan.

| | |
|---|---|
| **Remuneration** | ₹ 0.75 million per month |
| **Other benefits and payments** | Entitled to reimbursement of all actual expenses incurred as per the rules of the Company including on entertainment and travelling incurred in the course of Company's business.<br>Entitled to fully paid leave as per the Company's rules applicable to senior executives.<br>Entitled to all the benefits under the schemes, privileges and amenities as are granted to managerial personnel as per Companies Act, 2013 and its rules and regulations in force from time to time.<br>Entitled to payment of any sitting fees for attending the meetings of the Board or a committee thereof. |

| | |
|---|---|
| | Appointment shall be terminated by our Company by giving him six months' notice or on payment of six months' basic salary in lieu thereof and by him by giving six months' notice.<br>In the event of no profits or if the profits are inadequate in any financial year, subject to applicable law, the Company shall pay basic salary, perquisites and allowances as specified above |

**(B) Sitting fees to Independent Directors**

Pursuant to a resolution of our Board dated September 12, 2024**,** our Independent Directors are entitled to receive sitting fees of ₹0.05 million for attending each meeting of our Board and the Audit Committee, Corporate Social Responsibility Committee, Risk Management Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee.

**Payment or Benefit to Directors**

a) **Executive Directors**

The table below sets forth the details of the remuneration (including salaries and perquisites) paid to our Executive Directors for Fiscal 2024:

| S. No. | Name of the Executive Director | Remuneration for Fiscal 2024 *(in ₹ million)* |
|---|---|---|
| 1. | Suresh Kumar Goyal | 16.50 |
| 2. | Vikas Kumar Goyal | 18.00 |
| 3. | Bhavesh Khetan | 6.75 |

b) **Independent Directors**

The table below sets forth the details of the remuneration (including sitting fees) paid to our Independent Directors for Fiscal 2024:

| S. No. | Name of the director | Remuneration for Fiscal 2024 *(in ₹ million)* |
|---|---|---|
| 1. | Nidhi Thakkar | Nil* |
| 2. | Manoj Khetan | Nil* |
| | Kishore Kumar Singh | Nil* |

***Nidhi Thakkar, Manoj Khetan and Kishore Kumar Singh have been appointed as Independent Directors in Fiscal 2025.*

**Contingent and deferred compensation payable to the Directors**

As of the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

**Remuneration paid to our Directors by our Subsidiary or Associate**

Our Company acquired interest in our Subsidiary in Fiscal 2025. Further, our Company does not have an associate as on the date of this Draft Red Herring Prospectus.

**Shareholding of our Directors in our Company**

None of our Directors hold or are required to hold any qualification shares. For details of the shareholding of our Directors in our Company, see "*Capital Structure – Details of the Shareholding of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management*" on page 109.

**Shareholding of our Directors in our Subsidiary**

Except as disclosed below, none of our Directors hold any equity shares in our Subsidiary, Sambhv Tubes Private Limited.

| S. No. | Name of the Director | Number of equity shares held in the Subsidiary | Percentage of shareholding in the Subsidiary (%) |
|---|---|---|---|
| | Vikas Kumar Goyal* | 100 | 1.00 |

**Held as nominee of our Company*

**Interest of Directors**

1. Certain of our Directors may be deemed to be interested to the extent of sitting fees and commission, if any, payable to them for attending meetings of our Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expense, if any, payable to them or their relatives by our Company and to the extent of remuneration paid to them or their relatives for services rendered as an officer or employee of our Company. For further details, see " – *Payments or benefits to our Directors"* on page 241.

2. Our Directors may also be deemed to be interested to the extent of Equity Shares as disclosed in "- *Shareholding of our Directors in our Company*" on page 241, (together with dividends and other distributions in respect of such Equity Shares), held by them, their relatives or the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives.

3. Except for Suresh Kumar Goyal, our Chairman and Executive Director and Vikas Kumar Goyal, our Managing Director and Chief Executive Officer, who are our Promoters, none of our Directors are interested in the promotion of our Company.

4. None of our Directors have any existing or anticipated transaction whereby our Directors will receive any portion of the proceeds from the Offer.

5. None of our Directors are a party to any bonus or profit-sharing plan by our Company.

6. Except (i) acquisition of the land, building, shed, plant and machinery located at Village - Sarora, Tehsil Tilda, Raipur, Chhattisgarh by our Company pursuant to a sale deed dated March 1, 2018 for an aggregate consideration of ₹147.10 million for our Sarora (Tilda) Facility from Khetan Sponge and Infrastructure Private Limited where one of our Promoters and Managing Director and Chief Executive Officer, Vikas Kumar Goyal was a whole-time director at the time of such acquisition; and (ii) the acquisition of our Subsidiary, Sambhv Tubes Private Limited, by our Company pursuant to share purchase agreement dated September 13, 2024 for an aggregate consideration of ₹ 2.66 million, from Suresh Kumar Goyal, our Promoter and Chairman and Executive Director and Manoj Kumar Goyal, a member of our Promoter Group, which owns land situated at Village - Kuthrel, Tehsil Dharsiwa, District Raipur 493 116, Chhattisgarh where a manufacturing facility is proposed to be set up by our Company, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company. For further details in relation to acquisition of our Subsidiary, see "*History and certain corporate matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years - Share purchase agreement dated September 13, 2024, entered into between our Company, Suresh Kumar Goyal, Manoj Kumar Goyal and Sambhv Tubes Private Limited ("**STPL SPA**")*" on page 231.

7. Except in the ordinary course of business and as disclosed in "*Related Party Transactions*" on page 378, our Directors do not have any other business interest in our Company. Further, our Directors, Suresh Kumar Goyal and Vikas Kumar Goyal are interested to the extent they have provided guarantees in connection with our borrowings. For further details, see "*Risk Factors - Our Promoters and members of the Promoter Group have provided guarantees in connection with our borrowings and the revocation of all or any of such guarantees may adversely affect our business, results of operations and financial condition*" on page 53.

8. None of our Directors have availed loans from our Company.

9. Our Chairman and Executive Director, Suresh Kumar Goyal and our Managing Director and Chief Executive Officer, Vikas Kumar Goyal may also be deemed to be interested to the extent of their directorships in our Subsidiary.

**Other confirmations**

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

**Changes in the Board during the last three years**

Except as mentioned below, there have been no changes in our Directors in the last three years:

| S. No. | Name | Designation (at the time of appointment / change in designation / cessation) | Date of appointment / change in designation / cessation | Reason |
|---|---|---|---|---|
| | Bhavesh Khetan | Executive Director | July 22, 2023 | Appointment |
| | Suresh Kumar Goyal | Director | January 27, 2024 | Resignation due to increased engagements |
| | Ashish Goyal | Director | March 22, 2024 | Resignation due to increased engagements |
| | Manoj Kumar Goyal | Director | March 22, 2024 | Resignation due to increased engagements |
| | Suresh Kumar Goyal | Executive Director | March 25, 2024 | Appointment |
| | Vikas Kumar Goyal | Executive Director | June 1, 2024 | Appointment as Managing Director and Chief Executive Officer |
| | Nidhi Thakkar | Independent Director | September 12, 2024 | Appointment |
| | Manoj Khetan | Independent Director | September 12, 2024 | Appointment |
| | Kishore Kumar Singh | Independent Director | September 12, 2024 | Appointment |

**Corporate Governance**

The provisions of the Companies Act along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, including those pertaining to the constitution of the Board and committees thereof.

**Committees of the Board**

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, our Company has constituted the following Board committees:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Risk Management Committee; and
(e) Corporate Social Responsibility Committee

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

**(a) Audit Committee**

The Audit Committee was constituted by a resolution of our Board dated September 12, 2024. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Manoj Khetan | Chairperson | Independent Director |
| Vikas Kumar Goyal | Member | Managing Director and Chief Executive Officer |
| Kishore Kumar Singh | Member | Independent Director |
| Nidhi Thakkar | Member | Independent Director |

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee of the Company;

(c) To obtain outside legal or other professional advice;

(d) To secure attendance of outsiders with relevant expertise if it considers necessary; and

(e) Such powers as may be prescribed under the Companies Act, the SEBI Listing Regulations and other applicable laws.

(ii) The role of the Audit Committee shall include the following:

(a) overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) recommending to the Board, the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;

(c) reviewing and monitoring the statutory auditors' independence and performance and the effectiveness of audit process;

(d) approving payments to the statutory auditors for any other services rendered by statutory auditors;

(e) reviewing with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval, with particular reference to:

(f) matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;

(g) changes, if any, in accounting policies and practices and reasons for the same;

(h) major accounting entries involving estimates based on the exercise of judgment by management;

(i) significant adjustments made in the financial statements arising out of audit findings;

(j) compliance with listing and other legal requirements relating to financial statements;

(k) disclosure of any related party transactions; and

(l) qualifications and modified opinions in the draft audit report.

(m) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(n) scrutinizing inter-corporate loans and investments;

(o) undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;

(p) evaluation of internal financial controls and risk management systems;

(q) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(r) approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(s) reviewing, 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;

(t) approve the disclosure of the key performance indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company;

(u) reviewing, along 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 offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(v) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(w) reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

(x) 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;

(y) discussing with internal auditors any significant findings and follow up thereon;

(z) 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;

(aa) discussing with the 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;

(bb) looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(cc) approving the appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;

(dd) reviewing the functioning of the whistle blower mechanism;

(ee) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

(ff) formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;

(gg) reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiaries exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and

(hh) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

(ii) Investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

(jj) reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;

(kk) Reviewing:

   i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

ii. Any material default in financial obligations by the Company;

iii. Any significant or important matters affecting the business of the Company.

(ll) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act or other applicable law.

(mm) The Audit Committee shall mandatorily review the following information:

i. Management discussion and analysis of financial condition and results of operations;

ii. Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

iii. Internal audit reports relating to internal control weaknesses;

iv. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

v. Statement of deviations, including:

a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

b. 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

c. review the financial statements, in particular, the investments made by any unlisted subsidiary.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

**(b) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated September 12, 2024. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Nidhi Thakkar | Chairperson | Independent Director |
| Manoj Khetan | Member | Independent Director |
| Kishore Kumar Singh | Member | Independent Director |

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

a. identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairperson of the Board and the Chief Executive Officer;

b. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;

c. while formulating the above policy, ensuring that:

(i) the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the 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.

d. formulating criteria for evaluation of independent directors and the Board;

e. 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, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

(i) use the services of an external agencies, if required;
(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
(iii) consider the time commitments of the candidates.

f. devising a policy on diversity of the Board;

g. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of 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 reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

h. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

i. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;

j. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

k. recommending to the Board, all remuneration, in whatever form, payable to senior management;

l. administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
(i) determining the eligibility criteria and selection of employees to participate under the ESOP Scheme;
(ii) determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
(iii) date of grant;
(iv) determining the exercise price of the option under the ESOP Scheme;
(v) the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
(vi) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
(vii) the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
(viii) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
(ix) re-pricing of the options which are not exercised, whether or not they have been vested if stock option are rendered unattractive due to fall in the market price of the equity shares;
(x) the grant, vesting and exercise of option in case of employees who are on long leave;
(xi) the vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;
(xii) allowing exercise of unvested options on such terms and conditions as it may deem fit;
(xiii) the procedure for cashless exercise of options;
(xiv) forfeiture/ cancellation of options granted;

(xv) arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.

(xvi) formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

1. the number and the price of the option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
2. for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
3. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

m. construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

n. performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

o. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

p. analyzing, monitoring and reviewing various human resource and compensation matters;

q. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

r. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law. The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

s. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations. The quorum for a meeting of the Nomination and Remuneration shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

**(c) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated September 12, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Nidhi Thakkar | Chairperson | Independent Director |
| Vikas Kumar Goyal | Member | Managing Director and Chief Executive Officer |
| Bhavesh Khetan | Member | Executive Director and Chief Operating Officer |
| Manoj Khetan | Member | Independent Director |

The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

a. redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

b. reviewing measures taken for effective exercise of voting rights by the shareholders;

c. investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;

d. reviewing 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;

e. formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

f. approving, registering, refusing to register transfer or transmission of shares and other securities;

g. giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;

h. issuing duplicate share or other security(ies) certificate(s) *in lieu* of the original share/security(ies) certificate(s) of the Company; and

i. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations. The quorum for the Stakeholders' Relationship Committee will be three members.

**(d) Risk Management Committee**

The Risk Management Committee was constituted by a resolution of our Board dated September 12, 2024. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The current constitution of the Risk Management Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Suresh Kumar Goyal | Chairperson | Chairman and Executive Director |
| Vikas Kumar Goyal | Member | Managing Director and Chief Executive Officer |
| Nidhi Thakkar | Member | Independent Director |

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee shall be responsible for, among other things, the following:

a. To formulate a detailed risk management policy which shall include:

(i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;
(ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
(iii) Business continuity plan.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c. To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;

d. To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f. To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;

g. To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;

h. To review the status of the compliance, regulatory reviews and business practice reviews;

i. To review and recommend the Company's potential risk involved in any new business plans and processes;

j. To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and

k. To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee.

The Risk Management Committee is required to meet at least twice in a year under Regulation 21(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Risk Management Committee shall be two members or one third of the members of the committee, whichever is higher, including at least one member of the Board in attendance.

**(e) Corporate Social Responsibility Committee**

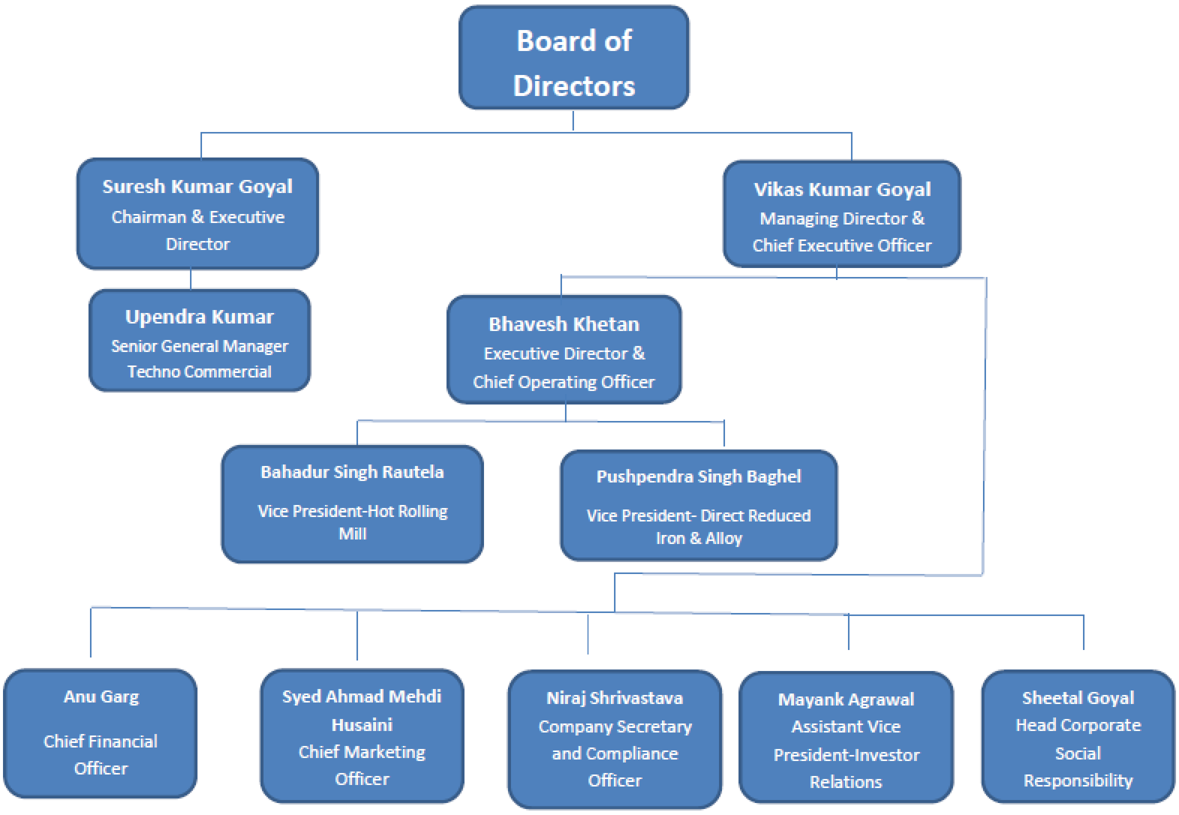
The Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated September 12, 2024. The current constitution of the Corporate Social Responsibility Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Suresh Kumar Goyal | Chairperson | Chairman and Executive Director |
| Bhavesh Khetan | Member | Executive Director and Chief Operating Officer |
| Nidhi Thakkar | Member | Independent Director |

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act. Its terms of reference are as follows:

a. formulating and recommending to the Board, the policy on corporate social responsibility ("**CSR**", and such policy, the "**CSR Policy**"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;
b. identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
c. recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
d. formulating the annual action plan of the Company;
e. delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities;
f. monitoring the CSR Policy and CSR programs and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes; and
g. performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee.

## Management Organization Structure



**Key Managerial Personnel of our Company**

In addition to Suresh Kumar Goyal, our Chairman and Executive Director, Vikas Kumar Goyal, our Managing Director and Chief Executive Officer and Bhavesh Khetan, our Executive Director and Chief Operating Officer, whose details are set out in "– *Brief biographies of our Directors*" on page 238 above, the details of our other Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are as set forth below.

**Anu Garg** is the Chief Financial Officer of our Company. She has been associated with our Company since March 28, 2023 and was appointed as the Chief Financial Officer of our Company with effect from July 1, 2024. She holds a bachelor's degree in commerce from MATS University, Raipur. She has also been admitted as an associate member of the Institute of Chartered Accountants of India. She has over three years of experience in finance. In Fiscal 2024, the total remuneration paid to her, in relation to her prior role in our Company, was ₹1.88 million.

**Niraj Shrivastava** is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company with effect from July 1, 2024. He has passed the final examination for a bachelor's degree in commerce, a master's degree in commerce and a bachelor's degree in law from Rani Durgavati Vishwavidyalaya, Jabalpur. He is also a fellow member of the Institute of Company Secretaries of India. He has an experience of over 17 years in corporate governance, compliance and secretarial work. He was previously associated with Madhya Pradesh Urban Development Co Limited as a company secretary, Bagadiya Brothers Private Limited as company secretary and legal head, DB Corp limited as assistant manager (company secretary) and Kay Kay Weldcrafts Private Limited as an account officer. Since he has been appointed in Fiscal 2025, no remuneration was paid to him in Fiscal 2024.

**Senior Management of our Company**

In addition to Anu Garg, the Chief Financial Officer and Niraj Shrivastava, the Company Secretary and Compliance Officer of our Company whose details are provided in "—*Key Managerial Personnel of our Company*" on page 252, the details of other members of our Senior Management as of the date of this Draft Red Herring Prospectus are set out below.

**Syed Ahmad Mehdi Husaini** is the Chief Marketing Officer of our Company. He has been associated with our Company since August 1, 2024. He holds a bachelor's degree in science with honours and a master's degree in business administration from Aligarh Muslim University, Aligarh. He also holds a post-graduate diploma in marketing management from The Times School of Marketing, New Delhi. He has experience in marketing. Previously, he was associated with McCann-Erickson (India) Limited as Account Director and Triton Communications Private Limited as President – North. Since he has been appointed in Fiscal 2025, no remuneration was paid to him in Fiscal 2024.

**Pushpendra Singh Baghel** is the Vice President – Direct Reduced Iron & Alloy of our Company. He has been associated with our Company since May 1, 2023. He has passed the final examination for bachelor's degree in science from Awadhesh Pratap Singh University, Rewa. He has 20 years of experience in operations. Previously, he was associated with Predominant Engineering and Services. In Fiscal 2024, the total remuneration paid to him, in relation to his prior role in our Company, was ₹ 1.58 million.

**Mayank Agrawal** is the Assistant Vice President—Investor Relations of our Company. He has been associated with our Company since July 14, 2023. He has passed the final examination for bachelor's degree in commerce from Pt. Ravi Shankar Shukla University, Raipur. He has also been admitted as an associate of the Institute of Chartered Accountants of India. He has six years of experience in finance. Previously, he was associated with API Ispat & Powertech Private Limited as assistant general manager and OFB Tech Private Limited as senior Manager – customer relations. In Fiscal 2024, the total remuneration paid to him, in relation to his prior role in our Company, was ₹ 1.52 million.

**Upendra Kumar** is the Senior General Manager (Techno Commercial) of our Company. He has been associated with our Company since April 15, 2024. He holds a master's degree in arts from Choudhary Charan Singh University, Meerut. He has 16 years of experience in raw material, costing, commercial control in the iron and steel industry. Previously, he was associated with Vandana Global Limited as 'AVP – SS'. Since he has been appointed in Fiscal 2025, no remuneration was paid to him in Fiscal 2024.

**Bahadur Singh Rautela** is the Vice President – Hot Rolling Mill of our Company. He has been associated with our Company since April 1, 2022. He has passed the final examination of his intermediate examinations with the Secondary Education Board, Uttar Pradesh. He holds a diploma in mechanical engineering from All India Council for Management Studies. He has 12 years of experience in the iron and steel industry. Previously, he was associated with Valley Iron and Steel Co. Limited as general manager – hot rolling mill, Vedik Ispat Private Limited as general manager (hot rolling mill), Bhanu Iron & Stell Company Limited as senior manager (operations) and Shah Alloys Limited as senior engineer. In Fiscal 2024, the total remuneration paid to him, in relation to his prior role in our Company, was ₹ 4.25 million.

**Sheetal Goyal** is the Head – Corporate Social Responsibility of our Company. She has been associated with our Company since April 1, 2024. She has passed the final examination a bachelor's degree in arts from Sambalpur University, Kalahandi. She has 12 years of experience in the steel industry. Previously, she was associated with Ganpati Sponge Iron Private Limited as general manager – sales and marketing. Since she has been appointed in Fiscal 2025, no remuneration was paid to her in Fiscal 2024.

**Arrangements or understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

**Changes in the Key Managerial Personnel or Senior Management in last three years**

Except as mentioned below, there have been no changes in the Key Managerial Personnel or Senior Management in the last three years:

| Name | Date of change | Reason for change |
|---|---|---|
| Bahadur Singh Rautela | April 1, 2022 | Appointment as Vice President – Hot Rolling Mill |
| Latika Bakhru | April 30, 2022 | Resignation from the post of company secretary |
| Archi Goel | January 12, 2023 | Appointment as company secretary |
| Archi Goel | April 15, 2023 | Resignation from the post of company secretary |
| Trisha Bajpai | April 15, 2023 | Appointment as company secretary |
| Trisha Bajpai | January 1, 2024 | Resignation from the post of company secretary |
| Sheetal Goyal | April 1, 2024 | Head – Corporate Social Responsibility |
| Mayank Agrawal | April 1, 2024 | Appointment as Assistant Vice President—Investor Relations |
| Pushpendra Singh Baghel | April 10, 2024 | Appointment as Vice President - Direct Reduced Iron & Alloy |
| Upendra Kumar | April 15, 2024 | Appointment as Senior General Manager (Techno Commercial) |
| Niraj Shrivastava | July 1, 2024 | Appointment as Company Secretary |
| Anu Garg | July 1, 2024 | Appointment as Chief Financial Officer |
| Syed Ahmad Mehdi Husaini | August 1, 2024 | Appointment as Chief Marketing Officer |

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

**Status of Key Managerial Personnel and Senior Management**

As of the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

**Retirement and termination benefits**

Our Key Managerial Personnel or Senior Management have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel or Senior Management is entitled to any benefit upon termination of employment or superannuation.

**Shareholding of the Key Managerial Personnel and Senior Management**

Except as disclosed under "*Capital Structure – Details of the Shareholding of our Directors, Key Managerial Personnel and Senior Management*" on page 109, none of our other Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

**Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management**

As of the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management 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**

Our Company does not have a profit-sharing plan for our Key Managerial Personnel and Senior Management.

**Interest of Key Managerial Personnel and Senior Management**

Except as disclosed in *"—Interest of Directors*" and "*Our Promoters and Promoter Group – Interests of our Promoters*" on pages 242 and 258, respectively, our Key Managerial Personnel and Senior Management 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 and are deemed to be interested to the extent of the remuneration or benefits to which their relatives are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, Sheetal Goyal, one of our Promoters and is deemed to be interested to the extent that her relatives are Promoters and have interest in promotion of our Company.

Our Key Managerial Personnel and Senior Management 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 details, see "—*Shareholding of Key Managerial Personnel and Senior Management in our Company*" on page 253.

**Employee stock option and employee stock purchase schemes**

Our Company does not have any employee stock option scheme or employee stock purchase scheme as of date of this Draft Red Herring Prospectus.

**Payment or Benefit to officers of our Company (non-salary related)**

Except as disclosed in "*Related Party Transactions*" on page 378, non-salary related amount or benefit has been paid or given within the two years preceding the date of the Draft Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel and Senior Management.

# OUR PROMOTERS AND PROMOTER GROUP

## Our Promoters

Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal, Shashank Goyal and Rohit Goyal are the Promoters of our Company.

As of the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

| S. No. | Name of the Promoter | Number of Equity Shares | Percentage of the pre-Offer issued, subscribed and paid-up Equity Share capital (%) |
|---|---|---|---|
| 1. | Brijlal Goyal | 18,536,250 | 7.69 |
| 2. | Suresh Kumar Goyal | 18,536,250 | 7.69 |
| 3. | Vikas Kumar Goyal | 18,536,250 | 7.69 |
| 4. | Sheetal Goyal | 19,088,660 | 7.92 |
| 5. | Shashank Goyal | 6,962,340 | 2.89 |
| 6. | Rohit Goyal | 7,440,000 | 3.09 |
| **Total** | | **89,099,750** | **36.97** |

For further details in relation to the build-up of the shareholding of our Promoters in our Company, see "*Capital Structure – Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares*" on page 97.

## Details of our Promoters

### Brijlal Goyal

Brijlal Goyal, aged 71 years, is one of our Promoters.

***Date of Birth:*** July 15, 1953

***Address***: 31, Wall fort City, NH 6, Bhata Gav, Bhatagaon, Sunder Nagar, Raipur, Chhattisgarh 492 013, India

Brijlal Goyal's PAN is ADBPG9311J

He has no formal education. Previously, he has been a director on the board of directors of Lingraj Steel and Power Private Limited, Avinash Ispat Private Limited, Brijwasi Plastic Private Limited, Hindupur Steel & Alloys Private Limited, Iskcon Strips Private Limited, Agrasen Rerollers Private Limited and Anjaneya Minerals Private Limited. He has over 34 years of experience in manufacturing concern.

Other than as disclosed in "**—***Promoter Group*" on page 259, Brijlal Goyal is not involved in any other venture.

**Suresh Kumar Goyal**

Suresh Kumar Goyal, aged 48 years, is one of our Promoters, and is the Chairman and Executive Director of our Company.

***Date of Birth:*** June 12, 1976

***Address***: House No. A-42, Walfort City, Ring Road No. 1, Bhatagaon, Raipur, Chhattisgarh 492 013, India

Suresh Kumar Goyal's PAN is ADBPG9312M

For the complete profile of Suresh Kumar Goyal, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" and "*Our Management – Brief Biographies of our Directors*" on pages 236 and 238, respectively.

Other than as disclosed in "***—****Promoter Group*" and "*Our Management*" on pages 259 and 236, respectively, Suresh Kumar Goyal is not involved in any other venture.

**Vikas Kumar Goyal**

Vikas Kumar Goyal, aged 43 years, is one of our Promoters, and is the Managing Director and Chief Executive Officer of our Company.

***Date of Birth:*** August 6, 1981

***Address***: A-43, Wallfort City, Bhatagaon, PO: Sunder Nagar, Raipur, Chhattisgarh 492 013, India

Vikas Kumar Goyal's PAN is AEXPG9380A

For the complete profile of Vikas Kumar Goyal, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" and "*Our Management – Brief Biographies of our Directors*" on pages 236 and 238, respectively.

Other than as disclosed in "***—****Promoter Group*" and "*Our Management*" on pages 259 and 236, respectively, Vikas Kumar Goyal is not involved in any other venture.

**Sheetal Goyal**

Sheetal Goyal, aged 40 years, is one of our Promoters and is the Head – Corporate Social Responsibility of our Company.

***Date of Birth:*** December 14, 1983

***Address***: House No. A-43, Wallfort City, Bhatagaon, Raipur, Chhattisgarh 492 013, India

Sheetal Goyal's PAN is AFYPA6963M

For the complete profile of Sheetal Goyal, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management –Senior Management of our Company*" on page 252.

Other than as disclosed in "***—****Promoter Group*" on page 259, Sheetal Goyal is not involved in any other venture.

**Shashank Goyal**

Shashank Goyal, aged 23 years, is one of our Promoters.

***Date of Birth:*** September 2, 2001

***Address***: House No. A-42, Walfort City, Bhatagaon, Ring Road- 1, Raipur, Chhattisgarh 492 001, India

Shashank Goyal's PAN is DBVPG9803A

He holds a bachelor's of science in business with law degree from Queen Mary University of London, UK. . He currently serves as a director on the board of directors of Brijdham Minerals Private Limited. Previously, he has been a director on the board of directors of S. Pyarelal Ispat Private Limited and Anjaneya Minerals Private Limited. He has two years of experience in the steel industry. He is currently associated with our Company as GM (Market Communication).

Other than as disclosed in "***—****Promoter Group*" on page 259, Shashank Goyal is not involved in any other venture.

**Rohit Goyal**

Rohit Goyal, aged 24 years, is one of our Promoters.

***Date of Birth:*** November 7, 1999

***Address***: A-42, Wallfort City, Ring Road No. 1, Bhatagaon, Raipur, Chhattisgarh 492 013, India

Rohit Goyal's PAN is CKNPG1910L

He holds a bachelor's degree in business administration from Pt. Ravishankar Shukla University, Raipur. He was previously associated with Ganpati Sponge Iron Private Limited and S. Pyarelal Ispat Private Limited as General Manager – Production. He has over four years of experience in production. He is currently associated with our Company as AGM (Production).

Other than as disclosed in "*—Promoter Group*" on page 259, Rohit Goyal is not involved in any other venture.

Our Company confirms that the PAN, bank account number, Aadhar card number, driving license number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

**Change in control of our Company**

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. However, pursuant to a resolution dated September 5, 2024 adopted by the Board of Directors, Brijlal Goyal, Suresh Kumar Goyal, Vikas Kumar Goyal, Sheetal Goyal, Shashank Goyal and Rohit Goyal have been identified as promoters of our Company in accordance with the SEBI ICDR Regulations.

**Interests of our Promoters**

Our Promoters are interested in our Company: (i) to the extent that they have promoted our Company; and (ii) to the extent of their shareholding and the shareholding of members of the promoter group in our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives/entities. For further details of shareholding of our Promoters and the members of our Promoter Group in our Company, see "*Capital Structure – Details of shareholding of our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel and Senior Management in our Company*" on page 109. Additionally, they may be interested in transactions entered into by our Company with them, their relatives or other entities (i) in which they hold shares, (ii) hold directorships, or (iii) which are controlled by them.

Suresh Kumar Goyal may also be deemed to be interested to the extent of being the Chairman and Executive Director of our Company, Vikas Kumar Goyal may also be deemed to be interested to the extent of being the Managing Director and Chief Executive Officer of our Company, Sheetal Goyal may also be deemed to be interested to the extent of being the Head – Corporate Social Responsibility of our Company and Shashank Goyal and Rohit Goyal may also be deemed to be interested to the extent of being the GM (Market Communication) and AGM (Production), respectively, of our Company and the remuneration, benefits, reimbursement of expenses, sitting fees and commission payable to them. For further details, see "*Our Management - Terms of appointment of our Directors*", "*Our Management - Payments or benefits to our Directors*", "*Our Management – Senior Management of our Company*" and "*Financial Statements"* on pages 239, 241, 252 and 265, respectively. Further for details of interest of our Promoters as Directors (Suresh Kumar Goyal and Vikas Kumar Goyal) and Senior Management (Sheetal Goyal) of our Company, see "*Our Management - Interest of Directors*" and "*Our Management - Interest of Key Managerial Personnel and Senior Management*" on pages 242 and 254, respectively.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in which our Promoters is interested as a member, in cash or shares or otherwise by any person either to induce any such person to become, or qualify him as a director, or otherwise for services rendered by such person or by such firm or company in connection with the promotion or formation of our Company.

Further, our Promoters are also directors on the boards, or shareholders, members or partners of certain entities forming part of the Promoter Group and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoter Group. For further details, see "*Related Party Transactions*" on page 378. Further, our Promoters are interested to the extent they have provided guarantees in connection with our borrowings. For further details, see "*Risk Factors - Our Promoters and members of the Promoter Group have provided guarantees in connection with our borrowings and the revocation of all or any of such guarantees may adversely affect our business, results of operations and financial condition*" on page 53.

**Other ventures of our Promoters**

Our Promoters have direct interest in other entities, namely S. Pyarelal Ispat Private Limited, Ganpati Sponge Iron Private Limited, Sambhv Green Steel Private Limited, Avinash Ispat Private Limited, Raipur Loha Private Limited, Lingraj Steel & Power Private Limited, Agrasen Re rollers Private Limited, Anjaneya Minerals Private Limited, Gangour Agencies Private Limited and Niros Ispat Private Limited ("**Related Entities**"), which are either in the similar line of activity or business as our Company or whose respective constitutional documents enable them to engage in the similar line of activity or business as our Company. Our Company, Ganpati Sponge Iron Private Limited and our Promoters have entered into a non-compete agreement dated August 23, 2024 ("**Effective Date**) pursuant to which, the Promoters have, *inter alia*, agreed to ensure, from the Effective Date, that (i) they will not; and (ii) the entities controlled by them and the Promoter Group, at present or in the future, (together with Related Entities, the "**Promoter Controlled Entities**") will not directly or indirectly engage in, manage, operate, control, promote, participate in, consult for, be employed by or be otherwise involved in any business, operation, or activity that directly or indirectly competes or conflicts with the business of the Company. Further, the Promoters shall cause the Promoter Controlled Entities to (ii) not name the Promoters as their respective promoters and to ensure that the Promoters cease to be directors on the board of directors of the respective Promoter Controlled Entities; and (ii) to do all such acts which are necessary to remove the names of the Promoters as the promoters and/or directors of the Promoter Controlled Entities within three months of the Effective Date.

**Interest in property, land, construction of building and supply of machinery**

Other than Brijlal Goyal and Sheetal Goyal who are shareholders in Ganpati Sponge Iron Private Limited, from whom our Company has leased its Registered and Corporate Office and our Subsidiary has rented its registered office (for further details, see "*Our Business – Properties*" on page 222) and as disclosed in "*Our Management – Interest of Directors*" and *"Related Party Transactions"*, on pages 242 and 378, respectively, our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

**Companies or firms with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus.

| Name of company or firm from which Promoters have disassociated | Name of Promoter | Reasons and circumstances leading to disassociation | Date of disassociation |
|---|---|---|---|
| Ganpati Sponge Iron Private Limited | Suresh Kumar Goyal | Divestment of stake | April 25, 2024 |
| | Vikas Kumar Goyal | Divestment of stake | April 25, 2024 |
| S. Pyarelal Ispat Private Limited | Suresh Kumar Goyal | Divestment of stake | April 25, 2024 |
| | Vikas Kumar Goyal | Divestment of stake | April 25, 2024 |
| Sambhv Tubes Private Limited | Suresh Kumar Goyal | Divestment of stake (sold to our Company on September 16, 2024) | September 16, 2024 |

**Payment or benefits to Promoters or Promoter Group**

Except as stated in "*Related Party Transactions*" and "*Our Management - Payments or benefits to our Directors*" on pages 378 and 241, respectively, there has been no payment or benefit by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as of the date of this Draft Red Herring Prospectus.

**Material guarantees given by our Promoters with respect to the Equity Shares**

As of the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

**Promoter Group**

The individuals and entities that form a part of the Promoter Group of our Company (excluding our Promoters and Subsidiary) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

*Natural persons who are part of the Promoter Group*

The natural persons who are part of the Promoter Group, other than our Promoters, are as follows:

| S. No. | Name of the individual | Relationship with the Promoter |
|---|---|---|
| 1. | Kaushlya Goyal | Spouse of Brijlal Goyal;<br>Mother of Suresh Kumar Goyal; |

| S. No. | Name of the individual | Relationship with the Promoter |
|---|---|---|
| | | Mother of Vikas Kumar Goyal; and<br>Mother of spouse of Sheetal Goyal |
| 2. | Dayanand Goyal | Brother of Brijlal Goyal |
| 3. | Sona Devi Bansal | Sister of Brijlal Goyal |
| 4. | Indu Garg | Sister of Brijlal Goyal |
| 5. | Pushpa Devi Agrawal | Sister of Brijlal Goyal |
| 6. | Saraswati Agrawal | Sister of Brijlal Goyal |
| 7. | Kamla Devi | Sister of Brijlal Goyal |
| 8. | Manoj Kumar Goyal | Son of Brijlal Goyal;<br>Brother of Suresh Kumar Goyal;<br>Brother of Vikas Kumar Goyal; and<br>Brother of spouse of Sheetal Goyal |
| 9. | Ashish Goyal | Son of Brijlal Goyal;<br>Brother of Suresh Kumar Goyal;<br>Brother of Vikas Kumar Goyal; and<br>Brother of spouse of Sheetal Goyal |
| 10. | Ramniwas Garg | Brother of spouse of Brijlal Goyal |
| 11. | Manju Bansal | Sister of spouse of Brijlal Goyal |
| 12. | Praveen Bansal | Sister of spouse of Brijlal Goyal |
| 13. | Kanta Mittal | Sister of spouse of Brijlal Goyal |
| 14. | Suman Goyal | Spouse of Suresh Kumar Goyal;<br>Mother of Shashank Goyal; and<br>Mother of Rohit Goyal |
| 15. | Harsheet Goyal | Son of Suresh Kumar Goyal;<br>Brother of Shashank Goyal; and<br>Brother of Rohit Goyal |
| 16. | Hanuman Prasad Agrawal | Father of spouse of Suresh Kumar Goyal |
| 17. | Chandrakala Agrawal | Mother of spouse of Suresh Kumar Goyal |
| 18. | Kishan Agrawal | Brother of spouse of Suresh Kumar Goyal |
| 19. | Raghav Goyal | Son of Vikas Kumar Goyal and Sheetal Goyal |
| 20. | Rashi Goyal | Daughter of Vikas Kumar Goyal and Sheetal Goyal |
| 21. | Shristi Goyal | Daughter of Vikas Kumar Goyal and Sheetal Goyal |
| 22. | Ratan Agrawal | Father of Sheetal Goyal; and<br>Father of spouse of Vikas Kumar Goyal |
| 23. | Raj Agrawal | Brother of Sheetal Goyal; and<br>Brother of spouse of Vikas Kumar Goyal |
| 24. | Ayush Agrawal | Brother of Sheetal Goyal; and<br>Brother of spouse of Vikas Kumar Goyal |
| 25. | Payal Agrawal | Sister of Sheetal Goyal; and<br>Sister of spouse of Vikas Kumar Goyal |
| 26. | Bulbul Agrawal | Sister of Sheetal Goyal; and<br>Sister of spouse of Vikas Kumar Goyal |
| 27. | Khusbu Agrawal | Sister of Sheetal Goyal; and<br>Sister of spouse of Vikas Kumar Goyal |
| 28. | Priyanka Agrawal | Sister of Sheetal Goyal; and<br>Sister of spouse of Vikas Kumar Goyal |

*Entities forming part of the Promoter Group*

The entities forming part of our Promoter Group are as follows:

| S. No. | Name of the entities |
|---|---|
| **Body Corporate** | |
| 1. | Agarsen Rerollers Private Limited |
| 2. | Anjaneya Minerals Private Limited (*Formerly known as P Lal Iron & Polymers Private Limited*) |
| 3. | Avinash Ispat Private Limited |
| 4. | Brijdham Minerals Private Limited (*Formerly known as Brijdham Polymers Private Limited*) |
| 5. | Brijwasi Plastic Private Limited (*Formerly known as Harshit Ispat & Developers Private Limited*) |
| 6. | Ganpati Sponge Iron Private Limited |
| 7. | Gangour Agencies Private Limited |
| 8. | Goyal Realty & Agriculture Private Limited |

| S. No. | Name of the entities |
|---|---|
| **Body Corporate** | |
| 9. | Lingraj Food and Beverages Private Limited |
| 10. | Lingraj Steel & Power Private Limited |
| 11. | Niros Ispat Private Limited |
| 12. | PPR Exim Private Limited |
| 13. | Raipur Loha Private Limited |
| 14. | S. Pyarelal Ispat Private Limited |
| 15. | Sambhv Green Steel Private Limited |
| 16. | Sambhv Life Science Private Limited |
| 17. | Sambhv Seva Foundation |
| 18. | Sarthak Ispat Private Limited |
| **Partnerships** | |
| 19. | Naveen Tiles |
| 20. | Sadhguru Pipes LLP |
| **HUFs** | |
| 21. | Ashish Kumar Goyal (HUF) |
| 22. | Brijlal Goyal & Sons (HUF) |
| 23. | Dayanand Goyal (HUF) |
| 24. | Hanuman Prasad (HUF) |
| 25. | Manoj Goyal & Sons (HUF) |
| 26. | Suresh Kumar Goyal & Sons (HUF) |
| 27. | Vikas Goyal & Sons (HUF) |
| **Trust** | |
| 28. | Shri Thakur Ramchandra Swami Dhudhadhari Math (Charitable Trust) |

# OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term 'group companies', includes (i) such companies (other than the subsidiary(ies) of the issuer company) with which the issuer company had related party transactions, during the period for which financial information will be disclosed in the offer documents, as covered under the 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 with which there were related party transactions during the periods covered in the Restated Financial Information, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than the Subsidiary and the companies categorized under (i) above) a company shall be considered "material" and will be disclosed as a "group company" if such company forms part of the Promoter Group and with which the Company has had one or more transactions in the most recent financial year or the relevant stub period, as applicable, which individually or in the aggregate, exceed 10 % of the revenue from operations of the Company for the last completed fiscal year or the relevant stub period, as applicable, as per the Restated Financial Information.

Based on the parameters mentioned above, as on the date of this Draft Red Herring Prospectus, the following has been identified as our Group Companies:

1. Ganpati Sponge Iron Private Limited;
2. Niros Ispat Private Limited;
3. Agarsen Rerollers Private Limited;
4. S. Pyarelal Ispat Private Limited;
5. Brijwasi Plastic Private Limited;
6. Goyal Realty & Agriculture Private Limited;
7. Brijdham Minerals Private Limited (*formerly known as Brijdham Polymers Private Limited*);
8. Lingraj Steel and Power Private Limited;
9. Avinash Ispat Private Limited;
10. Sambhv Green Steel Private Limited; and
11. Sambhv Life Science Private Limited.

## A. Details of our Top five Group Companies

| S. No. | Name of Group Company | Registered office address | Website for Group Company financial information* |
|---|---|---|---|
| 1. | Ganpati Sponge Iron Private Limited | Office No., 501, 5th Floor Harshit Corporate Amanaka G. E. Road, Raipur, Chhattisgarh, India, 492 001 | https://orangesteel.in/ |
| 2. | Niros Ispat Private Limited | 14-A, Heavy Industrial Areahath Khoj, Bhilai, Durg Distt-Durg, C.G, Chhattisgarh, India, 490024 | https://nirosispat.co.in/financials/ |
| 3. | Agarsen Rerollers Private Limited | 200, Industrial Area Urla, Raipur, Chhattisgarh, India, 493 221 | https://agrasenreroller.in/financials/ |
| 4. | S. Pyarelal Ispat Private Limited | 504 Harshit Corporate 5th Floor Amanaka, Raipur, Chhattisgarh, India, 492 001 | https://spyarelalispat.com/financials/. |
| 5. | Brijwasi Plastic Private Limited | Brijdham House Santoshi Nagar Boria Road, Raipur, Chhattisgarh, India, 492 001 | http://www.brijdhamgroup.com/financials.php |

*****_Financial information includes: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value in for the previous three financial years as prescribed under the SEBI ICDR Regulations_

The information provided on the websites given above does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

### B. Details of our other Group Companies

| S. No. | Name | Registered Office Address |
|---|---|---|
| 1. | Goyal Realty & Agriculture Private Limited | Brijdham House Santoshi Nagar Boria Road, Raipur, Chhattisgarh, India, 492 001 |

| | | |
|---|---|---|
| 2. | Brijdham Minerals Private Limited (*formerly known as Brijdham Polymers Private Limited*) | Near Brijdham Plastic, Boria Road, Santoshi Nagar, Post. Sunder Nagar, Raipur, Chhattisgarh, India, 492 001 |
| 3. | Lingraj Steel And Power Private Limited | Shop No. 204, 2nd Floor, Samta Shopping Arcade, Samta Colony, Raipur, Chhattisgarh, India, 492 001 |
| 4. | Avinash Ispat Private Limited | Shop No. 204, 2nd Floor, Samta Shopping Arcade, Samta Colony, Raipur, Chhattisgarh, India, 492 001 |
| 5. | Sambhv Green Steel Private Limited | 60-H, Arjun Nagar, Safdarjung Enclave, Nauroji Nagar, New Delhi, Delhi, India, 110 029 |
| 6. | Sambhv Life Science Private Limited | Office No.501, 5th Floor, Harshit Corporate, Amanaka, Raipur, Chhattisgarh, India, 492 001 |

**Nature and extent of interest of the Group Companies**

*In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company. Except Goyal Realty & Agriculture Private Limited, our Group Companies do not hold any Equity Shares of our Company.

*In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties (i) acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or (ii) proposed to be acquired by us as of the date of this Draft Red Herring Prospectus.

*In the transactions for acquisition of land, construction of building and supply of machinery, etc.*

Our Group Companies are no interested in the transactions for acquisition of land, construction of building and supply of machinery, etc. entered into by our Company.

**Related business transactions with our Group Companies and significance on the financial performance of our Company**

There are no business transactions among our Company and the Group Companies, which impact the financial performance of our Company, except as otherwise disclosed in "*Related Party Transactions"* on page 378.

**Common pursuits**

Except as disclosed below, there are no common pursuits among our Company and our Group Companies.

Our Group Companies including S. Pyarelal Ispat Private Limited, Ganpati Sponge Iron Private Limited, Sambhv Green Steel Private Limited, Avinash Ispat Private Limited, Lingraj Steel and Power Private Limited, Agrasen Rerollers Private Limited, and Niros Ispat Private Limited are either in the similar line of activity or business as our Company or their respective constitutional documents enable them to engage in the similar line of activity or business as our Company. Accordingly, our Company has entered into a non-compete agreement dated August 23, 2024 with Ganpati Sponge Iron Private Limited and our Promoters. For further details, see "*Our Promoters and Promoter Group – Other ventures of our Promoters*" and "*Related Party Transactions"* on pages 258 and 378, respectively.

**Business and other interests**

Other than (i) Ganpati Sponge Iron Private Limited and S. Pyarelal Ispat Private Limited who have provided corporate guarantees in connection with our borrowings; and (ii) Ganpati Sponge Iron Private Limited from whom our Company has leased its Registered and Corporate Office and our Subsidiary has rented its registered office (for further details see, "*Our Business – Properties*" on page 222) and as otherwise disclosed in "*Related Party Transactions"* on page 378, our Group Companies do not have any business or other interest in our Company.

# DIVIDEND POLICY

The dividend policy of our Company was adopted and approved by our Board in their meeting held on September 27, 2024 ("**Dividend Policy**"). The declaration and payment of dividends on the Equity Shares will be recommended by the Board and approved by the Shareholders at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

Our Company has not declared dividends in the last three Financial Years and during the period commencing from April 1, 2024 until the date of this Draft Red Herring Prospectus.

The quantum of dividend, if any, and our ability to pay dividends in the future will depend on a number of factors, including but not limited to, our Company's profits, expected future capital/ expenditure requirements of our Company, organic growth plans, liquidity, our earnings outlook, general financial conditions, general economic conditions, any statutory or contractual obligations and restrictions.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details of risks in relation to our capability to pay dividend, see "*Risk Factors— Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 66.

## SECTION V: FINANCIAL INFORMATION

## FINANCIAL STATEMENTS



(*Remainder of this page has been intentionally left blank*)

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS**

To,
The Board of Directors
**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
Office no. 501 to 511
Harshit Corporate
Amanaka, Raipur
Chhattisgarh, India 492001

Dear Sirs/Madams,

1. We, S S Kothari Mehta & Co. LLP, Chartered Accountants, have examined, the Restated Financial Statements of **Sambhv Steel Tubes Limited (Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private 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), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31 2022, and the statement of material accounting policies, and other explanatory information (collectively, the "**Restated Financial Statements**"), as approved by the Board of Directors of the Company at their meeting held on September 28, 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 ("SEBI 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").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI") and the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges"), in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1 of Annexure V to the Restated Financial Statements.

   The Board of Directors of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial

Statements. The Board of Directors of the company is also responsible for identifying and ensuring that the company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Statements taking into consideration:

   a) The terms of reference and our engagement agreed upon with you in accordance with our engagement letter dated September 28, 2024, requesting us to carry out the assignment, in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and

   d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4. These Restated Financial Statements have been compiled by the management from:

   i. Audited Ind AS Financial Statements of the Company as at and for the Year ended March 31, 2024 prepared in accordance with Indian Accounting Standard (Ind AS), as prescribed under section 133 of the Act read with the 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 September 12, 2024;

   ii. Audited Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31 2023 and March 31 2022 prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which has been approved by the Board of Directors at their meeting held on September 12, 2024; and

   iii. The financial statements as at and for the year ended March 31,2024, were the first financials, prepared in accordance with Ind AS. Upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP") due to which the Special purpose Ind AS financial statements were prepared for the purpose of IPO.

   The Special purpose Ind AS financial statements as at and for the year ended March 31, 2023, and March 31, 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2024.

The financial information for the year ended March 31, 2023 and March 31, 2022 included in this special purpose Ind AS financial statements as mentioned above, are based on the previously issued statutory financial statements prepared for the year ended March 31, 2023 and March 31, 2022 audited and reported by erstwhile statutory auditor A D B & Company, Chartered Accountants, having ICAI firm registration number: 005593C who have issued an unmodified audit opinion vide audit report dated July 28, 2023 and July 30, 2022 respectively .

5. For the purpose of our examination, we have relied on:

a) Auditors’ reports issued by us dated September 12, 2024, on the Ind AS financial statements of the Company as at and for the year ended March 31, 2024, as referred in Paragraph 4 (i) above.

b) Auditors’ report issued by us dated September 12, 2024, on the Special Purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2023 and March31, 2022, as referred in Paragraph 4 (ii) above.

6. The audit reports issued by us referred in paragraph 5 included following matters which did not require any adjustment in the Restated Financial Information:

   Report on Other Legal and Regulatory Requirements paragraphs with respect to our audit reports issued by us referred in paragraph 5(a)

   Reporting on Audit Trail

   Based on our examination which included test checks, the Company, in respect of financial year commencing on April 1, 2023, has used an accounting software for maintaining its books of account which has feature of recording audit trail (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level of accounting software to log any direct data changes. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with on accounting software where this feature is enabled.(refer note 50 of the financial statements).

7. Based on above and according to the information and explanations given to us, we report that:

   i. the Restated Financial Statements have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regrouping/reclassifications retrospectively in the financial years as at and for the year ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31 2024, as more fully described in note no. 51 of the Annexure VI to the Restated Financial Statements.

   ii. there are no qualifications in the auditor’s reports on the Ind AS Financial Statement as at and for the year ended March 31, 2024, and on the special purpose Ind AS Financial Statement for the years ended March 31, 2023, and March 31, 2022, as referred in Para 4 above which requires any adjustments in the Restated financial Statements.

iii. The Restated Financial Statements has been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1. Quality Control for firms that perform Audit Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

9. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

10. 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.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock exchanges as applicable in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S S Kothari Mehta & Co. LLP**
*Chartered Accountants*
Firm Registration No. 000756N/ N500441

**Vijay Kumar**
*Partner*
Membership No.: 092671
UDIN: 24092671BKFBRZ8974

Place: New Delhi
Date: September 28, 2024

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number:U27320CT2017PLC007918**
**Annexure I -Restated statement of Asset and liabilities**
**(All amounts in ₹ millions, unless mentioned otherwise)**

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **A. Non-current assets** | | | | |
| (a) Property, plant and equipment | 3 | 3,367.36 | 2,940.38 | 2,352.79 |
| (b) Capital work-in-progress | 4 | 2,156.08 | 215.08 | 166.96 |
| (c) Other intangible assets | 5 | 0.51 | 1.28 | 1.87 |
| (d) Financial assets | | | | |
| (i) Loans | 6 | 0.90 | 0.49 | 0.19 |
| (ii) Other financial assets | 7 | 152.74 | 86.78 | 58.24 |
| (e) Other non-current assets | 8 | 570.63 | 213.64 | 115.12 |
| **Total non-current assets (A)** | | **6,248.22** | **3,457.65** | **2,695.17** |
| **B. Current assets** | | | | |
| (a) Inventories | 9 | 1,490.59 | 1,414.47 | 1,215.12 |
| (b) Financial assets | | | | |
| (i) Investments | 10 | - | - | - |
| (ii) Trade receivables | 11 | 940.97 | 345.65 | 156.44 |
| (iii) Cash & cash equivalents | 12 | 75.84 | 1.97 | 0.60 |
| (iv) Bank balances other than (iii) above | 13 | 354.03 | 75.06 | 83.29 |
| (v) Loans | 14 | 4.65 | 1.77 | 1.88 |
| (vi) Other financial assets | 15 | 16.75 | 3.62 | 1.96 |
| (c) Other current assets | 16 | 270.29 | 221.17 | 430.63 |
| **Total current assets (B)** | | **3,153.12** | **2,063.71** | **1,889.92** |
| **Total Assets (A+B)** | | **9,401.34** | **5,521.36** | **4,585.09** |
| **EQUITY & LIABILITIES** | | | | |
| **A. Equity** | | | | |
| (a) Equity share capital | 17 | 2,410.02 | 200.90 | 200.90 |
| (b) Other equity | 18 | 1,972.80 | 1,903.07 | 1,292.07 |
| **Total equity (A)** | | **4,382.82** | **2,103.97** | **1,492.97** |
| **Liabilities** | | | | |
| **B. Non-current Liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19.1 | 1,814.28 | 1,689.92 | 1,365.00 |
| (ii) Lease liabilities | 20 | 35.35 | 22.36 | 2.04 |
| (b) Provisions | 21 | 14.01 | 8.46 | 8.94 |
| (c) Deferred tax liabilities (net) | 22.1 | 187.50 | 142.07 | 97.02 |
| **Total non-current liabilities (B)** | | **2,051.14** | **1,862.81** | **1,473.00** |
| **C. Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19.2 | 1,654.48 | 1,137.80 | 1,047.88 |
| (ii) Lease liabilities | 20 | 1.29 | 0.45 | 1.48 |
| (iii) Trade payables | 23 | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 17.98 | 1.26 | 8.13 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 959.70 | 281.59 | 301.65 |
| (iv) Other financial liabilities | 24 | 127.61 | 68.73 | 49.42 |
| (b) Other current liabilities | 25 | 134.79 | 56.54 | 79.88 |
| (c) Provisions | 26 | 2.48 | 1.49 | 0.29 |
| (d) Current tax liabilities (net) | 27 | 69.05 | 6.72 | 130.39 |
| **Total current liabilities (C)** | | **2,967.38** | **1,554.58** | **1,619.12** |
| **Total liabilities (B+C)** | | **5,018.52** | **3,417.39** | **3,092.12** |
| **Total Equity & Liabilities (A+B+C)** | | **9,401.34** | **5,521.36** | **4,585.09** |

The above statement should be read with Annexure V- Material accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached
**For S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Registration No. : 000756N/N500441

**For and on behalf of Board of Directors of**
**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**

**Vijay Kumar**
Partner
Membership Number: 092671
Place: New Delhi
Date: September 28, 2024

**Suresh Kumar Goyal**
Director
DIN - 00318141
Place: Raipur
Date: September 28, 2024

**Vikas Kumar Goyal**
Managing Director
DIN - 00318182
Place: Raipur
Date: September 28, 2024

**Anu Garg**
Chief Financial Officer
PAN - BRBPG4465Q
Place: Raipur
Date: September 28, 2024

**Niraj Shrivastava**
Company Secretary
PAN - CGBPS1019N
Place: Raipur
Date: September 28, 2024

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number:U27320CT2017PLC007918**
**Annexure II-Restated Statement of Profit and Loss**
**(All amounts in ₹ millions, unless mentioned otherwise)**

| Particulars | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **I. Income** | | | | |
| (a) Revenue from operations | 28 | 12,857.57 | 9,372.20 | 8,193.49 |
| (b) Other income | 29 | 36.18 | 17.84 | 14.04 |
| **Total income (I)** | | **12,893.75** | **9,390.04** | **8,207.53** |
| **II. Expenses** | | | | |
| (a) Cost of materials consumed | 30 | 8,287.16 | 6,700.23 | 6,344.50 |
| (b) Purchases of stock-in-trade | 31 | 1,056.93 | 569.19 | 135.44 |
| (c) Changes in inventories of stock-in-trade and finished goods | 32 | (142.25) | (302.41) | (281.87) |
| (d) Employee benefits expense | 33 | 571.33 | 414.61 | 234.65 |
| (e) Finance costs | 34 | 318.15 | 218.16 | 191.24 |
| (f) Depreciation and amortization expense | 35 | 209.10 | 161.51 | 101.20 |
| (g) Other expenses | 36 | 1,485.68 | 817.58 | 515.62 |
| **Total expenses (II)** | | **11,786.10** | **8,578.87** | **7,240.78** |
| **III. Profit before exceptional item and tax (I - II)** | | **1,107.65** | **811.17** | **966.75** |
| **IV. Exceptional item** | | - | - | - |
| **V. Profit before tax (III- IV)** | | **1,107.65** | **811.17** | **966.75** |
| **VI. Tax expense :** | | | | |
| (a) Current tax | 22.2 | 238.24 | 164.71 | 200.07 |
| (b) Deferred tax | 22.2 | 45.02 | 42.63 | 45.60 |
| **Total tax expense** | | **283.26** | **207.34** | **245.67** |
| **VII. Profit for the year (V - VI)** | | 824.39 | 603.83 | 721.08 |
| **VIII. Other comprehensive income** | | | | |
| Items that will not be reclassified to the statement of profit or loss | | | | |
| a. Remeasurement gains / (losses) on the defined benefit plans | 44 | 1.64 | 9.59 | (1.02) |
| b. Income tax relating to above | | (0.41) | (2.42) | 0.26 |
| **Total other comprehensive income for the year (net of tax)** | | **1.23** | **7.17** | **(0.76)** |
| **IX. Total comprehensive income for the year (VII + VIII)** | | **825.62** | **611.00** | **720.32** |
| **X. Earnings per equity share [face value per equity share ₹ 10/- (March 31,2023 ₹ 10/-) (March 31,2022 ₹ 10/-)]** | 37 | | | |
| Basic (In ₹) | | 3.79 | 3.01 | 3.59 |
| Diluted (In ₹) | | 3.79 | 3.01 | 3.59 |

The above statement should be read with Annexure V- Material accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached
**For S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Registration No. : 000756N/N500441

**For and on behalf of Board of Directors of**
**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**

**Vijay Kumar**
Partner
Membership Number: 092671
Place: New Delhi
Date: September 28, 2024

**Suresh Kumar Goyal**
Director
DIN - 00318141
Place: Raipur
Date: September 28, 2024

**Vikas Kumar Goyal**
Managing Director
DIN - 00318182
Place: Raipur
Date: September 28, 2024

**Anu Garg**
Chief Financial Officer
PAN - BRBPG4465Q
Place: Raipur
Date: September 28, 2024

**Niraj Shrivastava**
Company Secretary
PAN - CGBPS1019N
Place: Raipur
Date: September 28, 2024

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number:U27320CT2017PLC007918**
**Annexure III-Restated Statement of Cash Flow**
**(All amounts in ₹ millions, unless mentioned otherwise)**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| **Profit before tax** | **1,107.65** | **811.17** | **966.75** |
| **Adjustments for:** | | | |
| Depreciation and amortisation expenses | 209.09 | 161.51 | 101.19 |
| Loss on sale of property, plant & equipment (net) | 3.25 | 1.65 | 0.83 |
| Balance written off for receivables & advances | 0.68 | 0.43 | - |
| Allowance for doubtful debts, loans, advances and others | 0.08 | 0.08 | 0.17 |
| Fair value amortisation on loan to employees | 0.09 | 0.07 | 0.01 |
| Gain on sale of current investments | (2.68) | - | - |
| Gain on account of remeasurement in lease term | (0.07) | (0.20) | - |
| Finance cost | 304.28 | 213.83 | 180.94 |
| Interest income | (22.95) | (8.70) | (6.86) |
| **Operating profit before working capital changes** | **1,599.42** | **1,179.84** | **1,243.03** |
| **Adjustments for:** | | | |
| (Increase)/ decrease in loans | (3.39) | (0.26) | (1.05) |
| (Increase)/ decrease in other financial assets | (63.66) | (16.68) | (18.97) |
| (Increase)/ decrease in other assets | (49.14) | 209.36 | (37.72) |
| (Increase)/ decrease in inventories | (76.11) | (199.34) | (860.34) |
| (Increase)/ decrease in trade receivables | (596.09) | (189.72) | (80.47) |
| Increase / (decrease) in provisions | 8.19 | 10.28 | 4.48 |
| Increase / (decrease) in trade payables | 694.83 | (26.92) | 167.68 |
| Increase / (decrease) in other financial liabilities | 13.14 | 3.48 | 7.48 |
| Increase / (decrease) in other current liabilities | 78.24 | (23.33) | 18.92 |
| **Cash flow from operations** | **1,605.43** | **946.71** | **443.04** |
| Less : Income tax paid (net) | (181.15) | (291.19) | (98.09) |
| **Net cash generated from operating activities (A)** | **1,424.28** | **655.52** | **344.95** |
| **B. Cash flow from investing activities** | | | |
| Payments for purchase of property plant and equipment including capital work-in-progress, intangible assets and capital advances | (2,849.29) | (871.04) | (988.72) |
| Proceeds from sale of property plant and equipment and intangible assets | 2.06 | 18.63 | 1.90 |
| Investment/(matured) in fixed deposit (net) | (282.76) | (3.77) | (21.90) |
| Investment in subsidiary | 0.10 | - | - |
| Proceed from sales of investment in subsidiary | (0.10) | - | - |
| Purchase of current investments | (500.00) | - | - |
| Proceeds from sale of current investments | 502.68 | - | - |
| Interest received | 11.31 | 7.18 | 6.24 |
| **Net cash (used in) / from investing activities (B)** | **(3,116.00)** | **(849.00)** | **(1,002.48)** |
| **C. Cash flow from financing activities (refer note 45)** | | | |
| Proceeds from non-current borrowings | 1,240.69 | 979.47 | 1,312.19 |
| Repayment of non-current borrowings | (1,081.40) | (577.40) | (1,023.74) |
| Proceeds / (repayment) of current borrowings (net) (excluding current maturities of non-current borrowings) | 481.75 | 12.76 | 544.63 |
| Repayment towards principal portion of lease liabilities | (0.45) | (1.59) | (0.39) |
| Payment of interest on lease liabilities | (2.18) | (1.32) | (0.07) |
| Proceeds from issue of equity shares (Refer Note 17) | 1,503.71 | - | - |
| Share issue expenses | (50.48) | - | - |
| Finance cost paid | (326.05) | (217.07) | (175.78) |
| **Net cash (used in)/ from financing activities (C)** | **1,765.59** | **194.85** | **656.84** |
| | | | |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **73.87** | **1.37** | **(0.69)** |
| Cash and cash equivalents at the beginning of the year | 1.97 | 0.60 | 1.29 |
| **Cash and cash equivalents at the end of the year** | **75.84** | **1.97** | **0.60** |

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number:U27320CT2017PLC007918**
**Annexure III-Restated Statement of Cash Flow**

**For the purpose of statement of cash flows, cash and cash equivalents comprises of following**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Balances with banks | | | |
| -In current accounts | 1.57 | 0.42 | 0.20 |
| Cheques in hand | 72.84 | - | - |
| Cash on hand | 1.43 | 1.55 | 0.40 |
| Cash and cash equivalents in cash flow statement (refer note 12) | **75.84** | **1.97** | **0.60** |

Notes:
(i) The above statement of cash flow has been prepared under the Indirect Method as set out in Indian Accounting Standard-7, Statement of Cash Flow.
(ii) Figures in bracket indicate cash outflow.
(iii) For movement of lease liabilities, Refer Note 20.1.

The above statement should be read with Annexure V- Material accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached
**For S S Kothari Mehta & Co. LLP**
Chartered Accountants

Firm Registration No. : 000756N/N500441

**Vijay Kumar**
Partner
Membership Number: 092671
Place: New Delhi
Date: September 28, 2024

**For and on behalf of Board of Directors of**
**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**

**Suresh Kumar Goyal**
Director
DIN - 00318141
Place: Raipur
Date: September 28, 2024

**Vikas Kumar Goyal**
Managing Director
DIN - 00318182
Place: Raipur
Date: September 28, 2024

**Anu Garg**
Chief Financial Officer
PAN - BRBPG4465Q
Place: Raipur
Date: September 28, 2024

**Niraj Shrivastava**
Company Secretary
PAN - CGBPS1019N
Place: Raipur
Date: September 28, 2024

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number:U27320CT2017PLC007918**
**Annexure IV-Restated Statement of Changes in Equity**
**(All amounts in ₹ millions, unless mentioned otherwise)**

**A. Equity share capital**

**For the year ended March 31,2024**

| Particulars | Amount |
|---|---|
| **Balance as at April 01, 2021** | 200.90 |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2022** | **200.90** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2023** | **200.90** |
| **Changes in equity share capital during the year** | |
| -Issue of equity shares during the year | 40.10 |
| -Bonus shares issued during the year | 2,169.02 |
| **Balance as at March 31, 2024** | **2,410.02** |

**B. Other equity**

**For the year ended March 31,2024**

| Particulars | Reserve & surplus | | Total other equity |
|---|---|---|---|
| | Securities premium | Retained earning | |
| **Balance as at April 01, 2021** | **66.67** | **505.08** | **571.75** |
| Profit for the year | - | 721.08 | 721.08 |
| Other comprehensive income (net of tax) | - | (0.76) | (0.76) |
| **Balance as at March 31, 2022** | **66.67** | **1,225.40** | **1,292.07** |
| Profit for the year | - | 603.83 | 603.83 |
| Other comprehensive income (net of tax) | - | 7.17 | 7.17 |
| **Balance as at March 31, 2023** | **66.67** | **1,836.40** | **1,903.07** |
| Profit for the year | - | 824.39 | 824.39 |
| Other comprehensive income (net of tax) | - | 1.23 | 1.23 |
| Issue of equity share capital during the year | 1,463.61 | - | 1,463.61 |
| Issue of bonus shares during the year (Refer Note 17) | (1,479.80) | (689.22) | (2,169.02) |
| Share issue expenses | (50.48) | - | (50.48) |
| **Balance as at March 31, 2024** | **-** | **1,972.80** | **1,972.80** |

The above statement should be read with Annexure V- Material accounting policies and explanatory notes to Restated financial statements and Annexure VI- Statement of Restatement Adjustment to Audited financial statements.

As per our report of even date attached
**For S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Registration No. : 000756N/N500441

**Vijay Kumar**
Partner
Membership Number: 092671
Place: New Delhi
Date: September 28, 2024

**For and on behalf of Board of Directors of**
**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**

**Suresh Kumar Goyal**
Director
DIN - 00318141
Place: Raipur
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Chief Financial Officer
PAN - BRBPG4465Q
Place: Raipur
Date: September 28, 2024

**Niraj Shrivastava**
Company Secretary
PAN - CGBPS1019N
Place: Raipur
Date: September 28, 2024

## 1) Corporate Information

**a)** Sambhv Steel Tubes Limited (formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited) is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 5th Floor, Office No. 501 to 511, Harshit Corporate, Amanaka, Raipur, Chhattisgarh. On February 22, 2024 the Registrar of Companies, Chhattisgarh has accorded their approval to change the name of the Company from Sambhv Sponge Power Private Limited to Sambhv Steel Tubes Private Limited. The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on April 24, 2024 and consequently the name of the Company has changed to Sambhv Steel Tubes Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on July 09, 2024.

**b)** The Company is principally engaged in the manufacturing of steel products like Sponge Iron, Blooms / Slabs, HR Coil, ERW black pipes and tubes, Captive power generation and the Company is an integrated manufacturer of diverse range of steel products.

**c)** The financial statements were approved for issue in accordance with a resolution of the directors on September 28, 2024.

## 2) Basis of preparation and presentation of restated financial statement and Material Accounting Policy

### 2.1 Basis of preparation and presentation of restated financial statement

**i) Compliance with Ind AS**

The Restated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

These Statements have been prepared by the Management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India **('SEBI')** on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 **("ICDR Regulations")** for the purpose of inclusion in the Draft Red Herring Prospectus **('DRHP'**) in connection with its proposed initial public offering of equity shares of face value of Rs. 10 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders **(the "Offer"),** prepared by the Company 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 (the "ICDR Regulations");

(c)The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

ii)The Restated Financial Statements of the Company comprise of the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and 31 March 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 the years ended March 31, 2024, March 31, 2023 and March 31 2022, and the statement of material accounting policies, and other explanatory information (collectively, the "**Restated Financial Statements**")

iii) The Restated Financial Statements have been compiled by the management from:

a) Audited Ind AS Financial Statements of the Company as at and for the Year ended March 31, 2024 prepared in accordance with Indian Accounting Standard (Ind AS), as prescribed under section 133 of the Act read with the 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 September 12, 2024;

b) Audited Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31 2023 and March 31 2022 prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which has been approved by the Board of Directors at their meeting held on September 12, 2024; and

c) The financial statements as at and for the year ended March 31,2024, were the first financials, prepared in accordance with Ind AS upto the Financial year ended March 31, 2023, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP” or “Previous GAAP”) due to which the Special purpose Ind AS financial statements were prepared for the purpose of IPO.

The Special purpose Ind AS financial statements as at and for the year ended March 31, 2023, and March 31, 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2024.

iv) In pursuance to ICDR Regulations, the Company is required to provide Financial Statements (FS) prepared in accordance with Indian Accounting Standard (Ind AS) for all the three years audited and certified by the statutory auditor(s) who holds a valid certificate by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI). To comply with such requirements, the company has prepared special purpose Ind AS financial statements for the financial years ending March 31, 2023 and March 31, 2022. The special purpose Ind AS financial statements with required restatement have been included in the restated financial statements prepared for the purpose of filing the DRHP.

v) The Restated Financial Statements have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:-

a) Adjustments to the profits or losses of the earlier periods for the changes in accounting policies if any to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods and of material errors, if any;
b) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the years ended March 31, 2023 and March 31, 2022, in order to bring them in line with the groupings as per the Restated Financial Information of the Company for the year ended March 31, 2024 and the requirements of the SEBI Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

vi) Historical cost convention The Restated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

a) Certain financial assets and liabilities that are measured at fair value.
b) Defined benefit plans-plan assets measured at fair value.

vii) The Restated Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to nearest millions (INR '000,000) upto two decimal places, except when otherwise indicated.

**viii) Use of Estimates:**

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**ix) Classification of Assets and Liabilities as Current and Non Current**

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or

b) it is held primarily for the purpose of being traded; or

c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date .

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability has been classified as current when

a) it is expected to be settled in the Company's normal operating cycle; or

b) it is held primarily for the purpose of being traded; or

c) it is due to be settled within twelve months after the reporting date ; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.2 Summary of Material Accounting Policies**

**a) Revenue from contract with customer**

The Company manufactures and sells a range of steel and other products.

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

**Sale of Goods**

The control of the products is said to have been transferred to the customer when the products are delivered to the customer, the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates, estimated additional discounts and expected sales returns and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. Revenue is only recognised to the extent that is highly probable that significant reversal will not accrue.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Upon completion of the contractual services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

**Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Assets and liabilities arising from rights of return**

**Right of return assets**

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

**Refund liabilities**

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**b) Other Income**

**Dividend Income:** Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the same.

**Interest Income:** Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

c) **Government Grants:** Government grants are recognised where there is reasonable assurance that the grant will be received, ultimate collection of the grant/subsidy is reasonably certain and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

d) **Export Incentives :** Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

e) **Investment in Subsidiary**

A subsidiary is an entity that is controlled by another entity. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Company's investments in its subsidiary and associates are accounted at cost less impairment.

f) **Property, Plant and Equipment (PPE)**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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 entity and the cost can be measured reliably.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

In the carrying amount of an item of property, plant and equipment, the cost of replacing the part of such an item is recognised when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition principles.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Spare parts procured along with the plant & machinery or subsequently which meet the recognition criteria, are capitalised and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores & spares' forming part of the inventory.

**Depreciation**

Depreciation is recognised on the cost of assets less their residual values. Depreciation is provided based on useful life of the assets. The management has evaluated that the useful life is in conformity with the useful life as prescribed in Schedule II of the Companies Act and such useful life has been considered by applying the straight-line method. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately based on its' useful life.

| Assets | Useful Life as per Schedule II (Years) |
|---|---|
| Building (other than factory buildings) other than RCC Frame Structure | 30 |
| Building (other than factory buildings) RCC Frame Structure | 60 |
| Building- Roads, Tubewell and temporary shed | 3-10 |
| Plant and equipment | 15-20 |
| Furniture and fixtures | 10 |
| Vehicles | 8-10 |
| Office equipment | 3-6 |

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as change in an accounting estimate.

The depreciation for each year is recognised in the Statement of Profit & Loss unless it is included in the carrying amount of another asset.

For transition to Ind AS, The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the company's intangible assets is as follows:-

| Intangible assets | Useful life (In Years) | Amortisation method used |
|---|---|---|
| Computer Software's | 6 | Amortised on straight-line basis |

**h) Capital Work-in-progress**

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work-in-Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost directly attributable to projects under construction, net of income earned during such period, include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and upgradation, among others of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under 'Capital Work-in-Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

Capital expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalised and carried under 'Capital work-in-progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the 'attributability' and the 'Unit of Measure' concepts in Ind AS 16- 'Property, Plant & Equipment'. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

**i) Leases**

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of the right-of-use asset shall comprise: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

**Lease Liabilities**

At the commencement date of the lease, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date: fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

After the commencement date the carrying amount of lease liabilities is remeasured to reflect changes in the lease payments. The amount of remeasurement of the lease liability is recognised as an adjustment to the carrying amount of the right-of-use of the asset and any remaining amount of remeasurement in profit or loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

**Short-term leases and leases of low-value assets**

The Company has elected to apply the exemption from lease recognition to short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases for which the underlying assets is of low value lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**j) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads and other cost incurred in bringing inventories to their present location and condition based on the normal operating capacity but excluding borrowing costs. Cost is determined on FIFO
- Stores and Spares is value at FIFO
- Scrap is valued at estimated realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

**k) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase

The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

**l) Contingent Liabilities & Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**Contingent Assets**

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**m) Employee benefits**

**Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is Un-Funded.

The Company's Liabilities on account of Gratuity on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS)-19 'Employee Benefits'. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the period in which they arise. They are included in retained earnings through OCI in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss. Re-measurements are not reclassified to profit or loss in subsequent periods.

**Past service costs are recognised in profit or loss on the earlier of:**

a) The date of the plan amendment or curtailment, and

b) The date that the Company recognises related restructuring costs

**Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss :**

**a)** Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

**b)** Net interest expense or income

**Compensated Absences**

Accumulated compensated absences are either availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service. The Company has a policy to encash the entire leaves balance outstanding as at the end of the year in the subsequent year.

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**n) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loans to employees included under financial assets.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under '*Ind AS 32 Financial Instruments: Presentation and are not held for trading'*. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right to receive the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Dividend income is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

**Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other assets, the Company uses twelve-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**Trade Receivables**
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as on-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.
Trade receivables are disclosed in Financial Statements.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the 'Other income' line item.

**Derecognition of Financial Assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights 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 Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company 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 rights 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 Company'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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Financial Liabilities**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**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 appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans, inter corporate deposits and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**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)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Financial liabilities at amortised cost (Borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

This category generally applies to borrowings.

**Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**o) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
b) In respect of taxable temporary differences associated with interests in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**p) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**q) Changes in accounting policies and disclosures**

**(a) New and amended standards and interpretations**

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the financial statements of the Company.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements of the Company.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. These amendments had no impact on the financial statements of the Company

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

**(b) Standards issued but not yet effective**

There are no such standards or amendment issued which are not effective as on date.

**3 Property, plant & equipment**

**As at March 31, 2024**

| Particulars | Gross Carrying Value | | | | Accumulated depreciation | | | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2023 | Additions | Sales | As at March 31, 2024 | As at April 01, 2023 | Depreciation expense | Sales | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Freehold land | 49.05 | 12.94 | 3.68 | 58.31 | - | - | - | - | 58.31 | 49.05 |
| **Building** | - | - | - | - | - | - | - | - | - | - |
| Owned | 433.05 | 104.51 | - | 537.56 | 21.25 | 15.72 | - | 36.97 | 500.59 | 411.80 |
| Right of use asset - building | 23.64 | 14.37 | - | 38.01 | 1.24 | 1.49 | - | 2.73 | 35.28 | 22.40 |
| Plant and machinery | 2,468.21 | 479.03 | 1.01 | 2,946.23 | 203.64 | 167.67 | 0.05 | 371.26 | 2,574.97 | 2,264.57 |
| Furniture and fixtures | 19.51 | 9.46 | - | 28.97 | 0.66 | 1.91 | - | 2.57 | 26.40 | 18.85 |
| Vehicles | 105.85 | 13.22 | 0.87 | 118.20 | 19.04 | 12.89 | 0.19 | 31.74 | 86.46 | 86.81 |
| Office equipment | 9.65 | 2.34 | - | 11.99 | 2.06 | 2.14 | - | 4.20 | 7.79 | 7.59 |
| Pollution control equipment | 83.92 | 0.17 | - | 84.09 | 8.27 | 4.35 | - | 12.62 | 71.47 | 75.65 |
| Computer | 6.07 | 4.59 | - | 10.66 | 2.41 | 2.16 | - | 4.57 | 6.09 | 3.66 |
| **Total** | **3,198.95** | **640.63** | **5.56** | **3,834.02** | **258.57** | **208.33** | **0.24** | **466.66** | **3,367.36** | **2,940.38** |

**As at March 31, 2023**

| Particulars | Gross Carrying Value | | | | Accumulated depreciation | | | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2022 | Additions | Sales | As at March 31, 2023 | As at April 01, 2022 | Depreciation expense | Sales | As at March 31, 2023 | As at March 31, 2023 | As at April 01, 2022 |
| Freehold land | 48.67 | 0.38 | - | 49.05 | - | - | - | - | 49.05 | 48.67 |
| **Building** | - | - | - | - | - | - | - | - | - | - |
| Owned | 328.50 | 104.55 | - | 433.05 | 7.97 | 13.28 | - | 21.25 | 411.80 | 320.53 |
| Right of use asset - building | 3.94 | 24.45 | 4.75 | 23.64 | 0.43 | 2.31 | 1.50 | 1.24 | 22.40 | 3.51 |
| Plant and machinery | 1,890.10 | 598.05 | 19.94 | 2,468.21 | 78.64 | 126.06 | 1.06 | 203.64 | 2,264.57 | 1,811.46 |
| Furniture and fixtures | 2.04 | 17.47 | - | 19.51 | 0.07 | 0.59 | - | 0.66 | 18.85 | 1.97 |
| Vehicles | 88.76 | 18.81 | 1.72 | 105.85 | 8.02 | 11.33 | 0.31 | 19.04 | 86.81 | 80.74 |
| Office equipment | 5.26 | 4.39 | - | 9.65 | 0.65 | 1.41 | - | 2.06 | 7.59 | 4.61 |
| Pollution control equipment | 81.78 | 2.14 | - | 83.92 | 3.95 | 4.32 | - | 8.27 | 75.65 | 77.83 |
| Computer | 4.26 | 1.81 | - | 6.07 | 0.79 | 1.62 | - | 2.41 | 3.66 | 3.47 |
| **Total** | **2,453.31** | **772.05** | **26.41** | **3,198.95** | **100.52** | **160.92** | **2.87** | **258.57** | **2,940.38** | **2,352.79** |

**As at March 31, 2022**

| Particulars | Gross Carrying Value | | | | Accumulated depreciation | | | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 (Deemed Cost) | Additions | Sales | As at March 31, 2022 | As at April 01, 2021 (Deemed Cost) | Depreciation expense | Sales | As at March 31, 2022 | As at March 31, 2022 | As at April 01, 2021 |
| Freehold land | 48.67 | - | - | 48.67 | - | - | - | - | 48.67 | 48.67 |
| **Building** | - | - | - | - | - | - | - | - | - | - |
| Owned | 123.38 | 205.12 | - | 328.50 | - | 7.97 | - | 7.97 | 320.53 | 123.38 |
| Right of use asset - building | - | 3.94 | - | 3.94 | - | 0.43 | - | 0.43 | 3.51 | - |
| Plant and machinery | 846.91 | 1,046.03 | 2.84 | 1,890.10 | - | 78.76 | 0.12 | 78.64 | 1,811.46 | 846.91 |
| Furniture and fixtures | 0.08 | 1.96 | - | 2.04 | - | 0.07 | - | 0.07 | 1.97 | 0.08 |
| Vehicle and crane | 49.00 | 39.76 | - | 88.76 | - | 8.02 | - | 8.02 | 80.74 | 49.00 |
| Office equipment | 1.35 | 3.91 | - | 5.26 | - | 0.65 | - | 0.65 | 4.61 | 1.35 |
| Pollution control equipment | 67.82 | 13.96 | - | 81.78 | - | 3.95 | - | 3.95 | 77.83 | 67.82 |
| Computer | 0.78 | 3.48 | - | 4.26 | - | 0.79 | - | 0.79 | 3.47 | 0.78 |
| **Total** | **1,137.99** | **1,318.16** | **2.84** | **2,453.31** | **-** | **100.64** | **0.12** | **100.52** | **2,352.79** | **1,137.99** |

**Notes :-**

**a.** The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

**b.** The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount at the date of transition to Ind AS. On the date of transition, the company has selected the option as per para D7AA of Ind AS 101. Accordingly the carrying value of Property, Plant and Equipment as on the date of transition has been recognised as the deemed cost. Consequently the net carrying value has been considered as Gross Carrying Value as on April 01, 2021. The details of the Gross Carrying Value and the Accumulated Depreciation as on April 01, 2021 are as per below Note (c).

**c. Gross Carrying Value of assets as on date of transition:**

Asset wise description of gross carrying value and net carrying value of Assets

| Particulars | Gross Carrying Value | Accumulated Depreciation | Net Carrying value as on 01 April 2021 (as deemed cost) |
|---|---|---|---|
| Freehold land | 48.67 | - | 48.67 |
| Building | 135.36 | 11.98 | 123.38 |
| Plant and machinery | 934.19 | 87.28 | 846.91 |
| Furniture and fixtures | 0.14 | 0.06 | 0.08 |
| Vehicle and crane | 54.21 | 5.21 | 49.00 |
| Office equipment | 2.00 | 0.65 | 1.35 |
| Pollution control equipment | 74.39 | 6.57 | 67.82 |
| Computer | 1.80 | 1.02 | 0.78 |
| **Total** | **1,250.76** | **112.77** | **1,137.99** |

**d. Gross carrying value of disposals as on date of transition:**

| Particulars | Gross Carrying Value | Accumulated Depreciation | Net Carrying Value as on 01 April 2021 (as deemed cost) |
|---|---|---|---|
| Plant and machinery | 3.28 | 0.44 | 2.84 |
| **Total** | **3.28** | **0.44** | **2.84** |

In view of the net carrying value as on March 31, 2021 being considered as the opening gross carrying value as on April 01, 2021, the net assets disposed in FY 2021-22 have been restated at their net value.

**e.** The Company determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a year of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Company recognizes lease liability at the present value of the future lease payments for non-cancellable year of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable year is discounted using the Company's incremental borrowing rate. Lease payments include fixed payments. The Company also recognizes a right of use asset which comprises of amount of initial measurement of the lease liability. Right of use assets is amortized over the year of lease.

**f.** Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 19.

**4 Capital work-in-progress**

| Particulars | As at March 31, 2023 | Additions | Capitalised during the year | Sale | As at March 31, 2024 |
|---|---|---|---|---|---|
| Capital work-in-progress | 215.08 | 2,464.58 | (514.95) | (8.63) | 2,156.08 |
| **Total** | **215.08** | **2,464.58** | **(514.95)** | **(8.63)** | **2,156.08** |

| Particulars | As at March 31, 2022 | Additions | Capitalised during the year | Sale | As at March 31, 2023 |
|---|---|---|---|---|---|
| Capital work-in-progress | 166.96 | 557.82 | (504.96) | (4.74) | 215.08 |
| **Total** | **166.96** | **557.82** | **(504.96)** | **(4.74)** | **215.08** |

| Particulars | As at April 1, 2021 | Additions | Capitalised during the year | Sale | As at March 31, 2022 |
|---|---|---|---|---|---|
| Capital work-in-progress | 596.28 | 581.83 | (1,008.26) | (2.89) | 166.96 |
| **Total** | **596.28** | **581.83** | **(1,008.26)** | **(2.89)** | **166.96** |

**4.1 Capital-work-in progress (CWIP) ageing schedule**

| CWIP | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a year of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2,136.26 | 19.82 | - | - | 2,156.08 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **2,136.26** | **19.82** | **-** | **-** | **2,156.08** |

| CWIP | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a year of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 215.08 | - | - | - | 215.08 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **215.08** | **-** | **-** | **-** | **215.08** |

| CWIP | As at March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a year of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 166.96 | - | - | - | 166.96 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **166.96** | **-** | **-** | **-** | **166.96** |

**4.2 There were no capital-work-in progress and Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.**

**4.3 Capital work in progress includes following pre-operative expenses pending allocation:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Opening balance** | **12.38** | **21.78** | **37.96** |
| Employee benefit expenses | 18.29 | 13.49 | 18.52 |
| Power & fuel consumption | 0.30 | 2.77 | 24.42 |
| Finance cost | 33.51 | 12.05 | 13.84 |
| Miscellaneous expenses | 1.48 | 1.02 | - |
| Subtotal (A) | **65.96** | **51.11** | **94.74** |
| Less: Transferred to property, plant and equipment (B) | (12.87) | (38.73) | (72.96) |
| **Total (A-B)** | **53.09** | **12.38** | **21.78** |

**5 Other intangible assets**

| Particulars | Gross Carrying Value | | | | Accumulated amortization | | | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2023 | Additions | Sale | As at March 31, 2024 | As at April 01, 2023 | Amortization expense | Sale | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Computer software | 2.43 | - | - | 2.43 | 1.15 | 0.77 | - | 1.92 | 0.51 | 1.28 |
| **Total** | **2.43** | **-** | **-** | **2.43** | **1.15** | **0.77** | **-** | **1.92** | **0.51** | **1.28** |

| Particulars | Gross Carrying Value | | | | Accumulated amortization | | | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2022 | Additions | Sale | As at March 31, 2023 | As at April 01, 2022 | Amortization expense | Sale | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Computer software | 2.43 | - | - | 2.43 | 0.56 | 0.59 | - | 1.15 | 1.28 | 1.87 |
| **Total** | **2.43** | **-** | **-** | **2.43** | **0.56** | **0.59** | **-** | **1.15** | **1.28** | **1.87** |

| Particulars | Gross Carrying Value | | | | Accumulated amortization | | | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2021 | Additions | Sale | As at March 31, 2022 | As at April 01, 2021 | Amortization expense | Sale | As at March 31, 2022 | As at March 31, 2022 | As at April 01, 2021 |
| Computer software | 2.15 | 0.28 | - | 2.43 | - | 0.56 | - | 0.56 | 1.87 | 2.15 |
| | **2.15** | **0.28** | **-** | **2.43** | **-** | **0.56** | **-** | **0.56** | **1.87** | **2.15** |

**a.** The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

**b.** The Company has availed the deemed cost exemption in relation to the other intangible assets on the date of transition and hence the net Carrying Value carrying amount has been considered as the gross Carrying Value carrying amount on that date. Refer Note below for the gross Carrying Value value and the accumulated depreciation on April 01, 2021 under the previous GAAP.

**c. Gross Carrying Value of assets as on date of transition:**

Asset wise description of Gross Carrying Value and Net Carrying Value of Assets

| Particulars | Gross Carrying Value | Accumulated amortization | Net carrying value as deemed cost As at April 01, 2021 |
|---|---|---|---|
| Computer software | 3.46 | 1.31 | 2.15 |
| **Total** | **3.46** | **1.31** | **2.15** |

**6 Loans (non-current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Measured at amoritsed cost (Unsecured, considered good)** | | | |
| Loans to employees | 0.90 | 0.49 | 0.19 |
| **Total** | **0.90** | **0.49** | **0.19** |

**7 Other financial assets (non-current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Measured at amoritsed cost (Unsecured, considered good)** | | | |
| Security deposit | 128.82 | 66.66 | 50.11 |
| Margin money deposits with maturity more than 12 months | 23.92 | 20.12 | 8.13 |
| **Total** | **152.74** | **86.78** | **58.24** |

**8 Other non-current assets**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| Capital advances | 570.48 | 213.53 | 115.11 |
| Staff advances | 0.15 | 0.11 | 0.01 |
| **Total** | **570.63** | **213.64** | **115.12** |

**9 Inventories**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **At the lower of cost and net realizable value** | | | |
| Raw materials and components* | 647.81 | 705.36 | 837.89 |
| Finished goods* | 761.26 | 620.93 | 317.19 |
| Stock-in-trade | 1.92 | - | 1.33 |
| Stores & spares | 79.60 | 88.18 | 58.71 |
| **Total** | **1,490.59** | **1,414.47** | **1,215.12** |

*It includes good in transit as per below details :

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Raw material | 6.62 | - | - |
| Finished goods | 1.30 | - | - |
| **Total** | **7.92** | **-** | **-** |

9.1 Carrying amount of inventory hypothecated to secure working capital facilities of ₹ 1,490.59 millions ( March 31, 2023 ₹ 1,414.47 millions and March 31, 2022 ₹1,215.13 millions).

9.2 The details of charge created on inventories, trade receivables and other current assets are as per Note 19.

**10 Investment (current)**

(a) The Company has invested into the 128,52,827.795 Units of ICICI Prudential Equity Saving Fund Cumulative amounting to ₹ 250.00 millions and 91,66,788.919 units of HDFC Arbitrage Fund Wholesale Plan for ₹ 250.00 millions, where company has recognized gain on sale of aforesaid investments amounting to ₹ 2.68 millions as recognized in Other Income Refer Note No.29 (March 31, 2023 Nil and April 01,2022 Nil).

(b) The Company made an investment in a subsidiary on January 30, 2024 in M/s Sambhv Green Steel Private Limited (SGSPL). This investment was sold on March 20, 2024. There are no other transactions in the SGSPL. The management has assessed this investment as an immaterial investment and accordingly consolidated financial statements have not been prepared. The financial position of the company consists only of this investment on the date of purchase and sale of such equity shares.

**11 Trade Receivables**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| **Trade receivables (unsecured) (Measured at amortised cost)** | | | |
| related parties (refer note 38) | 0.02 | 17.67 | 21.05 |
| others | 941.44 | 328.38 | 135.71 |
| Less: Allowance for expected credit losses | (0.49) | (0.40) | (0.32) |
| **Total Trade receivables** | **940.97** | **345.65** | **156.44** |
| | | | |
| **Breakup for trade receivables:** | | | |
| **Unsecured** | | | |
| **Gross trade receivables** | | | |
| Unsecured, considered good | 940.97 | 345.65 | 156.44 |
| Credit impaired | 0.49 | 0.40 | 0.32 |
| Less: Allowance for expected credit losses | (0.49) | (0.40) | (0.32) |
| **Total** | **940.97** | **345.65** | **156.44** |

**11.1** (a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Not any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as mentioned in note 38
(b) For terms and conditions relating to related parties receivables, refer Note. 38
(c) Trade receivables are non-interest bearing.

(d) The amount repayable under the bill discounting arrangement is presented as borrowing. The carrying amount are as follows:-

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Receivables discounted from Bank | 698.91 | 174.15 | - |
| **Borrowing availed against said deliverables (Refer Note No 19.2)** | 698.91 | 174.15 | - |

**11.2 Trade receivable ageing**

**As at March 31, 2024**

| Particulars | Outstanding for following years from date of transaction | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | - | 940.62 | 0.34 | 0.01 | - | - | 940.97 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables–considered good | - | 0.49 | - | - | - | - | 0.49 |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Allowance for expected credit losses | | (0.49) | - | - | - | - | (0.49) |
| **Total** | **-** | **940.62** | **0.34** | **0.01** | **-** | **-** | **940.97** |

**As at March 31, 2023**

| Particulars | Outstanding for following years from date of transaction | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | - | 334.96 | 10.44 | 0.25 | - | - | 345.65 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables–considered good | - | 0.32 | 0.05 | 0.03 | - | - | 0.40 |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Allowance for expected credit losses | | (0.32) | (0.05) | (0.03) | - | - | (0.40) |
| **Total** | **-** | **334.96** | **10.44** | **0.25** | **-** | **-** | **345.65** |

**As at March 31, 2022**

| Particulars | Outstanding for following years from date of transaction | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | - | 155.95 | 0.40 | 0.09 | - | - | **156.44** |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | - | **-** |
| (iv) Disputed trade receivables–considered good | - | 0.31 | - | 0.01 | - | - | **0.32** |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Less: Allowance for expected credit losses | | (0.31) | - | (0.01) | - | - | **(0.32)** |
| **Total** | **-** | **155.95** | **0.40** | **0.09** | **-** | **-** | **156.44** |

**12 Cash and cash equivalents**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Balances with banks** | | | |
| - In current accounts | 1.57 | 0.42 | 0.20 |
| Cheques in hand | 72.84 | - | - |
| Cash on hand | 1.43 | 1.55 | 0.40 |
| **Total** | **75.84** | **1.97** | **0.60** |

**13 Bank balance other than cash and cash equivalents**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Balances with banks in:** | | | |
| Margin money deposits | 23.86 | 7.85 | 23.47 |
| Investment in term deposits with remaining maturity less than 12 months | 330.17 | 67.21 | 59.82 |
| **Total** | **354.03** | **75.06** | **83.29** |

**14 Loans (current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Measured at amortised cost (Unsecured, considered good)** | | | |
| Loans to employees | 4.65 | 1.77 | 1.88 |
| **Total** | **4.65** | **1.77** | **1.88** |

**15 Other financial assets (current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Measured at amortised cost (Unsecured, considered good)** | | | |
| **Interest accrued but not due on** | | | |
| - term deposits | 7.23 | 0.43 | 0.04 |
| - others | 7.36 | 2.53 | 1.40 |
| Security deposit | 2.16 | 0.66 | 0.52 |
| **Total** | **16.75** | **3.62** | **1.96** |

**16 Other current assets**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| Advance for supply of goods/ services | | | |
| - Others | 203.13 | 181.75 | 421.69 |
| - Related parties | 0.76 | 23.71 | - |
| Balance with government authorities | 46.70 | 4.16 | - |
| Staff advances | 0.17 | 0.05 | 0.05 |
| Prepaid expenses | 19.53 | 11.50 | 8.89 |
| **Total** | **270.29** | **221.17** | **430.63** |

**17 Equity share capital**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| **Authorized share capital** | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| Equity share capital of INR 10/- each | 25,00,00,000 | 2,500.00 | 2,25,00,000 | 225.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity share capital of INR 10/- each | 24,10,02,000 | 2,410.02 | 2,00,90,300 | 200.90 |

**Equity share capital**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| **Authorized share capital** | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| Equity share capital of INR 10/- each | 2,25,00,000 | 225.00 | 2,25,00,000 | 225.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity share capital of INR 10/- each | 2,00,90,300 | 200.90 | 2,00,90,300 | 200.90 |

**Equity share capital**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| **Authorized share capital** | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| Equity share capital of INR 10/- each | 2,25,00,000 | 225.00 | 2,25,00,000 | 225.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity share capital of INR 10/- each | 2,00,90,300 | 200.90 | 2,00,90,300 | 200.90 |

**17.1 Reconciliation of number of shares and amount:**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| **Balance as at the beginning of the year** | 2,00,90,300 | 200.90 | 2,00,90,300 | 200.90 |
| Add: Fresh Issue of equity shares during the year | 40,09,900 | 40.10 | - | - |
| Add: Bonus issue of equity shares during the year | 21,69,01,800 | 2,169.02 | - | - |
| **Balance as at the end of the year** | **24,10,02,000** | **2,410.02** | **2,00,90,300** | **200.90** |

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| **Balance as at the beginning of the year** | 2,00,90,300 | 200.90 | 2,00,90,300.00 | 200.90 |
| Issued during the year | - | - | - | - |
| **Balance as at the end of the year** | **2,00,90,300** | **200.90** | **2,00,90,300.00** | **200.90** |

| Particulars | As at March 31, 2022 | | As at April 01, 2021 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| **Balance as at the beginning of the year** | 2,00,90,300 | 200.90 | 2,00,90,300 | 200.90 |
| Issued during the year | - | - | - | - |
| **Balance as at the end of the year** | **2,00,90,300** | **200.90** | **2,00,90,300** | **200.90** |

**17.2 Terms/rights attached to equity shares**

(a) The company has only one class of equity shares having at par value of INR10 per share. Each holder of equity shares is entitled to one vote per share.

(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**17.3** During the year, the Company has allotted 40,09,900 equity shares of face value of INR 10 each (aggregating INR 40.10 millions) at a premium of INR 365 per equity share (aggregating INR 1463.61 millions) through private placement. The share issue expenses of INR 50.48 millions have been adjusted against Security Premium.

**17.4** Shares allotted as Fully Paid-Up pursuant to Extraordinary General Meeting (EGM) without payment being received in cash during the year or five years immediately preceding the date of the Balance Sheet are as under:-

During the FY 2023-2024, the company had issued 21,69,01,800 fully paid bonus shares in the ratio of 9:1 (i.e. 9 bonus shares of INR 10 each against 1 equity share of INR 10 each to every shareholder as on March 12, 2024).

**17.5 Shareholders holding more than 5% paid up equity share capital**

| Name of Shareholders | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| Ganpati Sponge Iron Private Limited | - | - | 19,33,300 | 9.62% |
| Mrs. Rinku Goyal | 1,61,80,100 | 6.71% | 16,18,010 | 8.05% |
| Mrs. Archana Goyal | 1,61,80,100 | 6.71% | 16,18,000 | 8.05% |
| Mrs. Sheetal Goyal | 1,61,80,100 | 6.71% | 16,18,000 | 8.05% |
| Mrs. Suman Goyal | 1,62,05,000 | 6.72% | 16,20,500 | 8.07% |
| Mrs. Kaushalya Devi Goyal | 1,61,80,000 | 6.71% | 16,18,000 | 8.05% |
| Mr. Brijlal Goyal | 1,72,40,000 | 7.15% | 17,24,000 | 8.58% |
| Mr. Suresh Kumar Goyal | 1,72,40,000 | 7.15% | 17,24,000 | 8.58% |
| Mr. Vikas Kumar Goyal | 1,72,40,000 | 7.15% | 17,23,990 | 8.58% |
| Mr. Ashish Goyal | 1,72,39,600 | 7.15% | 17,23,950 | 8.58% |
| Mr. Manoj Kumar Goyal | 1,72,35,100 | 7.15% | 17,23,510 | 8.58% |

**Shareholders holding more than 5% paid up equity share capital**

| Name of Shareholders | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| Ganpati Sponge Iron Private Limited | 19,33,300 | 9.62% | 33,33,300 | 16.59% |
| Mrs. Rinku Goyal | 16,18,010 | 8.05% | 8,47,510 | 4.22% |
| Mrs. Archana Goyal | 16,18,000 | 8.05% | 7,55,000 | 3.76% |
| Mrs. Sheetal Goyal | 16,18,000 | 8.05% | 6,60,000 | 3.29% |
| Mrs. Suman Goyal | 16,20,500 | 8.07% | 22,70,000 | 11.30% |
| Mrs. Kaushalya Devi Goyal | 16,18,000 | 8.05% | 21,60,000 | 10.75% |
| Mr. Brijlal Goyal | 17,24,000 | 8.58% | 25,26,500 | 12.58% |
| Mr. Suresh Kumar Goyal | 17,24,000 | 8.58% | 23,96,000 | 11.93% |
| Mr. Vikas Kumar Goyal | 17,23,990 | 8.58% | 15,16,940 | 7.55% |
| Mr. Ashish Goyal | 17,23,950 | 8.58% | 21,81,000 | 10.86% |
| Mr. Manoj Kumar Goyal | 17,23,510 | 8.58% | 10 | 0.00% |

**Shareholders holding more than 5% paid up equity share capital**

| Name of Shareholders | As at March 31, 2022 | | As at April 01, 2021 | |
|---|---|---|---|---|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| Ganpati Sponge Iron Private Limited | 33,33,300 | 16.59% | 33,33,300 | 16.59% |
| Mrs. Rinku Goyal | 8,47,510 | 4.22% | 8,47,510 | 4.22% |
| Mrs. Archana Goyal | 7,55,000 | 3.76% | 7,55,000 | 3.76% |
| Mrs. Sheetal Goyal | 6,60,000 | 3.29% | 6,60,000 | 3.29% |
| Mrs. Suman Goyal | 22,70,000 | 11.30% | 22,70,000 | 11.30% |
| Mrs. Kaushalya Devi Goyal | 21,60,000 | 10.75% | 21,60,000 | 10.75% |
| Mr. Suresh Kumar Goyal | 23,96,000 | 11.93% | 23,96,000 | 11.93% |
| Mr. Vikas Kumar Goyal | 15,16,940 | 7.55% | 15,16,900 | 7.55% |
| Mr. Ashish Goyal | 21,81,000 | 10.86% | 21,81,000 | 10.86% |
| Mr. Manoj Kumar Goyal | 10 | 0.00% | 10 | 0.00% |

**17.6 Shareholding of promoter**

| Shares held by promoters at the end of the year | As at March 31, 2024 | | As at March 31, 2023 | | |
|---|---|---|---|---|---|
| **Promoter name** | **Number of shares** | **% of total shares** | **Number of shares** | **% of total shares** | **% Change during the year** |
| Mr. Brijlal Goyal ^ | 1,72,40,000 | 7.15% | - | - | - |
| Mr. Suresh Kumar Goyal# | 1,72,40,000 | 7.15% | 17,24,000 | 8.58% | -16.64% |
| Mr. Vikas Kumar Goyal# | 1,72,40,000 | 7.15% | 17,23,990 | 8.58% | -16.64% |
| Mr. Shashank Goyal* | 74,40,000 | 3.09% | - | - | 100.00% |
| Mr. Rohit Goyal* | 74,40,000 | 3.09% | - | - | 100.00% |
| Shri Ashish Goyal* | - | - | 17,23,950 | 8.58% | - |
| Shri Manoj Kumar Goyal* | - | - | 17,23,510 | 8.58% | - |
| Mrs. Sheetal Goyal ^ | 1,61,80,000 | 6.71% | - | - | - |
| **Total** | **8,27,80,000** | **34.35%** | **68,95,450** | **34.32%** | |

| Shares held by promoters at the end of the year | As at March 31, 2023 | | As at March 31, 2022 | | |
|---|---|---|---|---|---|
| **Promoter name** | **Number of shares** | **% of total shares** | **Number of shares** | **% of total shares** | **% Change during the year** |
| Shri Suresh Kumar Goyal | 17,24,000 | 8.58% | 23,96,000 | 11.93% | -28.05% |
| Shri Ashish Goyal* | 17,23,950 | 8.58% | - | - | 8.58% |
| Shri Manoj Kumar Goyal* | 17,23,510 | 8.58% | - | - | 8.58% |
| Shri Vikas Kumar Goyal | 17,23,990 | 8.58% | 15,16,940 | 7.55% | 13.65% |
| **Total** | **68,95,450** | **34.32%** | **39,12,940** | **19.48%** | |

| Shares held by promoters at the end of the year | As at March 31, 2022 | | As at March 31, 2021 | | |
|---|---|---|---|---|---|
| **Promoter name** | **No. of Shares** | **% of total shares** | **No. of Shares** | **% of total shares** | **% Change during the year** |
| Shri Suresh Kumar Goyal | 23,96,000 | 11.93% | 23,96,000 | 11.93% | 0.00% |
| Shri Vikas Kumar Goyal | 15,16,940 | 7.55% | 15,16,880 | 7.55% | 0.00% |
| **Total** | **39,12,940** | **19.48%** | **39,12,880** | **19.48%** | |

*As per annual return of the company for the year ended March 31, 2023, the Company had considered Mr. Ashish Goyal and Mr. Manoj Kumar Goyal as Promoters of the company. However, based on certain subsequent developments and board of directors evaluation as per SEBI ICDR Regulations, both the above promoters are categorized as members of Promoter Group as defined in the SEBI ICDR Regulations. To take note of the same a board resulation for promoter idendification has been passed on September 05, 2024. Both of the above promoters are having 1,72,39,600 and 1,72,35,100 number of equity shares as on March 31, 2024, 17,23,950 and 17,23,510 number of equity shares as on March 31, 2023 and 21,81,000 and 10 number of equity shares as on March 31, 2022 respectively.

Further Mr. Shashank Goyal and Mr. Rohit Goyal are identified as promoters during 2023-24 and they were not holding any equity share till March 31,2023.

^ During the year ended March 31, 2024, the Company has considered Mr. Brijlal Goyal and Mrs. Sheetal Goyal as Promoters. They held 1,72,40,000 and 1,61,80,000 of equity shares as on March 31, 2024, 17,24,000 and 16,18,000 of equity shares as on March 31, 2023 and 25,26,500 and 6,60,000 of equity shares as on March 31, 2022 respectively.

#During the financial year 2023-2024 the company has issued fresh equity share capital pursuant to which there is a change of 16.64% in shareholding.

**18 Other Equity**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Securities Premium** | | | |
| Balance at the beginning of the year | **66.67** | **66.67** | **66.67** |
| -Issue of equity shares during the year | 1,463.61 | - | - |
| -Bonus shares issued during the year | (1,479.80) | - | - |
| -Equity Share Issue Expenses | (50.48) | - | - |
| **Balance at the end of the year (a)** | **-** | **66.67** | **66.67** |
| **Retained Earnings** | | | |
| **Surplus /(deficit) in the statement of profit and loss (Retained Earnings)** | | | |
| Balance at the beginning of the year | **1,836.40** | **1,225.40** | **505.08** |
| Add:- Profit/ (Loss) for the Year | 824.39 | 603.83 | 721.08 |
| Less: Bonus equity shares issued during the year | (689.22) | - | - |
| Other comprehensive income (net of tax) | 1.23 | 7.17 | (0.76) |
| **Balance at the end of the year (b)** | **1,972.80** | **1,836.40** | **1,225.40** |
| **Total (a+b)** | **1,972.80** | **1,903.07** | **1,292.07** |

**Nature and purpose of each reserve**

**18.1** Securities premium - Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

**18.2** Retained Earnings:
Surplus /(deficit) in the statement of profit and loss are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Surplus /(deficit) in the statement of profit and loss is a free reserve available to the Company.
Other Comprehensive Income : It includes re-measurement loss / (gain) on defined benefit obligations, net of taxes that will not be reclassified to Statement of Profit and Loss.

**19 Borrowings (at amortized cost)**

**19.1 Non-current Borrowings**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Secured** | | | |
| Term loans from banks | 2,168.94 | 1,739.24 | 1,318.05 |
| Vehicle loans | 20.78 | 33.71 | 45.85 |
| **Unsecured Loans** | | | |
| Loan from related parties (Refer Note 38) | - | 229.69 | 139.26 |
| Loan from others* | - | 27.79 | 125.19 |
| | **2,189.72** | **2,030.43** | **1,628.35** |
| **Less : Current Maturities of non current borrowings** | | | |
| Term loans from banks | 363.39 | 323.94 | 246.08 |
| Vehicle loans | 12.05 | 16.57 | 17.27 |
| **Total** | **1,814.28** | **1,689.92** | **1,365.00** |
| Borrowings guaranteed by directors (Including Current maturities of non current borrowings) | **2,133.54** | **1,684.70** | **1,242.96** |

*** includes loan from other corporates**

**Notes :**

(i) Rupee Term Loans from Axis bank of ₹120.00 millions (March 31,2023 : ₹150.00 millions, March 31,2022 : Nil) secured by a First pari-passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by second pari-passu hypothecation charge on the entire current assets of the borrower, both present & future charge by way of equitable mortgage in favor of the said bank and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd. are repayable in 16 equal quarterly instalments which carries rate of interest for the year ended March 31, 2024 at the rate of 9.65% p.a. (March 31,2023 : 10% p.a., March 31,2022 : Nil).

(ii) Rupee Term Loans from SBI bank ₹451.16 millions (March 31,2023 : ₹56.08 millions, March 31,2022 : Nil) secured by a First pari-passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by second pari-passu hypothecation charge on the entire current assets of the borrower, both present & future charge by way of equitable mortgage in favor of the said banks and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd. are repayable in 27 ballooning quarterly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate of 9.65% p.a (March 31,2023 : 9.30% p.a., March 31,2022 : Nil).

(iii) Rupee Term Loans from YES bank of ₹94.59 millions (March 31,2023 : ₹133.73 millions, March 31,2022 : ₹126.02 millions ) secured by a First pari-passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by second pari-passu hypothecation charge on the entire current assets of the borrower, both present & future charge by way of equitable mortgage in favor of the said banks and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd. are repayable in 23 equal monthly instalments respectively, which carries rate of interest for the year ended March 31, 2024 from at the rate of 9.66% p.a (March 31,2023 : 9.45% p.a., March 31,2022 : 9.25% p.a.)..

(iv) Rupee Term Loans from YES bank of Nil (March 31,2023 : ₹15.12 millions, March 31,2022 : ₹24.12 millions ) secured by a First pari-passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by second pari-passu hypothecation charge on the entire current assets of the borrower, both present & future charge by way of equitable mortgage in favor of the said banks and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd. are repayable in Nil equal monthly instalments, which carries rate of interest for the year ended March 31, 2024 from at the rate of 9.60% p.a (March 31,2023 : 9.45% p.a., March 31,2022 : 9.25% p.a.).

(v) Rupee Term Loans from HDFC Bank of ₹13.20 millions (March 31,2023 : ₹37.60 millions, March 31,2022 : ₹58.80 millions ) secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) are repayable in 2 ballooning quarterly instalments respectively, which carries rate of interest for the year ended March 31, 2024 at the rate of 9.65% p.a. (March 31,2023 : 10.24 % p.a., March 31,2022 : 7.20% p.a.).

(vi) Rupee Term Loans from HDFC Bank of ₹19.80 millions (March 31,2023 : ₹56.40 millions, March 31,2022 : ₹88.20 millions ) secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) are repayable in 2 ballooning quarterly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate of 9.65% p.a. (March 31,2023 : 10.24% p.a., March 31,2022 : 7.20% p.a.).

(vii) Rupee Term Loans from HDFC Bank of ₹74.20 millions (March 31,2023 : ₹147.80 millions, March 31,2022 : ₹221.40 millions ) secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) are repayable in 19 equal quarterly instalments respectively, which carries rate of interest for the year ended March 31, 2024 at the rate of 9.65% p.a. (March 31,2023 : 10.24% p.a., March 31,2022 : 7.20% p.a.).

(viii) Rupee Term Loan of ₹625.31 millions (March 31,2023 : ₹444.00 millions, March 31,2022 : Nil ) from HDFC Bank, secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) is repayable in 32 ballooning quarterly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.50% p.a. (March 31,2023 : 9.25% p.a., March 31,2022 : Nil).

( ix) Rupee Term Loan of ₹196.00 millions (March 31,2023 : ₹226.00 millions, March 31,2022 : lNR 244.00 millions ) from HDFC Bank, secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) is repayable in 39 ballooning monthly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.65% p.a. (March 31,2023 : 10.24% p.a., March 31,2022 : 7.20% p.a.).

( x) Rupee Term Loan of ₹179.60 millions (March 31,2023 : ₹219.60 millions, March 31,2022 : lNR 247.60 millions ) from HDFC Bank, secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) is repayable in 12 ballooning quarterly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.65% p.a. (March 31,2023 : 10.24% p.a., March 31,2022 : 7.20% p.a.).

( xi) Rupee Term Loan of ₹190.00 millions (March 31,2023 : Nil, March 31,2022 : Nil ) from HDFC Bank, secured by a first pari passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future and secured by hypothecation charge on the entire current assets of the borrower, both present & future and also secured by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) is repayable in 31 equal quarterly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.30% p.a. (March 31,2023 : Nil, March 31,2022 : Nil).

(xii) Rupee Government emergency credit line Term Loan of ₹56.30 millions (March 31,2023 : ₹85.68 millions, March 31,2022 : ₹115.05 millions ) from HDFC Bank, secured by second pari-passu hypothecation charge on the entire current assets of the Borrower, both present & future and also secured by second pari-passu charge by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans on all that pieces and parcels of diverted Industrial land and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) is repayable in 23 equal monthly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.25% p.a. (March 31,2023 : 9.25% p.a., March 31,2022 : 8.20% p.a.)

(xiii) Rupee Government emergency credit line Term Loan of ₹119.10 millions (March 31,2023 : ₹119.10 millions, March 31,2022 : ₹119.10 millions ) from HDFC Bank, secured by second pari-passu hypothecation charge on the entire current assets of the Borrower, both present & future and also secured by second pari-passu charge by way of equitable mortgage in favor of the said banks for working capital limits and for Term loans on all that pieces and parcels of diverted Industrial land and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director),Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Sheetal Goyal (Wife of Vikas Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Archana Goyal (Wife of Ashish Goyal) Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., Brijdham Polymers Pvt Ltd. and Acecon estate India Pvt Ltd. ( till March 31,2022) is repayable in 48 equal monthly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.25% p.a. (March 31,2023 : 7.25% p.a., March 31,2022 : 7.25% p.a.).

(xiv) Rupee Government emergency credit line Term Loan of ₹25.91 millions (March 31,2023 : ₹40.10 millions, March 31,2022 : ₹55.70 millions ) from SBI Bank, secured by second pari-passu charge by way of equitable mortgage in favor of the said banks for GECL loans granted by SBI on all pieces and parcels of diverted Industrial land is repayable in 22 equal monthly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.25% p.a. (March 31,2023 : 8.65% p.a., March 31,2022 : 7.95% p.a.).

(xv) Rupee Government emergency credit line Term Loan of ₹9.49 millions (March 31,2023 : ₹14.44 millions, March 31,2022 : ₹19.39 millions ) from YES Bank, secured by second pari-passu charge by way of equitable mortgage in favor of the said banks for GECL loans granted by YES bank on all pieces and parcels of diverted Industrial land is repayable in 23 equal monthly instalments, which carries rate of interest for the year ended March 31, 2024 at the rate 9.25% p.a. (March 31,2023 : 9.25% p.a., March 31,2022 : 8.45% p.a.).

(xvi) Vehicle loan taken by the company is secured by hypothecation of the vehicle. These loans are payable in ranges from 36 months to 60 months in monthly instalments over the loan tenure which carries interest from 7.00% p.a. to 10.51% p.a.

**19.2 Current Borrowings**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Secured** | | | |
| Working capital loans from banks | 580.13 | 623.14 | 784.53 |
| **Current Maturities of long term borrowings** | | | |
| - Term loans from banks | 363.39 | 323.94 | 246.08 |
| - Vehicle loans | 12.05 | 16.57 | 17.27 |
| **Unsecured** | - | - | - |
| Bill discounting from bank (refer note no 19.2 (i) and (ii) below) | 698.91 | 174.15 | - |
| **Total** | **1,654.48** | **1,137.80** | **1,047.88** |
| Borrowings guaranteed by directors (Excluding Current maturities of non current borrowings ) | **1,279.04** | **797.29** | **784.53** |

**Notes :**

(i) Bill discounting from Kotak Mahindra Bank ₹404.60 million (March 31, 2023: ₹174.15 million and March 31,2022: Nil ) and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal).

(ii) Bill discounting from Federal Bank ₹294.31 million (March 31, 2023: Nil and March 31,2022: Nil ) and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal).

(iii) Working capital loans secured by a First pari-passu hypothecation charge on the entire current assets of the borrower both present & future and secured by second pari-passu hypothecation charge on the entire moveable & immovable fixed assets of the borrower, including land, plant & machinery, equipments, etc., both present & future in favor of said banks for working capital granted by Axis Bank, State Bank of India, HDFC Bank, Yes Bank & Bank of Baroda and personal guarantee provided by Mr. Vikas Kumar Goyal (Managing Director), Mr. Suresh Kumar Goyal (Executive Director), Mr. Ashish Goyal (Brother of Suresh Kumar Goyal), Mr. Brijlal Goyal (Father of Suresh Kumar Goyal), Mr. Manoj Kumar Goyal (Brother of Suresh Kumar Goyal), Mrs. Suman Goyal (Wife of Suresh Kumar Goyal), Mrs. Kaushalya Devi Goyal (Mother of Suresh Kumar Goyal), Mrs. Rinku Goyal (Wife of Manoj Kumar Goyal) and Corporate guarantee provided by Ganpati Sponge Iron Pvt. Ltd., S. Pyarelal Ispat Pvt Ltd., which carries rate of interest at the rate ranging from 8% p.a. to 10% p.a.

**19.3 Summary of secured and unsecured borrowings as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Secured** | | | |
| Non current borrowings | 2,189.72 | 1,772.95 | 1,363.90 |
| Current borrowings | 580.13 | 623.14 | 784.53 |
| **Unsecured** | | | |
| Non current borrowings | - | 257.48 | 264.45 |
| Current borrowings | 698.91 | 174.15 | - |
| **Total** | **3,468.76** | **2,827.72** | **2,412.88** |

**20 Lease Liabilities**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Non-current | 35.35 | 22.36 | 2.04 |
| Current | 1.29 | 0.45 | 1.48 |
| **Total** | **36.64** | **22.81** | **3.52** |

**20.1 Set out below are the carrying amounts of lease liabilities and the movements during the year:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Opening Balance | 22.81 | 3.52 | - |
| Addition on account of transition to Ind AS 116 | - | - | - |
| Additions during the year, Addition on account of new leases | 14.35 | 24.25 | 3.91 |
| Finance Charges, Interest on lease liabilities | 2.18 | 1.32 | 0.07 |
| Less: Repayment, Payments towards lease liabilities | (2.63) | (2.91) | (0.46) |
| Less: Modifications, Remeasurement of lease liabilities | (0.07) | (3.37) | - |
| **Balance at the end of the year** | **36.64** | **22.81** | **3.52** |

**20.2** The incremental borrowing rate applied for lease liabilities is 11.07% p.a. for the year ended March 31, 2024, 8.55% p.a. for the year ended March 31, 2023 and 9.12% p.a. on March 31, 2022.

**20.3** The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Less than one year | 1.29 | 0.45 | 1.48 |
| 1-3 years | 3.43 | 1.16 | 2.04 |
| More than three years | 31.92 | 21.20 | - |
| **Total** | **36.64** | **22.81** | **3.52** |

**20.4** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**20.5** The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

**21 Provisions (Non-current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Provision for Employee benefits - For Gratuity (Refer Note 44 ) | 12.84 | 7.87 | 8.33 |
| Provision for Employee benefits - For Leave Encashment | 1.17 | 0.59 | 0.61 |
| **Total** | **14.01** | **8.46** | **8.94** |

**22 Deferred Tax Liabilities(Net)**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes at the reporting date and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year, in which, the liability is settled, or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting year.

**22.1 Deferred tax liabilities (net)**

Significant components of deferred tax assets/(liabilities) recognized in the restated financial statements as follows:

| Deferred tax balance in relation to | As at March 31, 2023 | Recognised / reversed through profit and loss | Recognised in other comprehensive income | As at March 31, 2024 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment | 143.14 | 47.40 | - | 190.54 |
| Right-of-use asset | 5.63 | 3.24 | - | 8.87 |
| Borrowings | 1.62 | (0.13) | - | 1.49 |
| **Subtotal (A)** | **150.39** | **50.51** | **-** | **200.90** |
| **Deferred tax Assets** | | | | |
| Allowance for doubtful debts and advances (Expected credit loss) | 0.10 | (0.05) | - | 0.05 |
| Provisions for defined benefit obligation | 2.48 | 2.06 | (0.41) | 4.13 |
| Lease liabilities | 5.74 | 3.48 | - | 9.22 |
| **Subtotal (B)** | **8.32** | **5.49** | **(0.41)** | **13.40** |
| **Net Deferred Tax Liabilities (A-B)** | **142.07** | **45.02** | **0.41** | **187.50** |

| Deferred tax balance in relation to | As at March 31, 2022 | Recognised / reversed through profit and loss | Recognised in other comprehensive income | As at March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment | 99.09 | 44.05 | - | 143.14 |
| Right-of-use asset | 0.88 | 4.75 | - | 5.63 |
| Borrowings | 0.34 | 1.28 | - | 1.62 |
| **Subtotal (A)** | **100.31** | **50.08** | **-** | **150.39** |
| **Deferred tax Assets** | | | | |
| Allowance for doubtful debts and advances (Expected credit loss) | 0.08 | 0.02 | - | 0.10 |
| Provisions for defined benefit obligation | 2.32 | 2.58 | (2.42) | 2.48 |
| Lease liabilities | 0.89 | 4.85 | - | 5.74 |
| **Subtotal (B)** | **3.29** | **7.45** | **(2.42)** | **8.32** |
| **Net Deferred Tax Liabilities (A-B)** | **97.02** | **42.63** | **2.42** | **142.07** |

| Deferred tax balance in relation to | As at April 01, 2021 | Recognised / reversed through profit and loss | Recognised in other comprehensive income | As at March 31, 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment | 52.66 | 46.43 | - | 99.09 |
| Right-of-use asset | - | 0.88 | - | 0.88 |
| Borrowings | - | 0.34 | - | 0.34 |
| **Subtotal (A)** | **52.66** | **47.65** | **-** | **100.31** |
| **Deferred tax Assets** | | | | |
| Allowance for doubtful debts and advances (Expected credit loss) | 0.04 | 0.04 | - | 0.08 |
| Provisions for defined benefit obligation | 0.94 | 1.12 | 0.26 | 2.32 |
| Lease liabilities | - | 0.89 | - | 0.89 |
| **Subtotal (B)** | **0.98** | **2.05** | **0.26** | **3.29** |
| **Net Deferred Tax Liabilities (A-B)** | **51.68** | **45.60** | **(0.26)** | **97.02** |

**22.2 Income tax expense**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **(a) Current tax:** | | | |
| Current year | 238.24 | 164.71 | 200.07 |
| **Total (a)** | **238.24** | **164.71** | **200.07** |
| **(b) Deferred tax:** | | | |
| Deferred tax recognized in Statement of Profit or Loss | 45.02 | 42.63 | 45.60 |
| Deferred tax recognized in Other Comprehensive Income | 0.41 | 2.42 | (0.26) |
| **Total (b)** | **45.43** | **45.05** | **45.34** |
| **Total Tax Expense (a+b)** | **283.67** | **209.76** | **245.41** |

**22.3 Reconciliation of Effective Tax Rate**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognized income tax expense for the year indicated are as follows:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Profit before tax | 1,107.65 | 811.17 | 966.75 |
| Applicable tax rate (enacted tax rate in India) | 25.168% | 25.168% | 25.168% |
| **Expected income tax expense at statutory tax rate** | **278.77** | **204.16** | **243.31** |
| Tax effect of: | | | |
| Income taxable separately | (0.06) | - | - |
| Expenses not deductible for tax purposes | 5.39 | 3.41 | 1.15 |
| Expenses deductible for tax purposes | (0.67) | (1.37) | (1.09) |
| Others | 0.24 | 3.56 | 2.04 |
| **Tax expense for the year** | **283.67** | **209.76** | **245.41** |
| **Effective income tax rate** | **25.61%** | **25.86%** | **25.39%** |

**23 Trade Payables**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Trade payables | | | |
| - related parties (refer note 38) | 41.36 | 55.50 | 0.44 |
| - others | 936.31 | 227.35 | 309.34 |
| **Total** | **977.67** | **282.85** | **309.78** |

**Break up of payables in MSME or Non- MSME**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| (a) Total outstanding dues of micro and small enterprises (refer note 23.1) | 17.98 | 1.26 | 8.13 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 959.70 | 281.59 | 301.65 |
| **Total** | **977.68** | **282.85** | **309.78** |

**23.1 Disclosure of due to the "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006"**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| a). Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end; | 17.98 | 1.26 | 8.13 |
| b). Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end; | 1.18 | 0.01 | 0.01 |
| c). Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year; | - | - | - |
| d). The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | - | - | - |
| e). The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006; | - | - | - |
| f). The amount of interest accrued and remaining unpaid at the end of each accounting year; | 1.20 | 0.02 | 0.01 |
| g). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | - | - | - |

**23.2 Trade payables ageing**

**As at March 31, 2024**

| Particulars | Outstanding for following years from date of transaction | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Total outstanding dues of micro and small enterprises | 17.95 | 0.03 | - | - | 17.98 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 940.77 | 18.20 | 0.73 | - | 959.70 |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |
| **Total** | **958.72** | **18.23** | **0.73** | **-** | **977.68** |

**As at March 31, 2023**

| Particulars | Outstanding for following years from date of transaction | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Total outstanding dues of micro and small enterprises | 1.26 | - | - | - | 1.26 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 229.85 | 51.74 | - | - | 281.59 |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |
| **Total** | **231.11** | **51.74** | **-** | **-** | **282.85** |

**As at March 31, 2022**

| Particulars | Outstanding for following years from date of transaction | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Total outstanding dues of micro and small enterprises | 8.13 | - | - | - | 8.13 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | 235.41 | 66.23 | - | - | 301.64 |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |
| **Total** | **243.54** | **66.23** | **-** | **-** | **309.77** |

**24 Other financial liability (current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Measured at amoritsed cost (Unsecured, considered good)** | | | |
| **Interest accrued but not due** | | | |
| -on borrowings | 16.47 | 13.31 | 8.65 |
| -on Others* | 1.20 | 0.02 | 0.01 |
| Capital creditors | 76.33 | 34.93 | 23.77 |
| Employee dues payable | 33.61 | 20.47 | 16.99 |
| **Total** | **127.61** | **68.73** | **49.42** |

*pertains to interest on outstanding dues of micro and small enterprises

**25 Other liabilities (current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Statutory dues payable* | 51.28 | 32.36 | 37.58 |
| Contract Liabilities** | 83.51 | 24.18 | 42.30 |
| **Total** | **134.79** | **56.54** | **79.88** |

*It include tax deducted at source, tax collected at source, goods and services tax, employee state insurance and provident fund payable.

**Contract liabilities are received on contracts entered with customers for which performance obligations are yet to be performed, therefore, revenue will be recognized when the goods are passed on to the customers.

**25.1 Contract liability**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Opening contract liabilities | 24.18 | 42.30 | 23.65 |
| Less: Amount recognized in revenue | 24.07 | 42.30 | 23.65 |
| Add: Amount received in advance during the year | 83.40 | 24.18 | 42.30 |
| Less: Amount refunded to customers | - | - | - |
| **Closing contract liabilities** | **83.51** | **24.18** | **42.30** |

**26 Provisions (current)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Provision for Employee benefits - For Gratuity (refer note 44) | 2.03 | 1.26 | 0.12 |
| Provision for employee benefits - for leave encashment (Refer Note 44 ) | 0.45 | 0.23 | 0.17 |
| **Total** | **2.48** | **1.49** | **0.29** |

**27 Current tax liabilities (net)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Provision for income tax expenses* | 69.05 | 6.72 | 130.39 |
| **Total** | **69.05** | **6.72** | **130.39** |

*Net of Advance tax and TDS ₹ 174.44 millions (March 31, 2023 ₹ 160.80 millions and March 31, 2022 ₹ 79.96 millions )

**28 Revenue from operations**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Sale of products** | | | |
| Finished goods | 11,733.02 | 8,778.75 | 8,051.51 |
| Stock-in-trade | 1,085.21 | 583.37 | 141.98 |
| **Subtotal (I)** | **12,818.23** | **9,362.12** | **8,193.49** |
| **Other operating revenue** | | | |
| Job work income | 39.07 | 9.64 | - |
| Export incentives | 0.27 | 0.44 | - |
| **Subtotal (II)** | **39.34** | **10.08** | **-** |
| **Total revenue from operations** | **12,857.57** | **9,372.20** | **8,193.49** |

**28.1** Ind AS 115 "Revenue from Contracts with Customers" applies, with limited exceptions, to all revenue arising from contracts with its customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of transaction date of April 01, 2021 which does not require restatement of comparative year. The Company elected to apply the standard to all contracts as at April 01, 2021. Payment terms with customers vary depending upon the contractual terms of each contract.

**28.2** The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

**28.3**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Revenue as per contracted price, net of returns | 13,122.79 | 9,465.99 | 8,264.55 |
| **Adjustment for:** | - | - | - |
| Discounts and incentives as per contract/schemes | (304.56) | (103.87) | (71.07) |
| **Revenue from contract with customers** | **12,818.23** | **9,362.12** | **8,193.48** |

**28.4 Contract Balances**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Trade receivables (refer note 11) | 940.97 | 345.65 | 156.44 |
| Contract liabilities (refer note 25.1) | 83.51 | 24.18 | 42.30 |

**28.5** Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed. Contract liabilities include advances received for sale of goods. The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

**28.6 Product-wise revenue from operations**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| ERW black pipes and tubes | 9,448.15 | 3,569.37 | - |
| Blooms / Slabs | 1,363.51 | 2,026.47 | 2,252.16 |
| GI Pipes | 813.24 | 431.02 | - |
| HR Coil | 250.96 | 2,593.11 | 5,023.95 |
| Others | 942.37 | 742.15 | 917.37 |
| **Total** | **12,818.23** | **9,362.12** | **8,193.48** |

**28.7** The Company does not have any significant adjustments between the contracted price and revenue recognized in the statement of profit and loss.

**28.8 Revenue from operations**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Geography wise** | | | |
| Within India | 12,807.94 | 9,362.12 | 8,165.71 |
| Outside India | 10.29 | - | 27.78 |
| **Total** | **12,818.23** | **9,362.12** | **8,193.49** |

Revenue from operations have been allocated on the basis of location of customers.

**29 Other income**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Interest income on :-** | | | |
| -Bank deposits | 14.01 | 5.76 | 5.42 |
| -Others | 8.81 | 2.82 | 1.43 |
| -from other financial assets carried at amortized cost | 0.13 | 0.12 | - |
| Gain on sale of current investments (refer note 10) | 2.68 | - | - |
| Sale of scrap others | 0.83 | 0.60 | 0.40 |
| Gain on foreign exchange fluctuation (net) | 3.56 | 2.01 | 0.20 |
| Gain on modification/termination of lease | 0.07 | 0.20 | - |
| Miscellaneous income | 6.09 | 6.33 | 6.59 |
| **Total** | **36.18** | **17.84** | **14.04** |

**30 Cost of materials consumed**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Raw materials and components** | | | |
| Inventories at the beginning of the year | 705.36 | 837.89 | 285.92 |
| Add: Purchases | 8,229.61 | 6,567.70 | 6,896.47 |
| Less: Inventories at the end of the year | 647.81 | 705.36 | 837.89 |
| **Total** | **8,287.16** | **6,700.23** | **6,344.50** |

**31 Purchases of stock-in-trade**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Purchases | 1,056.93 | 569.19 | 135.44 |
| **Total** | **1,056.93** | **569.19** | **135.44** |

**32 Changes in inventories of finished goods and stock-in-trade**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Inventories at the beginning of the year** | | | |
| Finished goods | 620.93 | 317.19 | 36.65 |
| Stock-in-trade | - | 1.33 | - |
| | **620.93** | **318.52** | **36.65** |
| **Inventories at the end of the year** | | | |
| Finished goods | 761.26 | 620.93 | 317.19 |
| Stock-in-trade | 1.92 | - | 1.33 |
| | **763.18** | **620.93** | **318.52** |
| **Total** | **(142.25)** | **(302.41)** | **(281.87)** |

**33 Employee benefit expenses**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Salaries, wages and bonus | 542.79 | 398.49 | 223.42 |
| Contribution to provident and other funds (refer note 44) | 7.43 | 5.68 | 3.91 |
| Staff welfare expenses | 21.11 | 10.44 | 7.32 |
| **Total** | **571.33** | **414.61** | **234.65** |

**34 Finance cost**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Interest expenses (at amortized cost)** | | | |
| -on borrowings | 295.69 | 209.69 | 170.59 |
| -on others* | 6.42 | 2.82 | 10.28 |
| -on lease liabilities | 2.18 | 1.32 | 0.07 |
| Other borrowing costs | 13.86 | 4.33 | 10.30 |
| **Total** | **318.15** | **218.16** | **191.24** |

*Include interest on income tax expenses amounting to ₹ 5.24 millions, ₹ 2.81 millions and ₹ 10.28 and interest on outstanding dues of micro and small enterprises is amounting to ₹ 1.18 millions, ₹ 0.01 millions and ₹ 0.01 millions for the year ended March 31, 2024, March 31, 2023 and March 31,2022 respectively.

**35 Depreciation and amortization expenses**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Depreciation of property, plant and equipment | 206.84 | 158.61 | 100.21 |
| Depreciation of right of use assets | 1.49 | 2.31 | 0.43 |
| | **208.33** | **160.92** | **100.64** |
| Amortization of other intangible assets | 0.77 | 0.59 | 0.56 |
| **Total** | **209.10** | **161.51** | **101.20** |

**36 Other Expenses**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|---|---|
| Consumption of store and spare parts | 315.24 | 220.95 | 119.15 |
| Power & fuel | 844.88 | 397.74 | 237.73 |
| Job work charges | 79.81 | 12.29 | 3.83 |
| Freight outwards | 19.97 | 46.13 | 76.87 |
| Rent expenses | 36.29 | 27.09 | 15.03 |
| Repair and maintenance:- | | | |
| -plant and machinery | 10.25 | 15.00 | 8.27 |
| -other | 10.45 | 6.88 | 2.67 |
| Legal & professional fees | 28.13 | 36.41 | 21.21 |
| Payment to auditors (Refer Note 36.1) | 2.00 | 0.30 | 0.30 |
| Corporate social responsibility (CSR) expenditure (refer note 36.2) | 14.98 | 10.52 | 4.54 |
| Advertisement & sales promotion expenses | 68.58 | 3.33 | 1.63 |
| Commission expenses | 14.10 | 11.71 | 5.49 |
| Travelling & conveyance expenses | 14.03 | 7.78 | 2.47 |
| Security service expenses | 4.41 | 4.10 | 3.79 |
| Loss on sale of property, plant and equipment (net) | 3.25 | 1.65 | 0.83 |
| Insurance | 3.30 | 4.35 | 5.18 |
| Rates and taxes | 1.89 | 1.20 | 0.41 |
| Balance written off for doubtful receivables & advances | 0.68 | 0.43 | - |
| Allowance for expected credit loss | 0.08 | 0.08 | 0.17 |
| Amortization on loan to employees | 0.09 | 0.07 | 0.01 |
| Donations and contributions | 0.01 | 0.10 | - |
| Miscellaneous expenses | 13.26 | 9.47 | 6.04 |
| **Total** | **1,485.68** | **817.58** | **515.62** |

**36.1 Details of payment to auditors**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|---|---|
| Audit fees | 1.75 | 0.30 | 0.30 |
| Tax audit fees | 0.25 | - | - |
| **Total** | **2.00** | **0.30** | **0.30** |

**36.2 Corporate social responsibility (as per Section 135 of the Companies Act, 2013 read with schedule VIII thereof) :**

| **Particulars** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|---|---|
| (a) gross amount required to be spent by the company during the year | 14.93 | 10.52 | 4.52 |
| (b) amount approved by the Board | 14.98 | 10.52 | 4.54 |
| **(c) amount of expenditure incurred** | **14.91** | **10.59** | **4.54** |
| (i) Construction / acquisition of assets | 4.08 | 6.52 | 3.30 |
| (ii) On purposes other than (i) above (for CSR projects) | 10.83 | 4.08 | 1.24 |
| Brought forward extra spent from March 31, 2023 | 0.08 | 0.00 | 0.00 |
| (d) Shortfall/ (excess) spent amount at the end of the year | - | (0.08) | (0.02) |
| (i) Ongoing project | - | - | - |
| (ii) Other than ongoing project | - | - | - |
| (e) reason for shortfall | - | - | - |
| (f) Amount paid in cash | | | |
| - in cash | 14.91 | 10.59 | 4.54 |
| - yet to be paid in cash | - | - | - |

(g) Nature of CSR activities includes Rural Development Project, Contribution for Education, Contribution for Health Care , Contribution for Food, Contribution for
(h) No contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard
(i) No provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown

**37 Earning per share (EPS)**

Basic earnings per share have been computed by dividing profit attributable to equity shareholder by the weighted average number of equity shares outstanding for the year. Diluted earnings per share have been computed by dividing profit attributable to equity shareholder by the weighted average number of shares and diluted potential equity shares outstanding for the year.

The following table reflects the income and share data used in the basic and diluted EPS computations :-

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Face value of equity shares (Rs. 10 per share) | | | |
| **Profit attributable to equity shareholders (A)** | 824.39 | 603.83 | 721.08 |
| | | | |
| Equity shares at the beginning of the year | 2,00,90,300 | 2,00,90,300 | 2,00,90,300 |
| Impact of Fresh issue effected during the year<br>March 31, 2024: allotment of 40,09,900 shares at face value of Rs 10 each (March 31, 2023: Nil, March 31, 2022: Nil ) | 16,66,485 | - | - |
| Impact of bonus issue effected during the year*<br>March 31, 2024: allotment of 21,69,01,800 bonus shares at face value of Rs 10 each (March 31, 2023: Nil, March 31, 2022: Nil) | 19,58,11,064 | 18,08,12,700 | 18,08,12,700 |
| **Weighted average number of equity shares for basic EPS (B)** | 21,75,67,849 | 20,09,03,000 | 20,09,03,000 |
| **Basic EPS (Amount in ₹ ) (A/B)** | **3.79** | **3.01** | **3.59** |
| | | | |
| Effect of dilution: | | | |
| Weighted average number of potential equity shares | - | - | - |
| **Weighted average number of equity shares adjusted for the effect of dilution (C)** | **3.79** | **3.01** | **3.59** |
| **Diluted EPS (Amount in ₹ ) (A/C)** | **3.79** | **3.01** | **3.59** |

*During the financial year 2023-2024, the company have issued 21,69,01,800 fully paid bonus shares in the ratio of 9:1 (i.e. 9 bonus shares of ₹ 10 each against 1 equity share of ₹ 10/- each to every shareholder as on March 12, 2024, including on fresh issue made during the FY 23-24).

**38 Related Parties Disclosures**

Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", with whom transactions have taken place during the year are given below:

**a Subsidiary Company:**

Sambhv Green Steel Private Limited [a wholly owned subsidiary of the Company w.e.f. January 30, 2024 and up to March 20, 2024] Refer note 10(b)

**b Key Managerial Personnel (KMP) (with which, the Company has transactions):**

| | |
|---|---|
| (i) Shri Vikas Kumar Goyal | Executive Director [ w.e.f June 01, 2024 becomes Managing Director ] |
| (ii) Shri Suresh Kumar Goyal | Executive Director [ up to January 27, 2024 & reappointed on March 25, 2024] |
| (iii) Shri Bhavesh Khetan | Executive Director [ w.e.f July 22, 2023 ] |
| (iv) Shri Ashish Goyal | Executive Director [ up to March 22, 2024] |
| (v) Shri Manoj Kumar Goyal | Executive Director [ up to March 22, 2024] |
| (vi) Ms. Dhara Budhadev | Company Secretary [ w.e.f September 01, 2018 & up to October 31, 2020 ] |
| (vii) Ms. Latika Bakhru | Company Secretary [ w.e.f August 01, 2021 & up to April 30, 2022] |
| (viii) Ms. Archi Goel | Company Secretary [ w.e.f January 12, 2023 & up to April 15, 2023] |
| (ix) Ms. Trisha Bajpai | Company Secretary [ w.e.f April 15, 2023 & up to December 30, 2023] |

**c) Key Managerial Personnel (KMP) (w.e.f. July 01, 2024 ):**

| | |
|---|---|
| (i) Shri. Niraj Shrivastava | Company Secretary [ w.e.f July 01, 2024] |
| (ii) Ms. Anu Garg | Chief Financial Officer [ w.e.f July 01, 2024] |

**d) Relatives of Key Managerial Personnel (with which, the Company has transactions):**

| | |
|---|---|
| (i) Shri Brijlal Goyal | Father of Suresh Kumar Goyal |
| (ii) Smt. Kaushalya Devi Goyal | Mother of Suresh Kumar Goyal |
| (iii) Smt. Sheetal Goyal | Wife of Vikas Kumar Goyal |
| (iv) Smt. Suman Goyal | Wife of Suresh Kumar Goyal |
| (v) Smt. Archana Goyal | Wife of Ashish Goyal |
| (vi) Smt. Rinku Goyal | Wife of Manoj Kumar Goyal |
| (vii) Shri Harsheet Goyal | Son of Suresh Kumar Goyal |
| (viii) Shri Rohit Goyal | Son of Suresh Kumar Goyal |
| (ix) Shri Shashank Goyal | Son of Suresh Kumar Goyal |
| (x) Smt. Palak Goyal | Daughter-in-Law of Suresh Kumar Goyal [w.e.f. 01 April,2023] |
| (xi) Shri Ajay Khetan | Father of Bhavesh Khetan [w.e.f July 22, 2023] |
| (xii) Smt. Rama Khetan | Wife of Bhavesh Khetan [w.e.f July 22, 2023] |

**e) Other (Entities in which the KMP and relatives of KMP have control or significant influence) (with which, the Company has transactions):**

| |
|---|
| (i) Suresh Kumar Goyal & Sons (HUF) |
| (ii) Brijlal Goyal & Sons (HUF) |
| (iii) Ashish Kumar Goyal & Sons (HUF) |
| (iv) Manoj Kumar Goyal & Sons (HUF) |
| (v) Ganpati Sponge Iron Private Limited |
| (vi) Goyal Realty & Agriculture Private Limited |
| (vii) S. Pyarelal Ispat Private Limited. |
| (viii) Niros Ispat Private Limited. |
| (ix) Vikas Kumar Goyal & Sons HUF (Anjaneya Ispat) |
| (x) Agarsen Rerollers Pvt Ltd. |
| (xi) Avinash Ispat Private Limited |
| (xii) Sadhguru Pipes LLP |
| (xiii) Brijdham Minerals Private Limited (Formerly known as Brijdham Polymers Pvt Ltd) |
| (xiv) Brijwasi Plastic Private Limited |
| (xv) Sambhv Tubes Private Limited |
| (xvi) Sambhv Life Science Pvt Ltd. |
| (xvii) Lingraj Steel And Power Private Limited |

**38.1 Details of transaction during the year with related parties:**

**Transactions with related parties during the year:**

| Nature of Transaction | Party Name | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Advances given** | Brijwasi Plastic Private Limited | 12.50 | - | - |
| | Ganpati Sponge Iron Private Limited | - | - | 40.00 |
| | Niros Ispat Private Limited | 120.00 | - | - |
| | S. Pyarelal Ispat Private Limited | 95.00 | 60.00 | - |
| | Sambhv Tubes Private Limited | 43.50 | - | - |
| **Advances received back** | Brijwasi Plastic Private Limited | 12.50 | - | - |
| | Ganpati Sponge Iron Private Limited | - | - | 40.00 |
| | Niros Ispat Private Limited | 120.00 | - | - |
| | S. Pyarelal Ispat Private Limited | 95.00 | 60.00 | - |
| | Sambhv Tubes Private Limited | 43.50 | - | - |
| **Remuneration to KMP** | Bhavesh Khetan | 6.75 | ` | - |
| | Manoj Kumar Goyal | - | 8.40 | 9.60 |
| | Suresh Kumar Goyal | 16.50 | 9.60 | 9.60 |
| | Vikas Kumar Goyal | 18.00 | 9.60 | - |
| | Latika Bakhru | - | 0.02 | 0.14 |
| | Archi Goel | - | 0.04 | - |
| | Trisha Bajpai | 0.14 | - | - |
| **Remuneration to Relatives of KMP** | Harsheet Goyal | 9.60 | - | - |
| | Palak Goyal | 9.60 | - | - |
| | Shashank Goyal | 9.60 | - | - |
| | Rama Khetan | 1.75 | - | - |
| **Other service income** | Sadhguru Pipes LLP | 0.32 | - | - |
| **Interest on unsecured loan** | Vikas Kumar Goyal & Sons HUF | 2.36 | 1.44 | 1.89 |
| | Archana Goyal | 0.06 | 0.22 | 0.23 |
| | Ashish Goyal | 0.52 | 0.86 | 0.55 |
| | Ashish Kumar Goyal & Sons (HUF) | 2.53 | 2.88 | 2.76 |
| | Bhavesh Khetan | 0.75 | - | - |
| | Ajay Khetan | 0.24 | - | - |
| | Brijlal Goyal | 0.46 | 1.30 | 0.96 |
| | Brijlal Goyal & Sons (HUF) | 0.12 | 0.11 | 0.10 |
| | Ganpati Sponge Iron Private Limited | - | - | 1.01 |
| | Goyal Realty & Agriculture Pvt Ltd | 0.02 | 0.15 | 1.01 |
| | Harsheet Goyal | 0.37 | 0.35 | 0.24 |
| | Kaushalya Devi Goyal | 0.51 | 0.74 | 0.81 |
| | Manoj Kumar Goyal | 0.25 | 0.66 | 0.39 |
| | Manoj Kumar Goyal & Sons (HUF) | 0.83 | 0.79 | 0.75 |
| | Niros Ispat Private Limited | - | - | 1.41 |
| | Rinku Goyal | 0.09 | 0.50 | 0.59 |
| | Rohit Goyal | 0.34 | 0.15 | 0.07 |
| | S. Pyarelal Ispat Private Limited | 4.67 | 0.13 | 1.78 |
| | Shashank Goyal | 0.36 | 0.07 | - |
| | Sheetal Goyal | 0.41 | 0.45 | 1.07 |
| | Suman Goyal | 0.30 | 1.34 | 1.47 |
| | Suresh Kumar Goyal | 0.20 | 0.52 | 1.83 |
| | Suresh Kumar Goyal & Sons(HUF) | 0.41 | 0.85 | 0.78 |
| | Vikas Kumar Goyal | 0.27 | 0.65 | 1.12 |
| **Interest received on advances given** | Ganpati Sponge Iron Private Limited | - | - | 1.05 |
| | Niros Ispat Private Limited | 0.73 | - | - |
| | Brijwasi Plastic Private Limited | 0.02 | - | - |
| | Sambhv Tubes Private Limited | 0.98 | - | - |
| | S. Pyarelal Ispat Private Limited | 0.32 | 0.99 | - |
| **Interest received on Late Payment** | Sadhguru Pipes LLP | 0.15 | - | - |
| **Other service income** | Niros Ispat Private Limited | 0.03 | - | - |
| **Jobwork Charges Paid** | Ganpati Sponge Iron Private Limited | 78.13 | - | - |
| | Sadhguru Pipes LLP | 1.61 | - | 0.99 |
| **Purchase of Capital Goods** | Agarsen Rerollers Pvt Ltd | 2.37 | - | - |
| | Brijwasi Plastic Private Limited | 0.02 | - | - |
| | Ganpati Sponge Iron Private Limited | 0.29 | - | 1.64 |
| | S. Pyarelal Ispat Private Limited | - | - | 4.49 |
| | Sadhguru Pipes LLP | - | 0.05 | 1.23 |
| **Purchase of Material (Excl. GST)** | Agarsen Rerollers Pvt Ltd | 85.34 | 59.65 | 0.10 |
| | Vikas Kumar Goyal & Sons HUF | 59.85 | - | - |
| | Brijdham Minerals Pvt Ltd | 6.87 | 59.01 | - |
| | Brijwasi Plastic Private Limited | 0.05 | - | - |
| | Ganpati Sponge Iron Private Limited | 460.99 | 461.00 | 94.62 |
| | Lingraj Steel And Power Private Limited | - | 20.49 | - |
| | Niros Ispat Private Limited | 29.32 | 22.85 | 19.70 |
| | S. Pyarelal Ispat Private Limited | 34.17 | 23.64 | 37.75 |
| | Sadhguru Pipes LLP | 29.92 | 14.96 | 0.58 |

| Nature of Transaction | Party Name | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Purchase of Investment** | Sambhv Green Steel Private Limited | 0.10 | - | - |
| **Reimbursement of Expenses** | Sambhv Life Science Pvt. Ltd. | 0.10 | - | - |
| **Rent Paid** | Ganpati Sponge Iron Private Limited | 0.60 | 0.60 | 0.60 |
| | Sambhv Tubes Private Limited | 2.20 | - | - |
| **Rent Received** | Vikas Kumar Goyal & Sons HUF | 4.80 | 4.80 | 4.82 |
| **Repayment of Unsecured Loan (including interest accrued)** | Vikas Kumar Goyal & Sons HUF | 22.71 | 2.06 | 8.15 |
| | Archana Goyal | 1.85 | 3.93 | 5.92 |
| | Ashish Goyal | 31.16 | 18.43 | 20.12 |
| | Ashish Kumar Goyal & Sons (HUF) | 24.15 | 5.50 | 0.75 |
| | Bhavesh Khetan | 10.53 | - | - |
| | Brijlal Goyal | 15.09 | 23.35 | 8.60 |
| | Brijlal Goyal & Sons (HUF) | 1.13 | - | - |
| | Brijwasi Plastic Private Limited | - | 5.75 | 0.32 |
| | Ganpati Sponge Iron Private Limited | - | - | 40.91 |
| | Goyal Realty & Agriculture Pvt Ltd | 0.20 | 6.32 | 5.30 |
| | Ajay Khetan | 6.22 | - | - |
| | Harsheet Goyal | 9.56 | 0.82 | 0.58 |
| | Kaushalya Devi Goyal | 8.41 | 0.50 | 2.82 |
| | Manoj Kumar Goyal | 8.26 | 17.55 | 14.17 |
| | Manoj Kumar Goyal & Sons (HUF) | 10.26 | - | - |
| | Niros Ispat Private Limited | - | - | 13.77 |
| | Rinku Goyal | 1.26 | 6.72 | 2.10 |
| | Rohit Goyal | 3.83 | 0.54 | 0.18 |
| | S. Pyarelal Ispat Private Limited | 204.32 | - | 61.60 |
| | Shashank Goyal | 7.99 | 0.25 | - |
| | Sheetal Goyal | 4.59 | 20.53 | 1.84 |
| | Suman Goyal | 9.27 | 5.87 | 2.65 |
| | Suresh Kumar Goyal | 10.07 | 52.67 | 37.35 |
| | Suresh Kumar Goyal & Sons(HUF) | 8.19 | 0.12 | 0.05 |
| | Vikas Kumar Goyal | 7.86 | 26.10 | 64.82 |
| **Sale of Capital Goods** | Agarsen Rerollers Pvt Ltd | 3.77 | 2.95 | - |
| | Avinash Ispat Private Limited | - | 0.01 | - |
| | Brijwasi Plastic Private Limited | - | 0.67 | - |
| | Ganpati Sponge Iron Private Limited | 3.07 | 2.01 | 0.67 |
| | Niros Ispat Private Limited | - | - | 2.87 |
| | S. Pyarelal Ispat Private Limited | 0.56 | 6.10 | 1.42 |
| | Sadhguru Pipes LLP | - | - | 0.02 |
| **Sale of Goods (Excl. GST)** | Agarsen Rerollers Pvt Ltd | 0.65 | 122.33 | 199.99 |
| | Avinash Ispat Private Limited | -0.04 | 0.02 | 0.03 |
| | Brijwasi Plastic Private Limited | 0.09 | 0.22 | - |
| | Ganpati Sponge Iron Private Limited | 415.30 | 876.01 | 498.54 |
| | Niros Ispat Private Limited | 51.98 | 200.20 | 141.38 |
| | S. Pyarelal Ispat Private Limited | 114.01 | 203.13 | 323.61 |
| | Sadhguru Pipes LLP | 117.74 | 342.34 | 171.75 |
| **Sale of Investment** | Suresh Kumar Goyal | 0.05 | - | - |
| | Vikas Kumar Goyal | 0.05 | - | - |
| **Share allotment** | Bhavesh Khetan | 14.59 | - | - |
| **Transportation Charges Paid** | Vikas Kumar Goyal & Sons HUF | 10.08 | 13.02 | 10.10 |
| | Niros Ispat Private Limited | - | - | 0.33 |
| **Unsecured Loan Taken** | Vikas Kumar Goyal & Sons HUF | - | 10.90 | - |
| | Archana Goyal | 1.20 | 2.22 | 0.70 |
| | Ashish Goyal | 10.90 | 37.30 | 19.30 |
| | Ashish Kumar Goyal & Sons (HUF) | - | - | 0.70 |
| | Brijlal Goyal | 13.36 | 11.30 | 7.60 |
| | Brijlal Goyal & Sons (HUF) | - | - | 0.60 |
| | Brijwasi Plastic Private Limited | - | 5.75 | 0.32 |
| | Ganpati Sponge Iron Private Limited | - | - | 40.00 |
| | Harsheet Goyal | 3.95 | 3.25 | 1.14 |
| | Kaushalya Devi Goyal | 0.20 | 0.40 | 2.70 |
| | Manoj Kumar Goyal | 4.15 | 10.85 | 14.39 |
| | Niros Ispat Pvt Ltd | - | - | 12.50 |
| | Rinku Goyal | 0.40 | 0.80 | 0.70 |
| | Rohit Goyal | - | 2.35 | 1.10 |
| | S. Pyarelal Ispat Private Limited | 100.00 | 100.00 | 60.00 |
| | Shashank Goyal | 4.30 | 3.55 | - |
| | Sheetal Goyal | - | 14.60 | 1.35 |
| | Suman Goyal | - | 0.60 | 0.80 |
| | Suresh Kumar Goyal | 4.65 | 41.72 | 41.65 |
| | Suresh Kumar Goyal & Sons(HUF) | - | - | 0.60 |
| | Vikas Kumar Goyal | 3.80 | 29.10 | 33.44 |
| **Corporate guarantee taken** | S. Pyarelal Ispat Private Limited | 1,922.30 | 585.40 | - |
| **(Jointly and severally)** | Ganpati Sponge Iron Private Limited | 2,672.30 | 1,154.50 | 285.50 |
| | Brijdham Minerals Private Limited | 1,000.00 | 369.10 | 117.50 |

**Balance with related Parties as at year end:**

| Nature of Balance | Party Name | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Payables (including Trade Payables)** | Vikas Kumar Goyal & Sons HUF | 11.57 | 3.08 | 0.44 |
| | Brijdham Minerals Pvt Ltd | - | 7.84 | - |
| | Ganpati Sponge Iron Private Limited | 28.25 | 35.67 | - |
| | Sambhv Life Science Pvt. Ltd. | 0.09 | - | - |
| | Sadhguru Pipes LLP | 0.08 | - | - |
| | Niros Ispat Private Limited | 0.76 | 3.57 | - |
| | Agarsen Rerollers Pvt Ltd | - | 8.91 | |
| | Sambhv Tubes Private Limited | 1.35 | - | - |
| **Employee dues payable** | Harsheet Goyal | 0.93 | - | - |
| | Bhavesh Khetan | 1.35 | - | - |
| | Vikas Kumar Goyal | 2.99 | - | - |
| | Palak Goyal | 1.08 | - | - |
| | Rama Khetan | 0.22 | - | - |
| | Suresh Kumar Goyal | 5.40 | - | - |
| | Shashank Goyal | 0.93 | - | - |
| **Unsecured Loan** | Vikas Kumar Goyal & Sons HUF | - | 20.58 | 10.45 |
| | Ashish Goyal | - | 19.79 | 0.14 |
| | Archana Goyal | - | 0.60 | 2.11 |
| | Rohit Goyal | - | 3.52 | 1.57 |
| | Rinku Goyal | - | 0.78 | 6.26 |
| | Sheetal Goyal | - | 4.22 | 9.75 |
| | Manoj Kumar Goyal | - | 3.88 | 9.99 |
| | Kaushalya Devi Goyal | - | 7.75 | 7.19 |
| | Brijlal Goyal | - | 1.32 | 12.21 |
| | Suman Goyal | - | 9.00 | 13.06 |
| | Ashish Kumar Goyal & Sons (HUF) | - | 21.87 | 24.78 |
| | Suresh Kumar Goyal & Sons(HUF) | - | 7.83 | 7.18 |
| | Suresh Kumar Goyal | - | 5.25 | 15.73 |
| | Manoj Kumar Goyal & Sons (HUF) | - | 9.52 | 8.81 |
| | Brijlal Goyal & Sons (HUF) | - | 1.02 | 0.92 |
| | Goyal Realty & Agriculture Pvt Ltd | - | 0.18 | 6.36 |
| | S. Pyarelal Ispat Private Limited | - | 100.12 | - |
| | Shashank Goyal | - | 3.37 | - |
| | Harsheet Goyal | - | 5.28 | 2.53 |
| | Vikas Kumar Goyal | - | 3.82 | 0.23 |
| **Receivables (including Trade Receivable)** | Agarsen Rerollers Pvt Ltd | 0.02 | 14.84 | 0.02 |
| | Avinash Ispat Private Limited | - | 0.05 | 0.01 |
| | Brijwasi Plastic Private Limited | 0.10 | - | - |
| | Ganpati Sponge Iron Private Limited | - | - | 0.91 |
| | Niros Ispat Private Limited | 0.76 | 23.71 | 1.54 |
| | S. Pyarelal Ispat Private Limited | - | - | 0.00 |
| | Sadhguru Pipes LLP | - | 2.78 | 18.58 |

**Off Balance Sheet Item**

| Nature of Balance | Party Name | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Corporate guarantee taken** | S. Pyarelal Ispat Private Limited | 3,644.20 | 1,721.90 | 1,136.50 |
| **(Jointly and severally)** | Ganpati Sponge Iron Private Limited | 5,730.80 | 3,058.50 | 1,904.00 |
| | Brijdham Minerals Private Limited | 1,736.60 | 736.60 | 367.50 |

**38.2 Summary of compensation of key management personnel**

The remuneration of directors and Key Management Personnel during the year as follows:-

| Nature of transactions: | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| Short-term employee benefits | 41.25 | 27.60 | 19.20 |
| **Total** | **41.25** | **27.60** | **19.20** |

**38.3 Terms and Conditions:**

1. The Company's principal related parties consist of its key managerial personnel. the Company's related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.
2. All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

3.Details of loan given, investments made and guarantee given covered under section 186 (4) of the companies Act 2013.

The company has given advances in the nature of loans mentioned above in the ordinary course of business for general business purpose.

**39 Ratio Analysis**

| Particulars | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 | % Change 2023-24 | % Change 2022-23 | Reasons for the FY 23-24 | Reasons for the FY 22-23 |
|---|---|---|---|---|---|---|---|---|---|
| Current Ratio | Current Asset | Current Liabilities | 1.06 | 1.33 | 1.17 | -19.96% | 13.73% | - | - |
| Debt-Equity Ratio | Total Debt | Shareholders' Equity | 0.80 | 1.35 | 1.62 | -40.97% | -16.29% | It has been improved since during the year equity share capital amounting to ₹1,503.71 millions has been issued. | - |
| Debt Service Coverage Ratio | Earnings available for debt services = Net profit (Earning after taxes) + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed Asset<br>"Net Profit after tax" means reported amount of "Profit / (loss) for the year" and it does not include items of other comprehensive income. | Interest & Lease Payments + Principal Repayments | 0.97 | 1.24 | 0.83 | -21.68% | 48.11% | - | This ratio has been decreased as the Net Profit after taxes has been decreased & there is increase in Shareholder's Equity as compare to previous year. |
| Return on Equity Ratio | Net Profit after taxes - Preference dividend (if any) | Average Shareholder's Equity | 25.42% | 33.57% | 63.65% | -24.30% | -47.25% | - | This ratio has been decreased as the net profit after taxes has been decreased by 16% & consecutively there is increase in Shareholder's Equity by 41% compare to previous year. |
| Inventory turnover ratio | Cost of goods sold | Average Inventory = (Opening and Closing Inventory)/2 | 6.34 | 5.30 | 7.90 | 19.55% | -32.89% | - | This ratio has been decreased significantly as the average inventory has been increased by almost 67% but increase in cost of goods sold is limited to 14% only with compare to March 31, 2023. |
| Trade Receivables turnover ratio | Net credit sales consist of gross credit sales - sales return. | Average Accounts Receivable | 19.99 | 37.33 | 70.46 | -46.46% | -47.01% | Decrease in ratio due to increase in Trade receivable and comparatively less increase in turnover. | Decrease in ratio due to increase in Trade receivable and comparatively less increase in turnover. |
| Trade payables turnover ratio | Net credit purchases consist of gross credit purchases - purchase return. | Average Accounts Payables | 14.73 | 24.09 | 31.12 | -38.82% | -22.61% | Decrease in ratio due to increase in Trade payable and comparatively less increase in Purchase. | - |
| Net capital turnover ratio | Net sales = total sales - sales returns | Working capital = Current assets - current liabilities | 69.22 | 18.41 | 30.26 | 276.05% | -39.16% | The Company has improved its working capital requirement, the stock holding days, trade receivable days, trade payable days are better than from last year. | The Trade receivable and Inventory has been increased significantly as compare to increase in Turnover. |
| Net profit ratio | Net Profit after tax | Net sales = total sales - sales returns | 6.41% | 6.44% | 8.80% | -0.48% | -26.79% | - | This ratio has been decreased significantly as the net profit has been decreased but there is comparatively less increase in Net sales. |
| Return on Capital employed | Earnings before interest and taxes (EBIT) | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 17.66% | 20.20% | 28.90% | -12.58% | -30.12% | - | This ratio has been decreased significantly as the Earning before interest & taxes has been decreased. |
| Return on investment | Profit on sale of investments | Cost of Investments | 0.54% | - | - | - | - | - | |

**40 Contingent liabilities and commitments (to the extent not provided for)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **a. Contingent liabilities** | | | |
| **Claims against the Company not acknowledged as debts:** | | | |
| Excise/Goods & service tax demands (Goods & Services tax demand Demand of GST & penalty because of incomplete E-way bill is pending before Appellate Authority, Jabalpur M.P.) | 0.66 | 0.66 | 0.66 |
| Income Tax Demands | 4.45 | 2.70 | 1.26 |
| | | | |
| **b. Outstanding bank guarantees** | 58.77 | 19.63 | 20.63 |
| | | | |
| **c. Capital commitments** | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,063.75 | 2,837.04 | 361.72 |
| | | | |
| **d. Export promotion capital goods scheme** | | | |
| -Duty Saved | 1.82 | - | - |
| **Export Obligation** | | | |
| -Obligation Fulfilled | - | - | - |
| -Obligation yet to be fulfilled | 10.93 | - | - |
| | | | |

**41 Capital Risk Management**

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk. Majorly Company raise long term loan for it's CAPEX requirement and based on the working capital requirement utilise the working capital loans.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

**The gearing ratio at end of the reporting year was as follows:**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Non current borrowings | 1,814.28 | 1,689.92 | 1,365.00 |
| Short current borrowings | 1,654.48 | 1,137.80 | 1,047.88 |
| Interest accrued and not due on borrowings | 16.47 | 13.31 | 8.65 |
| Lease liabilities | 36.64 | 22.81 | 3.52 |
| **Gross debt** | **3,521.87** | **2,863.84** | **2,425.05** |
| Less : Cash and Cash Equivalents | (75.84) | (1.97) | (0.60) |
| **Net debt (A)** | **3,446.03** | **2,861.87** | **2,424.45** |
| Total equity (B) | 4,382.82 | 2,104.00 | 1,492.98 |
| **Gearing ratio (A/B)** | 78.63% | 136.02% | 162.39% |

**(i)** Equity includes all capital and reserves of the Company that are managed as capital.

**(ii)** Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts)

**42 Fair Value measurements:**

**(i) Financial instruments by Category**

**As at March 31, 2024**

| **Particulars** | **FVTPL** | **FVTOCI** | **Amortised Cost** |
|---|---|---|---|
| **Financial assets** | | | |
| **At amortized cost** | | | |
| Loans | - | - | 5.55 |
| Trade receivables | - | - | 940.97 |
| Cash & cash equivalents | - | - | 75.84 |
| Bank balances other than cash and cash equivalents | - | - | 354.03 |
| Other financial assets | - | - | 169.49 |
| **Financial Liabilities** | | | |
| **At Amortized cost** | | | |
| Non current borrowings | - | - | 1,814.28 |
| Lease liabilities | - | - | 36.64 |
| Current borrowings | - | - | 1,654.48 |
| Trade Payables | - | - | 977.68 |
| Other Financial Liabilities | - | - | 127.61 |

**As at March 31, 2023**

| **Particulars** | **FVTPL** | **FVTOCI** | **Amortised Cost** |
|---|---|---|---|
| **Financial assets** | | | |
| **At amortized cost** | - | - | |
| Loans | - | - | 2.26 |
| Trade receivables | - | - | 345.65 |
| Cash & cash equivalents | - | - | 1.97 |
| Bank balances other than cash and cash | - | - | 75.06 |
| Other financial assets | - | - | 90.40 |
| **Financial Liabilities** | | | |
| **At Amortized cost** | | | |
| Non current borrowings | - | - | 1,689.91 |
| Lease liabilities | - | - | 22.81 |
| Current borrowings | - | - | 1,137.81 |
| Trade Payables | - | - | 282.85 |
| Other Financial Liabilities | - | - | 68.73 |

**As at March 31, 2022**

| Particulars | FVTPL | FVTOCI | Amortised Cost |
|---|---|---|---|
| **Financial assets** | | | |
| **At amortized cost** | | | |
| Loans | - | - | 2.07 |
| Trade receivables | - | - | 156.44 |
| Cash & cash equivalents | - | - | 0.60 |
| Bank balances other than cash and cash equivalents | - | - | 83.29 |
| Other financial assets | - | - | 60.20 |
| **Financial Liabilities** | | | |
| **At Amortized cost** | | | |
| Non current borrowings | - | - | 1,365.00 |
| Lease liabilities | - | - | 3.52 |
| Current borrowings | - | - | 1,047.88 |
| Trade Payables | - | - | 309.78 |
| Other Financial Liabilities | - | - | 49.42 |

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

**(ii) Fair value hierarchy**

**This section explains the judgements and estimates made in determining the fair values of the financial instruments that are :-**

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the restated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard which are as below:

Level 1 : This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting year

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The company doesn't have any instrument which was value as FVTPL or FVTOCI as an March 31, 2024 , March 31, 2023, and April 01, 2022.

**(iii) Valuation technique used to determine fair value**

a) the fair values of the FVTOCI investments are derived from quoted market prices in active markets.

b) the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c) the fair values of the interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting year. The own nonperformance risk was assessed to be insignificant.

d) the fair value of the remaining financial instruments is determined using discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

**(iv) Fair value of financial assets and liabilities measured at amortised cost**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | | As at April 01, 2022 | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| **Financial assets** | | | | | | |
| **At amortized cost** | | | | | | |
| Loans | 5.55 | 5.55 | 2.26 | 2.26 | 2.07 | 2.07 |
| Other financial assets | 169.49 | 169.49 | 90.40 | 90.40 | 60.20 | 60.20 |
| **Financial Liabilities** | | | | | | |
| **At Amortized cost** | | | | | | |
| Non current borrowings | 1,814.28 | 1,814.28 | 1,689.91 | 1,689.91 | 1,365.00 | 1,365.00 |
| Lease liabilities | 36.64 | 36.64 | 22.81 | 22.81 | 3.52 | 3.52 |
| Current borrowings | 1,654.48 | 1,654.48 | 1,137.81 | 1,137.81 | 1,047.88 | 1,047.88 |
| Other Financial Liabilities | 127.61 | 127.61 | 68.73 | 68.73 | 49.42 | 49.42 |

**43 Financial Risk Management:**

The Company’s principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company’s working capital requirements. The Company has various financial assets such as trade receivable, short term deposits and cash & cash equivalents, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s Board of Directors oversees the management of these risks and also ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives.

**43.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at March 31, 2024, March 31, 2023 March 31, 2022.

**(i) Foreign Currency Risk**

The Company’s foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars). The Company’s functional currency is Indian Rupees ( ₹). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company’s revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result’s in increase in the Company’s overall debt position in Rupee terms without the Company having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Company’s receivables in foreign currency.

The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent years and may continue to fluctuate substantially in the future.

**Significant foreign currency risk exposure relating to trade receivables, other receivables, cash and cash equivalents, borrowings and trade payables:**

**Currency exposure as at March 31, 2024**

| **Particulars** | **USD (in Absolute)** | **Amoutn in ₹ Million** |
|---|---|---|
| **Financial assets** | - | - |
| | - | - |
| **Financial liabilities** | | |
| Other financial liabilities | 1,950 | 0.16 |
| | **1,950** | **0.16** |

**Currency exposure as at March 31, 2023**

| Particulars | USD (in Absolute) | Amoutn in ₹ Million |
|---|---|---|
| **Financial assets** | | |
| | - | - |
| **Financial liabilities** | | |
| Other financial liabilities | 1,00,561 | 8.19 |
| | **1,00,561** | **8.19** |

**Currency exposure as at March 31, 2022**

| Particulars | USD (in Absolute) | Amoutn in ₹ Million |
|---|---|---|
| **Financial assets** | | |
| | - | - |
| **Financial liabilities** | | |
| Other financial liabilities | 62,000 | 4.71 |
| | **62,000** | **4.71** |

**Sensitivity**

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹against the relevant foreign currencies on profit/loss before tax. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹strengthens 1% against the relevant currency. For a 1% weakening of ₹against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

**As at March 31, 2024**

| Particulars | Impact on profit before tax (Increase in Rate 1%) | Impact on profit before tax (Decrease in Rate 1%) |
|---|---|---|
| Payable | (0.16%) | 0.16% |
| **Total** | **(0.16%)** | **0.16%** |

**As at March 31, 2023**

| Particulars | Impact on profit before tax (Increase in Rate 1%) | Impact on profit before tax (Decrease in Rate 1%) |
|---|---|---|
| Payable | (8.19%) | 8.19% |
| **Total** | **(8.19%)** | **8.19%** |

**As at March 31, 2022**

| Particulars | Impact on profit before tax (Increase in Rate 1%) | Impact on profit before tax (Decrease in Rate 1%) |
|---|---|---|
| Payable | (4.71%) | 4.71% |
| **Total** | **(4.71%)** | **4.71%** |

**(ii) Commodity price risk:**

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company is subject to fluctuations in prices for the purchase of Iron ore & Pellet, Coal. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended March 31, 2024.The Company aims to sell the products at prevailing market prices. Similarly, the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.
The following table details the Company's sensitivity to a 5% movement in the input price of Iron ore and Coal. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit before tax where the commodity prices decrease by 5% and vice-versa.

**As at March 31, 2024** -

| **Commodity** | **Impact on profit before tax (Increase in Rate 5%)** | **Impact on profit before tax (Decrease in Rate 5%)** |
|---|---|---|
| Iron ore lumps & Pellet | (73.81) | 73.81 |
| Coal | (43.20) | 43.20 |
| | **(117.01)** | **117.01** |

**As at March 31, 2023**

| **Commodity** | **Impact on profit before tax (Increase in Rate 5%)** | **Impact on profit before tax (Decrease in Rate 5%)** |
|---|---|---|
| Iron ore lumps/fines | (67.31) | 67.31 |
| Coal | (57.60) | 57.60 |
| | **(124.91)** | **124.91** |

**As at March 31, 2022**

| **Commodity** | **Impact on profit before tax (Increase in Rate 5%)** | **Impact on profit before tax (Decrease in Rate 5%)** |
|---|---|---|
| Iron ore lumps/fines | (107.32) | 107.32 |
| Coal | (33.66) | 33.66 |
| | **(140.98)** | **140.98** |

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Fixed rate borrowings | 20.78 | 291.19 | 310.30 |
| Floating rate borrowings | 3,447.98 | 2,536.53 | 2,102.58 |
| **Total borrowings (refer note 19)** | **3,468.76** | **2,827.72** | **2,412.88** |

**Interest rate sensitivity analysis**

A reasonably possible change of 1% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of liability outstanding on the year end and was outstanding for the whole year. A positive number below indicates an increase in profit before tax where the interest rate decrease by 1% and vice-versa.

**As at March 31, 2024**

| Particulars | Impact on profit before tax (Increase in Rate 1%) | Impact on profit before tax (Decrease in Rate 1%) |
|---|---|---|
| Floating rate borrowings | (34.48) | 34.48 |
| **Total** | **(34.48)** | **34.48** |

**As at March 31, 2023**

| Particulars | Impact on profit before tax (Increase in Rate 1%) | Impact on profit before tax (Decrease in Rate 1%) |
|---|---|---|
| Floating rate borrowings | (25.37) | 25.37 |
| **Total** | **(25.37)** | **25.37** |

**As at March 31, 2022**

| Particulars | Impact on profit before tax (Increase in Rate 1%) | Impact on profit before tax (Decrease in Rate 1%) |
|---|---|---|
| Floating rate borrowings | (21.03) | 21.03 |
| **Total** | **(21.03)** | **21.03** |

**43.2 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) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Company based on past experiences and hence provision is deemed necessary on account of expected credit loss ('ECL').

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach (i.e. lifetime expected credit loss model) for impairment of trade receivables/ contract assets. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms. For all other financial assets, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.

**The movement in allowance for impairment in respect of trade receivables is as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Balance at the beginning of the year** | **0.40** | **0.32** | **0.15** |
| Provision created during the year | 0.09 | 0.08 | 0.17 |
| Provision utilized/(reversed) during the year | - | - | - |
| **Balance at the end of the year** | **0.49** | **0.40** | **0.32** |

**43.3 Liquidity Risk :**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation. Management manages the liquidity risk by monitoring cash flow forecasts on a yearly basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings options to maximise liquidity and supplement cash requirements as necessary. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment years and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.
The tables include both interest and principal cash flows.
To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**Liquidity Exposure as at March 31, 2024**

| Particulars | Carrying Amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 5 years | More than 5 years | Total |
| **Financial liabilities** | | | | | |
| Borrowings | 3,468.76 | 1,654.48 | 1,525.73 | 294.27 | 3,474.48 |
| Lease liabilities | 36.64 | 4.69 | 19.25 | 51.57 | 75.51 |
| Trade payables | 977.68 | 958.71 | 18.97 | - | 977.68 |
| Other financial liabilities | 127.61 | 127.61 | - | - | 127.61 |
| **Total financial liabilities** | **4,610.69** | **2,745.49** | **1,563.95** | **345.84** | **4,655.28** |

**Liquidity Exposure as at March 31, 2023**

| Particulars | Carrying Amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 5 years | More than 5 years | Total |
| **Financial liabilities** | | | | | |
| Borrowings | 2,827.72 | 1,137.80 | 1,474.86 | 221.46 | 2,834.12 |
| Lease liabilities | 22.81 | 2.38 | 9.96 | 41.91 | 54.25 |
| Trade payables | 282.85 | 231.12 | 51.73 | - | 282.85 |
| Other financial liabilities | 68.73 | 68.73 | - | - | 68.73 |
| **Total financial liabilities** | **3,202.11** | **1,440.03** | **1,536.55** | **263.37** | **3,239.95** |

**Liquidity Exposure as at March 31, 2022**

| Particulars | Carrying Amount | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 5 years | More than 5 years | Total |
| **Financial liabilities** | | | | | |
| Borrowings | 2,412.88 | 1,047.88 | 1,366.34 | - | 2,414.22 |
| Lease liabilities | 3.52 | 1.72 | 2.18 | - | 3.90 |
| Trade payables | 309.78 | 243.54 | 66.24 | - | 309.78 |
| Other financial liabilities | 49.41 | 49.41 | - | - | 49.41 |
| **Total financial liabilities** | **2,775.59** | **1,342.55** | **1,434.76** | **-** | **2,777.31** |

**44 Employee benefit:**

**Defined contribution plan:**

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees.
While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company.
The contributions are normally based on a certain percentage of the employee's salary.

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Contribution to Provident Fund and Family Pension Fund | 4.15 | 2.74 | 2.01 |
| Contribution to ESIC and Employees Deposit Linked Insurance (EDLI) | 3.12 | 2.94 | 1.91 |
| **Total** | **7.27** | **5.68** | **3.92** |

**Employee benefit plans:**

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.
The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 60, without any payment ceiling. The gratuity is unfunded.
The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age.

**Risks**

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) **Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

ii) **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

iii) **Longevity risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) **Salary risk -** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.
The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2024 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.
Each year, the Company reviews the level of funding in gratuity fund and decides its contribution.
The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

**44.1 Gratuity:**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Expense recognized in the statement of profit and loss (Refer Note 33) | | | |
| Current service cost | 6.33 | 8.45 | 3.44 |
| Interest cost | 0.60 | 0.47 | 0.15 |
| Expected return on plan assets | - | - | - |
| **Expense charged to the statement of profit and loss** | **6.93** | **8.92** | **3.59** |
| | | | |
| **Actuarial loss/(gain) on defined benefit obligation** | | | |
| due to change in demographic assumptions | - | (0.70) | 1.16 |
| due to change in financial assumptions | 0.09 | (0.57) | (0.42) |
| due to experience | (1.29) | (6.99) | 0.91 |
| **Actuarial loss/(gain) on defined benefit obligation** | **(1.20)** | **(8.26)** | **1.65** |
| | | | |
| **Other Comprehensive Income** | | | |
| Actuarial (Gain) / Loss recognized for the year | (1.20) | (8.26) | 1.65 |
| **Total Actuarial (Gain)/ Loss recognized in OCI** | **(1.20)** | **(8.26)** | **1.65** |
| | | | |
| **Movements in the Liability recognized in Balance Sheet** | | | |
| Opening Net Liability | 9.13 | 8.45 | 3.20 |
| Expenses as above | 6.94 | 8.93 | 3.60 |
| Contribution paid | - | - | - |
| Other Comprehensive Income (OCI) | (1.20) | (8.26) | 1.65 |
| **Closing Net Liability** | **14.86** | **9.13** | **8.45** |
| | | | |
| **Reconciliation of defined benefit obligations** | | | |
| Obligation as at the beginning of the year | 9.13 | 8.45 | 3.20 |
| Current service cost | 6.34 | 8.45 | 3.45 |
| Interest cost | 0.60 | 0.47 | 0.15 |
| Benefits paid | - | - | - |
| Actuarial (gains)/losses on obligations | (1.20) | (8.25) | 1.65 |
| **Obligation as at the year end** | **14.86** | **9.13** | **8.45** |

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Reconciliation of liability/(asset) recognized in the Balance sheet | | | |
| Present value of commitments (as per Actuarial Valuation) | 14.86 | 9.13 | 8.45 |
| **Net (asset)/liability recognized in the restated financial statement** | **14.86** | **9.13** | **8.45** |

**Principal actuarial assumptions :**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| **Assumptions :** | | | |
| Discount rate | 6.94% | 7.10% | 5.64% |
| Expected rate of salary increase | 8.00% | 8.00% | 8.00% |
| Mortality | IALM (2012-14) Ult. | IALM (2012-14) Ult. | IALM (2012-14) Ult. |
| Employee turnover | 27.00% | 27.00% | 23.00% |
| Expected average remaining service | 2.65 | 2.65 | 3.27 |
| Retirement Age (years) | 60.00 | 60.00 | 60.00 |

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Projected Service Cost | 9.90 | 6.33 | 8.45 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Sensitivity analysis:** | | | |
| The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period | | | |
| **Impact on defined benefit obligation** | | | |
| Delta effect of +1% change in discount rate | 14.30 | 8.77 | 8.00 |
| Delta effect of -1% change in discount rate | 15.47 | 9.51 | 8.95 |
| Delta effect of +1% change in salary escalation rate | 15.38 | 9.46 | 8.89 |
| Delta effect of -1% change in salary escalation rate | 14.37 | 8.81 | 8.04 |
| **Maturity analysis of projected benefit obligation** | | | |
| 1st year | 2.03 | 1.26 | 0.12 |
| 2nd year | 2.55 | 1.25 | 0.97 |
| 3rd year | 2.57 | 1.61 | 1.07 |
| 4th year | 2.61 | 1.59 | 1.40 |
| 5th year | 2.33 | 1.54 | 1.50 |
| Thereafter | 5.89 | 3.90 | 4.42 |

**44.2 Leave Encashment:**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| Expense recognized in the statement of profit and loss (Refer Note 33) | | | |
| Current service cost | 1.20 | 1.32 | 0.87 |
| Interest cost | 0.05 | 0.04 | 0.02 |
| Expected return on plan assets | - | - | - |
| **Expense charged to the statement of profit and loss** | **1.25** | **1.36** | **0.89** |
| | | | |
| **Actuarial loss/(gain) on defined benefit obligation** | | | |
| due to change in demographic assumptions | - | (0.00) | 0.01 |
| due to change in financial assumptions | 0.01 | (0.04) | (0.03) |
| due to experience | (0.45) | (1.29) | (0.62) |
| **Actuarial loss/(gain) on defined benefit obligation** | **(0.44)** | **(1.33)** | **(0.63)** |
| | | | |
| **Other Comprehensive Income** | | | |
| Actuarial (Gain) / Loss recognized for the year | (0.44) | (1.33) | (0.63) |
| Asset limit effect | - | - | - |
| Return on Plan Assets excluding net interest | - | - | - |
| **Total Actuarial (Gain)/ Loss recognized in OCI** | **(0.44)** | **(1.33)** | **(0.63)** |
| | | | |
| **Movements in the Liability recognized in Balance Sheet** | | | |
| Opening Net Liability | 0.82 | 0.78 | 0.53 |
| Expenses as above | 1.25 | 1.36 | 0.89 |
| Contribution paid | - | - | - |
| Other Comprehensive Income (OCI) | (0.45) | (1.33) | (0.63) |
| **Closing Net Liability** | **1.63** | **0.82** | **0.78** |
| | | | |
| **Reconciliation of defined benefit obligations** | | | |
| Obligation as at the beginning of the year | 0.82 | 0.78 | 0.53 |
| Current service cost | 1.20 | 1.32 | 0.87 |
| Interest cost | 0.05 | 0.04 | 0.02 |
| Benefits paid | - | - | - |
| Actuarial (gains)/losses on obligations | (0.44) | (1.33) | (0.63) |
| **Obligation as at the year end** | **1.63** | **0.82** | **0.78** |

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Reconciliation of liability/(asset) recognized in the Balance sheet | | | |
| Present value of commitments (as per Actuarial Valuation) | 1.63 | 0.82 | 0.78 |
| **Net (asset)/liability recognized in the restated financial statement** | **1.63** | **0.82** | **0.78** |

**Principal actuarial assumptions :**

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| **Assumptions :** | | | |
| Discount rate | 6.94% | 7.10% | 5.64% |
| Expected rate of salary increase | 8.00% | 8.00% | 8.00% |
| Mortality | IALM (2012-14) Ult. | IALM (2012-14) Ult. | IALM (2012-14) Ult. |
| Employee turnover | 27% | 27% | 23% |
| Expected average remaining service | 2.65 | 2.65 | 3.27 |
| Retirement Age (years) | 60 | 60 | 60 |

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| Projected Service Cost | 1.20 | 1.32 | 0.87 |

| **Particulars** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|
| **Sensitivity analysis:** | | | |
| The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting year | | | |
| **Impact on defined benefit obligation** | | | |
| Delta effect of +1% change in discount rate | 1.57 | 0.79 | 0.76 |
| Delta effect of -1% change in discount rate | 1.67 | 0.84 | 0.82 |
| Delta effect of +1% change in salary escalation rate | 1.66 | 0.83 | 0.81 |
| Delta effect of -1% change in salary escalation rate | 1.58 | 0.79 | 0.76 |
| **Maturity analysis of projected benefit obligation** | | | |
| 1st year | 0.45 | 0.23 | 0.17 |
| 2nd year | 0.35 | 0.18 | 0.14 |
| 3rd year | 0.28 | 0.14 | 0.12 |
| 4th year | 0.22 | 0.11 | 0.10 |
| 5th year | 0.17 | 0.09 | 0.08 |
| Thereafter | 0.44 | 0.22 | 0.24 |

**45 Reconciliation of movement of liabilities to cash flows arising from financing activities**

| Particulars | For the year ended March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Non Current borrowings (including current maturities) | Current Borrowings | Issue of share capital including securities premium | Interest accrued | Lease liability |
| Opening balance | 2,030.43 | 797.29 | 267.57 | 13.33 | 22.81 |
| Interest Expense | - | - | - | 330.39 | 2.18 |
| Cash flows (net) | 159.29 | 481.75 | 1,453.23 | (326.05) | (2.63) |
| Non-cash transactions/fair value changes | - | - | 689.22 | - | 14.28 |
| **Closing balance** | **2,189.72** | **1,279.04** | **2,410.02** | **17.67** | **36.64** |

| Particulars | For the year ended March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Non Current borrowings (including current maturities) | Current Borrowings | Issue of share capital including securities premium | Interest accrued | Lease liability |
| Opening balance | 1,628.35 | 784.53 | 267.57 | 8.66 | 3.52 |
| Interest Expense | - | - | - | 221.74 | 1.32 |
| Cash flows (net) | 402.08 | 12.76 | - | (217.07) | (2.91) |
| Non-cash transactions/fair value changes | - | - | - | - | 20.88 |
| **Closing balance** | **2,030.43** | **797.29** | **267.57** | **13.33** | **22.81** |

| Particulars | For the year ended March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Non Current borrowings (including current maturities) | Current Borrowings | Issue of share capital including securities premium | Interest accrued | Lease liability |
| Opening balance | 1,339.90 | 239.90 | 267.57 | - | - |
| Interest Expense | - | - | - | 184.44 | 0.07 |
| Cash flows (net) | 288.45 | 544.63 | - | (175.78) | (0.46) |
| Non-cash transactions/fair value changes | - | - | - | - | 3.91 |
| **Closing balance** | **1,628.35** | **784.53** | **267.57** | **8.66** | **3.52** |

**46 Other Statutory Information:-**

i. No proceedings have been initiated or pending against company for holding any benami property under prohibitions of Benami Transactions Act,1988 (earlier titled as Benami Transactions (Prohibitions) Act,1988

ii. Relationship with Struck off Companies

There are no transactions with struck-off companies. The Company has no transaction with Companies which are stuck off under section 248 of the Companies Act,2013 or under section 560 of Companies Act,1956.

iii. No charges of satisfaction are pending for registration with the Registrar of Companies (ROC) beyond statutory year.

iv. The Company has not traded or invested in crypto Currency or virtual currency during the financial year.

v. The company has not advanced or loaned or invested funds to any other persons or entities including the foreign entities ( intermediaries) with the understanding that the intermediary shall :

a). Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever or on behalf of the Company (ultimate beneficiaries) or

b). Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi The Company has not received any funds from any persons or entities including the foreign entities ( intermediaries) with the understanding (whether recorded in the writing or not) that the intermediary shall :

a). Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever or on behalf of the Funding Party ( ultimate beneficiaries) or

b). Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vii. The Company did not have any transaction which was not recorded in the books of accounts that was surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (such as search or survey or any other relevant provisions of the Income Tax Act,1961.

viii. There has been no amount which is required to be transferred to Investor Education and Protection Fund by the Company.

ix. The quarterly returns/statement of current assets filed by Company with Banks for Borrowings are in agreement with the books of accounts.

x. The Company is not declared a willful defaulter by any Bank or Financial Institution or any other lender.

xi. The Company has no subsidiary as on March 31, 2024. The clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017 is not applicable.

xii. The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

xiii. During the year no scheme of arrangement has been formulated by the Company/pending with competent authority.

xiv. Title deeds of immovable properties are held in the name of Company.

xv. There are no investment in properties.

xvi. The Company has not revalued its Property, Plant and Equipment during the year.

xvii. The Company has not revalued its intangible assets during the year.

xviii. During the year, the Company has issued equity shares during the year. Refer Note No.17.3 and 17.4.

xix. The amount borrowed from Banks and Financial Institution have been used for the specific purpose it was taken.

**47 Segment reporting**

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker ('CODM') for assessment of Company's performance and resource allocation, hence there is one operating segment. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

**a. Information about geographical areas:**

| Revenue from external customer | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Geography wise** | | | |
| Within India | 12,807.94 | 9,362.12 | 8,165.71 |
| Outside India | 10.29 | - | 27.78 |
| **Total** | **12,818.23** | **9,362.12** | **8,193.49** |

Revenue from operations have been allocated on the basis of location of customers.

b. Revenue from major customers: There is no customer having revenue amouting to 10% or more of company's total revenue.

c. Non-current assets: All non-current assets of the Company are located in India.

**48 Events after the balance sheet date:**

i. Adjusting events : Nil

ii. Non adjusting events:

a. Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on April 24, 2024, the Company has converted from Private Limited Company to Public Limited Company and consequently the name of the Company has changed from Sambhv Steel Tubes Private Limited to Sambhv Steel Tubes Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on July 09, 2024.

b. On September 5, 2024, the Board of Directors approved the acquisition of 100% of the shares of Sambhv Tubes Private Limited. As a result of this acquisition, Sambhv Tubes Private Limited has become a wholly-owned subsidiary of the company.

c. On September 5, 2024, the Board of Directors approved the acquisition of 26% of the shares of Clean Max Opia Private Limited. As a result of this acquisition, Clean Max Opia Private Limited will become an associate of the company.

These events arose after the balance sheet date and does not reflect conditions existing at the balance sheet date and therefore do not impact the financial position as of the balance sheet date.

**49 Significant estimates, judgements and assumptions**

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Contingent liabilities**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**Taxes**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

**Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

**Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

**Defined benefit plans (gratuity)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in the financials statements.

**Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**Leases - Estimating the incremental borrowing rate**

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**Revenue recognition - Estimating variable consideration for returns and volume rebates**

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates, incentives and cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised depends on whether the Company act as an agent or as a principal in an arrangement with a customer. The Company act as a principal if the Company controls a promised goods or service before the Company transfers the goods or service to a customer and act as an agent if the Company's performance obligation is to arrange for the provision of goods or service by another party.

**50 Audit Trail:**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating and edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has enabled the audit trail(edit logs) facility of the accounting software used for maintenance of all accounting records. However, audit trail (edit logs) are enabled at application level and not at database level because enabling this facility will severely impacts ERP performance due to direct impact on space utilization.

**51 First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2024, the comparative information presented in these financial statements for the year ended March 31, 2023 and March 31,2022 in the preparation of an opening IND AS Balance Sheet at April 01, 2021 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from previous GAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements as at April 01, 2021 and the financial statements as at and for the year ended March 31, 2022 and March 31, 2023.

**A.1 Ind AS optional exemptions**

**(a) Deemed cost for property plant and equipment, intangible assets**
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' . Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

**A.2 Ind AS mandatory exceptions**
The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

**(a) Estimates**
The estimates at March 31, 2022, March 31, 2023 and March 31, 2024 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the items where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of April 01, 2021.

**(b) Derecognition of Financial Assets and Financial Liabilities**
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS .

**(c) Classification and measurement of financial asset**
An entity shall measure its financial assets either at amortized cost or at Fair Value Through OCI or Fair Value Through Profit and Loss by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing on transition date. If it is impracticable for an entity to apply effective interest method retrospectively then fair value of financial instrument shall be new gross carrying amount of financial assets or the new amortised cost of financial liability.
The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number (CIN):U27320CT2017PLC007918**
**Annexure VI- Statement of Restatement Adjustment to Audited financial statements**
**(All amounts in ₹ millions, unless mentioned otherwise)**

**51.1 Reconciliation Notes**

| Particulars | Notes | As at March 31, 2023 | | | | As at March 31, 2022 | | | | As at April 01, 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS |
| **ASSETS** | | | | | | | | | | | | | |
| **(1) Non-current assets** | | | | | | | | | | | | | |
| (a) Property, plant & equipment | B1 & B2 | 2,917.98 | 22.40 | | 2,940.38 | 2,349.28 | 3.51 | - | 2,352.79 | 1,137.99 | - | - | 1,137.99 |
| (b) Capital work-in-progress | | 215.08 | - | | 215.08 | 166.96 | - | - | 166.96 | 596.28 | - | - | 596.28 |
| (c) Other intangible assets | | 1.28 | - | | 1.28 | 1.87 | - | - | 1.87 | 2.15 | - | - | 2.15 |
| (d) Financial assets | | - | - | | - | - | - | - | - | - | - | - | - |
| (i) Loans | B11 | - | 0.49 | | 0.49 | - | 0.19 | - | 0.19 | - | 0.02 | - | 0.02 |
| (ii) Other financial assets | B7 | 86.89 | (0.11) | | 86.78 | 58.27 | (0.03) | - | 58.24 | 34.60 | - | - | 34.60 |
| (e) Other non-current assets | B11 | 213.53 | 0.11 | | 213.64 | 115.11 | 0.01 | - | 115.12 | 38.46 | - | - | 38.46 |
| **Total non-current assets** | | **3,434.76** | **22.89** | | **3,457.65** | **2,691.49** | **3.68** | **-** | **2,695.17** | **1,809.48** | **0.02** | **-** | **1,809.50** |
| **(2) Current assets** | | | | | | | | | | | | | |
| (a) Inventories | | 1,414.47 | - | | 1,414.47 | 1,215.12 | - | - | 1,215.12 | 354.78 | - | - | 354.78 |
| (b) Financial assets | | - | - | | - | - | - | - | - | - | - | - | - |
| (i) Investments | | - | - | | - | - | - | - | - | - | - | - | - |
| (ii) Trade receivables | B8 | 346.05 | (0.40) | | 345.65 | 156.76 | (0.32) | - | 156.44 | 76.30 | (0.16) | - | 76.14 |
| (iii) Cash & cash equivalents | | 1.97 | - | | 1.97 | 0.60 | - | - | 0.60 | 1.30 | - | - | 1.30 |
| (iv) Bank balances other than (iii) above | | 75.06 | - | | 75.06 | 83.29 | - | - | 83.29 | 66.28 | - | - | 66.28 |
| (v) Loans | B11 | 2.41 | (0.64) | | 1.77 | 2.13 | (0.25) | - | 1.88 | 1.03 | (0.03) | - | 1.00 |
| (vi) Other financial assets | | 3.62 | - | | 3.62 | 1.96 | - | - | 1.96 | 1.09 | - | - | 1.09 |
| (c) Other current assets | B11 | 221.12 | 0.05 | | 221.17 | 430.58 | 0.05 | - | 430.63 | 392.91 | 0.01 | - | 392.92 |
| **Total current assets** | | **2,064.70** | **(0.99)** | | **2,063.71** | **1,890.44** | **(0.52)** | **-** | **1,889.92** | **893.69** | **(0.18)** | **-** | **893.51** |
| **Total assets** | | **5,499.46** | **21.90** | | **5,521.36** | **4,581.93** | **3.16** | | **4,585.09** | **2,703.17** | **(0.16)** | **-** | **2,703.01** |
| **EQUITY & LIABILITIES** | | | | | | | | | | | | | |
| **Equity** | | | | | | | | | | | | | |
| (a) Equity share capital | | 200.90 | - | | 200.90 | 200.90 | - | - | 200.90 | 200.90 | - | - | 200.90 |
| (b) Other equity | | 1,910.39 | 0.11 | (7.43) | 1,903.07 | 1,307.72 | (8.75) | (6.90) | 1,292.07 | 578.50 | (3.95) | (2.79) | 571.76 |
| **Total equity** | | **2,111.29** | **0.11** | **(7.43)** | **2,103.97** | **1,508.62** | **(8.75)** | **(6.90)** | **1,492.97** | **779.40** | **(3.95)** | **(2.79)** | **772.66** |
| **Liabilities** | | | | | | | | | | | | | |
| **(1) Non-current Liabilities** | | | | | | | | | | | | | |
| (a) Financial liabilities | | | | | | | | | | | | | |
| (i) Borrowings | B6 | 1,696.32 | (6.40) | | 1,689.92 | 1,366.32 | (1.32) | - | 1,365.00 | 1,171.02 | - | - | 1,171.02 |
| (ii) Lease liabilities | B3 | - | 22.36 | | 22.36 | - | 2.04 | - | 2.04 | - | - | | - |
| (b) Provisions | A2 | - | - | 8.46 | 8.46 | - | - | 8.94 | 8.94 | - | - | 3.48 | 3.48 |
| (c) Deferred tax liabilities (net) | B5 | 143.13 | 1.46 | (2.52) | 142.07 | 100.01 | (0.66) | (2.33) | 97.02 | 53.21 | (0.59) | (0.94) | 51.68 |
| **Total non-current liabilities** | | **1,839.45** | **17.42** | **5.94** | **1,862.81** | **1,466.33** | **0.06** | **6.61** | **1,473.00** | **1,224.23** | **(0.59)** | **2.54** | **1,226.18** |

**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**
**Corporate Identity Number (CIN):U27320CT2017PLC007918**
**Annexure VI- Statement of Restatement Adjustment to Audited financial statements**
**(All amounts in ₹ millions, unless mentioned otherwise)**

**51.1 Reconciliation Notes**

| Particulars | Notes | As at March 31, 2023 | | | | As at March 31, 2022 | | | | As at April 01, 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS |
| **(2) Current liabilities** | | | | | | | | | | | | | |
| (a) Financial liabilities | | | | | | | | | | | | | |
| (i) Borrowings | | 1,137.80 | - | | 1,137.80 | 1,047.88 | - | - | 1,047.88 | 408.79 | - | - | 408.79 |
| (ii) Lease liabilities | B3 | - | 0.45 | | 0.45 | - | 1.48 | - | 1.48 | - | - | - | - |
| (b) Trade payables | | - | - | | - | - | - | - | - | - | - | - | - |
| (i) Total outstanding dues of micro | | 1.26 | - | | 1.26 | 8.13 | - | - | 8.13 | 3.23 | - | - | 3.23 |
| (ii) Total outstanding dues of creditors | | 281.59 | - | | 281.59 | 301.65 | - | - | 301.65 | 138.86 | - | - | 138.86 |
| (c) Other financial liabilities | | 68.73 | - | | 68.73 | 49.42 | - | - | 49.42 | 73.96 | - | - | 73.96 |
| (d) Other current liabilities | | 56.54 | - | | 56.54 | 79.88 | - | - | 79.88 | 60.96 | - | - | 60.96 |
| (e) Provisions | A2 | - | - | 1.49 | 1.49 | - | - | 0.29 | 0.29 | - | - | 0.25 | 0.25 |
| (f) Current tax liabilities (net) | A1 | 2.80 | 3.92 | | 6.72 | 120.02 | 10.37 | - | 130.39 | 13.74 | 4.38 | - | 18.12 |
| **Total current liabilities** | | **1,548.72** | **4.37** | **1.49** | **1,554.58** | **1,606.98** | **11.85** | **0.29** | **1,619.12** | **699.54** | **4.38** | **0.25** | **704.17** |
| **Total liabilities** | | **3,388.17** | **21.79** | **7.43** | **3,417.39** | **3,073.31** | **11.91** | **6.90** | **3,092.12** | **1,923.77** | **3.79** | **2.79** | **1,930.35** |
| **Total Equity & Liability** | | **5,499.46** | **21.90** | **-** | **5,521.36** | **4,581.93** | **3.16** | **-** | **4,585.09** | **2,703.17** | **(0.16)** | **-** | **2,703.01** |

**51.2 Effect of Ind AS Adoption on the statement of profit and loss for the financial year ended March 31, 2023 and March 31, 2022**

| Particulars | Notes | For the year ended March 31, 2023 | | | | For the year ended March 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS | Indian GAAP* | IND AS Adjustments | Prior period adjustments | IND AS |
| **I. Income** | | | | | | | | | |
| (a) Revenue from operations | | 9,372.20 | - | - | 9,372.20 | 8,193.48 | - | - | 8,193.48 |
| (b) Other income | B3 & B7 | 17.53 | 0.31 | - | 17.84 | 14.03 | 0.01 | - | 14.04 |
| **Total Income (I)** | | **9,389.73** | **0.31** | **-** | **9,390.04** | **8,207.51** | **0.01** | **-** | **8,207.52** |
| **II. Expenses** | | | | | | | | | |
| (a) Cost of materials consumed | | 6,700.23 | - | - | 6,700.23 | 6,344.50 | - | - | 6,344.50 |
| (b) Purchases of stock-in-trade | | 569.19 | - | - | 569.19 | 135.44 | - | - | 135.44 |
| (c) Changes in inventories of stock-in-trade and finished goods | | (302.40) | - | - | (302.41) | (281.87) | - | - | (281.87) |
| (d) Employee benefits expense | B4 | 404.33 | - | 10.28 | 414.61 | 230.17 | - | 4.48 | 234.65 |
| (e) Finance costs | B6 | 219.09 | (0.94) | - | 218.16 | 182.20 | 9.04 | - | 191.24 |
| (f) Depreciation and amortization expense | B1 & B2 | 159.20 | 2.31 | - | 161.51 | 100.76 | 0.43 | - | 101.19 |
| (g) Other expenses | B11 & B8 | 820.31 | (2.77) | - | 817.58 | 515.91 | (0.28) | - | 515.63 |
| **Total expenses (II)** | | **8,569.95** | **(1.40)** | **10.28** | **8,578.87** | **7,227.11** | **9.19** | **4.48** | **7,240.78** |
| **III. Profit before exceptional item and tax (I - II)** | | **819.78** | **1.71** | **-** | **811.17** | **980.40** | **(9.18)** | **(4.48)** | **966.74** |
| **IV. Exceptional item** | | - | - | - | - | - | - | | - |
| **V. Profit before tax (III + IV)** | | **819.78** | **1.71** | **-** | **811.17** | **980.40** | **(9.18)** | **(4.48)** | **966.74** |
| **VI. Tax expense :** | | | | | | | | | |
| (a) Current tax | A1 | 173.97 | (9.26) | - | 164.71 | 204.36 | (4.29) | - | 200.07 |
| (b) Deferred tax | B5 | 43.13 | (3.09) | 2.59 | 42.63 | 46.82 | (2.35) | 1.13 | 45.60 |
| **Total tax expense** | | **217.10** | **(12.35)** | **2.59** | **207.34** | **251.18** | **(6.64)** | **1.13** | **245.67** |
| **VII. Profit for the year (V - VI)** | | **602.68** | **14.06** | **(2.59)** | **603.83** | **729.22** | **(2.54)** | **(5.61)** | **721.07** |
| **VIII. Other comprehensive income** | | | | | | | | | |
| Items that will not be reclassified to the statement of | | | | | | | | | |
| a. Remeasurement gains / (losses) on the defined | B10 | - | - | 9.58 | 9.58 | - | - | (1.02) | (1.02) |
| b. Income tax relating to these items | B10 | - | - | (2.41) | (2.41) | - | - | 0.26 | 0.26 |
| **Total of other comprehensive income for the year** | | **-** | **-** | **7.17** | **7.17** | **-** | **-** | **(0.76)** | **(0.76)** |
| **IX. Total Comprehensive Income for the year (net of tax) (VII + VIII)** | | **602.68** | **14.06** | **4.58** | **611.00** | **729.22** | **(2.54)** | **(6.37)** | **720.31** |

**51.3 Effect of Ind AS Adoption on the Statement of Cash Flow for the financial year ended March 31, 2023 and March 31, 2022**

| Particulars | For the year ended March 31, 2023 | | | For the year ended March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Indian GAAP* | Difference due to change in Ind AS and Prior period Adjustments | As per Ind AS | Indian GAAP* | Difference due to change in Ind AS and Prior period Adjustments | As per Ind AS |
| Net cash generated from operating activities (A) | 655.52 | - | 655.52 | 344.94 | - | 344.94 |
| Net cash (used in) / from investing activities (B) | (849.00) | - | (849.00) | (1,002.48) | - | (1,002.48) |
| Net cash (used in)/ from financing activities (C) | 194.85 | - | 194.85 | 656.84 | - | 656.84 |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **1.37** | **-** | **1.37** | **(0.70)** | **-** | **(0.70)** |
| **Cash and cash equivalents at the beginning of the year** | **0.60** | **-** | **0.60** | **1.29** | **-** | **1.30** |
| **Cash and cash equivalents at the end of the year** | **1.97** | **-** | **1.97** | **0.59** | **-** | **0.60** |

**51.4 Reconciliation of Total Equity as at March 31, 2023, March 31, 2022 and April 01, 2021**

| Particulars | Notes | As at March 31, 2023 | As at March 31, 2022 | As at April 01, 2021 |
|---|---|---|---|---|
| **Total equity as per Indian GAAP**** | | **1,910.39** | **1,307.72** | **578.50** |
| **IND AS Adjustments:** | | | | |
| Amortisation of ROU | B2 | (2.74) | (0.43) | - |
| Termination of lease | B3 | 0.20 | - | - |
| Interest income on amortisation of Financial Assets | B11 | 0.12 | 0.01 | - |
| Amortisation of Financial Assets (Loan to employees) | B11 | (0.07) | (0.01) | - |
| Rent Reversal on ROU Assets | B6 | 3.37 | 0.46 | - |
| Interest Expenses on Lease liability | B3 & B7 | (1.39) | (0.07) | - |
| Reversal of Financial liability at amortised cost | B6 | 7.61 | 1.57 | - |
| Amortisation of interest cost on borrowings | B6 | (1.23) | (0.25) | - |
| Impairment of Financial Instruments | B8 | (0.40) | (0.32) | (0.16) |
| Recognition of Net Deferred tax liability | B5 | (1.44) | 0.66 | 0.59 |
| Interest on income tax expenses for earlier years | A1 | (2.81) | (10.28) | - |
| Adjustment of Earlier year Taxes | A1 | (1.11) | (0.09) | (4.38) |
| **Total Ind AS Adjustments** | | **0.11** | **(8.75)** | **(3.95)** |
| **Prior period adjustments:** | | | | |
| Recognition of employee benefit | A2 | (18.49) | (8.21) | (3.73) |
| Re-measurement of post employment benefit plans recognised in Other Comprehensive Income (OCI) | B9 | 8.56 | (1.02) | - |
| Income tax on OCI | B10 | (2.15) | 0.26 | - |
| Deferred tax on employee benefit | | 4.65 | 2.07 | 0.94 |
| **Total Prior period adjustments** | | **(7.43)** | **(6.90)** | **(2.79)** |
| **Total adjustments** | | **(7.32)** | **(15.65)** | **(6.74)** |
| **Total equity under Ind AS** | | **1,903.07** | **1,292.07** | **571.76** |

** Equity as per Indian GAAP includes securities premium and reserves and surplus

*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

**Material Regrouping / Reclassification - None**

Appropriate adjustments have been made in the Restated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows from Indian GAAP to bring them in line with the the Ind AS presentation requirements.

**Notes to the reconciliation between Indian GAAP and Ind AS**

**A Prior year Adjustments**

A1 Adjustment on account of short/excess provision for Tax.

A2 **Recognition of employee benefit:** Company has recognised employee benefit for gratuity and leave encashment as per Ind AS 19.
The previous auditor has given emphasis of matter paragraph on the employee benefit in their audit report for the financial year ended March 31, 2023 and March 31, 2022, the impact of the same has been considered in the reinstated financial statements.

**B On account of implementation of IND AS**

B1 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2021 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

B2 The Company has applied the practical expedient as per Para C5 (b) of Appendix C, Effective Date and transition of Ind AS 116, Leases. Accordingly, the Company has applied Ind AS 116 on and from April 01, 2021 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings at the date of transition.

B3 **Lease accounting**: Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use ('ROU') is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.

B5 **Deferred tax:** Deferred tax adjustments has been made in accordance with Ind AS, under balance sheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference including adjustments arising from Ind AS transition.

B6 As per Ind AS 109 - Financial Instruments, at initial recognition the financial liability, measured at amortised cost, is the fair value plus or minus the transaction costs that are directly attributable to the issue of such a financial liability. The interest payable is recognised on the basis of Effective Interest Rate (EIR) which is the rate that exactly discounts the estimated cash payments or receipts through the expected life of the financial liability.

B7 Under the Indian GAAP, interest free refundable security deposits (given) and retention money were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, in case of security deposits the difference between the transaction amount and the fair value has been recognised as ROU. The security deposits and retention money have been subsequently amortised under effective interest rate method and the ROU on a straight line basis over the term of contract.

B8 **Expected credit loss:** Under the Indian GAAP, the Company had assessed provision for impairment of receivables based on the incurred loss model and no provision was created. Under Ind AS, impairment loss has been determined as per Expected credit loss (ECL) model. The provision amount as per Ind AS, ECL is recognised in retained earnings on date of transition and subsequently in the statement of profit and loss account.

B9 Under the Indian GAAP, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability was forming part of the profit or loss for the year. However under Ind AS 19, it is recognised in other comprehensive income. As a result of this change gains/ losses recognised in the statement of profit and loss under the Indian GAAP has been transferred to other comprehensive income upon transition.

B10 Under Ind AS, all items of income and expense recognised in a year should be included in profit and loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but in other comprehensive income under " Restated Ind AS Statements of Profit and Loss (including other comprehensive income)" includes re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under Previous GAAP.

B11 As per Ind AS 109 - Financial Assets, at initial recognition the financial assets as staff advance and measured at amortised cost. The fair value of long term advances is recognised as financial assets.

As per our report of even date attached
**For S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Registration No. : 000756N/N500441

**For and on behalf of Board of Directors of**
**Sambhv Steel Tubes Limited**
**(Formerly known as Sambhv Steel Tubes Private Limited and Sambhv Sponge Power Private Limited)**

**Vijay Kumar**
Partner
Membership Number: 092671

Place: New Delhi
Date: September 28, 2024

**Suresh Kumar Goyal**
Director
DIN - 00318141

Place: Raipur
Date: September 28, 2024

**Vikas Kumar Goyal**
Managing Director
DIN - 00318182

Place: Raipur
Date: September 28, 2024

**Anu Garg**
Chief Financial Officer
PAN - BRBPG4465Q

Place: Raipur
Date: September 28, 2024

**Niraj Shrivastava**
Company Secretary
PAN - CGBPS1019N

Place: Raipur
Date: September 28, 2024

## OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Financial Information as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

*(in ₹ million)*

| Particulars | As of and for Fiscal 2024 | As of and for Fiscal 2023 | As of and for Fiscal 2022 |
|---|---|---|---|
| Earnings per share of face value of ₹ 10 each | | | |
| - Basic, computed on the basis of profit attributable to equity holders ₹ | 3.79 | 3.01 | 3.59 |
| - Diluted, computed on the basis of profit attributable to equity holders | 3.79 | 3.01 | 3.59 |
| RoNW (%) | 25.42% | 33.57% | 63.65% |
| Net asset value per Equity Share ₹ | 18.19 | 10.47 | 7.43 |
| EBITDA | 1,598.72 | 1,173.00 | 1,245.15 |

***Notes**:*

*The ratios have been computed as under:*

1. *Basic EPS = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.*
2. *Diluted EPS = Diluted earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year.*
3. *Return on Net Worth (%) = net restated profit or loss for the year attributable to equity shareholders divided by average equity at the end of the year derived from Restated Financial Information.*
4. *Net Asset Value per share = Total Equity derived from the Restated Financial Information divided by number of equity shares outstanding as at the end of year. Equity Shares on fully diluted basis is considered for the purpose of calculation of NAV after adjusting for bonus.*
5. *EBITDA = Earnings before interest, tax, depreciation and amortisation excluding other income*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as of and for the Fiscals 2024, 2023 and 2022 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at www.sambhv.com/financial-information/. The definitions of turnover, net-worth and profits before tax have the same meaning as ascribed to them in the Companies Act, 2013.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a 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 Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

## CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as of March 31, 2024, derived from Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 33, 265 and 344, respectively.

| Particulars | Pre-Offer as of March 31, 2024(1) | Adjusted for the proposed Offer^ |
|---|---|---|
| | (₹ *million, unless indicated otherwise*) | |
| **Current Borrowing:**(2) | | |
| Secured | 580.13 | [●] |
| Unsecured | 698.91 | [●] |
| **Non-current borrowing**(3) | | |
| Secured (including current maturities of long-term debt) | 2,189.72 | [●] |
| Unsecured | - | [●] |
| **Total Borrowing (a)**(6) | **3,468.76** | [●] |
| | | |
| **Shareholders' funds:** | | |
| Share capital | 2,410.02 | [●] |
| Securities premium | - | [●] |
| Reserves and surplus (excluding securities premium) | 1,972.80 | [●] |
| **Shareholders' funds (b)** | **4,382.82** | [●] |
| | | |
| **Total capitalisation (a+b)** | **7,851.58** | [●] |
| **Current Borrowing / Shareholders Funds (in %)** | **29.18** | [●] |
| **Long Term Borrowings / Shareholders Funds (in %)** | **49.96** | [●] |
| **Total Borrowing / Shareholders Funds (in %)** | **79.14** | [●] |

*^ The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

***Notes:***

1. *The above table has been computed on the basis of the Restated Financial Information.*
2. *Current borrowing is considered as borrowing due within 12 months from the balance sheet date.*
3. *Non-current borrowing is considered as borrowing other than current borrowing, as defined above and also includes the current maturities of long-term borrowing.*
4. *Total borrowing excludes interest accrued and due on borrowings.*

## FINANCIAL INDEBTEDNESS

Our Company has availed loans and entered into other financing arrangements in the ordinary course of business, typically for the purposes of working capital and capital expenditure. As on the date of this Draft Red Herring Prospectus, our Subsidiary has neither availed loans nor entered into other financing arrangements. For the purposes of the Offer, our Company has obtained the necessary consents required under the relevant documentation for its borrowings in relation to the Offer. For details regarding the borrowing powers of our Board, see "*Our Management—Borrowing Powers*" on page 239. Also see "*Risk Factors—Our financing arrangements contain restrictive covenants. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry including our plans for expansion and diversification*" and "*Risk Factors—We are subject to risks arising from interest rate fluctuations, which could reduce our profitability and adversely affect our business, cash results of operations, cash flows and financial condition.*" on pages 52 and 54, respectively.

Set out below is a brief summary of our Company's aggregate borrowings as of August 31, 2024:[1]

| Category of borrowings | Amount sanctioned | Amount outstanding as on August 31, 2024 |
|---|---|---|
| | *(in ₹ million)* | |
| **(A) Fund Based** | | |
| - Secured | | |
| Term loans | 4,947.10 | 3,098.11 |
| Working Capital | 3,120.00 | 1,591.43 |
| Vehicle loans | 37.74 | 18.61 |
| - Unsecured | | |
| Sales bill discounting | 850.00 | 598.96 |
| **Total (A)** | **8,954.84** | **5,307.11** |
| **(B) Non-Fund Based** | | |
| Working Capital | 1,112.17 | 55.27 |
| **Total (B)** | **1,112.17** | **55.27** |
| **Total (A+B)** | **10,067.01** | **5,362.38** |

[1] *As certified by S. S. Kothari Mehta & Co. LLP, by way of their certificate dated September 30, 2024.*

Principal terms of the borrowings availed by our Company are disclosed below:

1. *Interest:* The interest rate applicable to our Company's borrowing facilities is typically tied to the respective lender's lending rate prevailing at the time, linked to the repo rate/ external benchmark lending rate/ marginal cost of fund based lending rate, which may vary for each facility. The interest rate applicable to the borrowings availed by our Company ranges from 8.00% per annum to 9.60% per annum.

2. *Tenor:* The tenor of the term loan facilities availed by our Company typically ranges from 60 months to 115 months. Our Company have also availed certain working capital facilities that may be repayable on demand. These working capital facilities generally have a tenor of 12 months to 72 months.

3. *Security:* Our Company borrowings are typically secured by first pari-passu charge by way of hypothecation on our *Company's* entire current assets including stock of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), built receivables and book debts and all other movables, both present and future, personal and corporate guarantees, and second pari-passu charge by way of hypothecation on our Company's entire moveable fixed assets of the company both present & future. The nature of the securities described is indicative and there may be additional requirements for creation of security under various borrowing arrangements entered into by our Company.

4. *Pre-payment and premature redemption:* Facilities availed by our Company typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount, by serving a prior written notice to the relevant lender or on receiving prior approval from the relevant lender, subject to such pre-payment penalties as may be decided by the lender at the time of such prepayment, or as set out in the facility agreements. Among the facilities which specify a pre-payment penalty, the penalty typically ranges from nil to 2% of the amount proposed to be pre-paid.

5. *Events of default:* The financing arrangements entered into by our Company contain standard events of default including, among others:

(i) Any instalment of principal amount or interest or any another amount on the facility due and payable under the financing documents remaining unpaid;
(ii) breach or default in the performance or observance of the material covenants of the facility agreement;
(iii) A material representation, warranty or statement made to the lenders in connection with any financing agreements or project agreements or in any document delivered by or on behalf of the borrower is found to be substantially incorrect;
(iv) The occurrence of any event or circumstance, which is prejudicial to or imperils or depreciated the security given to the lenders or materially impacts the validity of the project;
(v) Bankruptcy or insolvency of our Company.

*6.* *Consequences of occurrence of events of defaults*:

The following are the consequences of occurrence of events of default in relation to the borrowings of our Company whereby the lenders may, among others:

(i) demand that our Company provide additional security;
(ii) accelerate maturity of the facility and demand immediate repayment of the outstanding amount;
(iii) enforce security; and
(iv) take any action as per the loan/ security documents or/ and any applicable law.

*7.* Restrictive *covenants:* Certain borrowing arrangements entered into by our Company contain restrictive covenants, including covenants restricting certain actions except with the prior approval of the lender. An indicative list of such restrictive covenants is disclosed below.

(i) effecting any change of our Company's capital structure or shareholding pattern;
(ii) implement any scheme of expansion / diversification / modernization other than incurring routine capital expenditure;
(iii) permit any transfer of controlling interest or make any drastic changes in its management set up;
(iv) amendments to the constitutional documents of our Company;
(v) venture into unrelated diversification; and
(vi) change the practice with regard to remuneration of directors by means of ordinary resolution or commission, scale of sitting fees.

The details provided above, in relation to the principal terms of our borrowings are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by us. The details on interest rates, tenors and pre-payment penalties, set out above are in relation to the borrowings availed by our Company as of August 31, 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis is intended to convey the management's perspective on our financial condition and results of operations as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Our Business" and "Restated Financial Information " on pages 33, 147, 195 and 270, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole.*

*Our financial year ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 that year, unless the context indicates otherwise. In this Draft Red Herring Prospectus, unless specified otherwise, any reference to "the Company" or "our Company" refers to Sambhv Steel Tubes Limited, on a standalone basis, and a reference to "we", "us" or "our" for any period prior to September 16, 2024 refers to our Company and for any period on or after September 16, 2024, is a reference to our Company and our Subsidiary, on a consolidated basis.*

*Unless otherwise stated or the context otherwise requires, the financial information as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from the Restated Financial Information included in this Draft Red Herring Prospectus on page 270. We have also included various financial and operational performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Financial Information. The manner of calculation and presentation of some of the financial and operational performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Also see "Risk Factors— "This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian steel industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies." on page 62. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. We have not attempted to quantify the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Also see "Risk Factors— Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider them material to their assessment of our financial condition." on page 66.*

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. You should read "Forward-Looking Statements" and "Risk Factors" on pages 31 and 33, respectively, for a discussion of the risks and uncertainties related to those statements that may affect our business, financial condition or results of operations.*

*Unless stated otherwise, industry and market data used in this section have been extracted from the CRISIL Report, exclusively prepared, commissioned and paid for by our Company for the purposes of the Offer and issued by CRISIL MI&A who was appointed by our Company pursuant to a technical proposal dated June, 2024. For further information, see "Risk Factors — Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks." on page 63. Also see "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 28. The CRISIL Report will be available on the website of our Company at https://sambhv.com/investor-page/ from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

For details regarding the overview of the Company, see "*Our Business – Overview*" on page 147.

### SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our results of operations and financial condition are affected by a number of important factors including:

***Availability, supply and cost of raw materials***

A large portion of our expenses is attributed to the cost of materials consumed. Set forth below is the cost of raw materials consumed as a percentage of our revenue from operations for the last three Fiscals.

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|
| Cost of raw materials consumed *(in ₹ million)* | 8,287.16 | 6,700.23 | 6,344.50 |
| Cost of raw materials consumed (as a % of revenue from operations) | 64.45 | 71.49 | 77.43 |

Set forth below is our cost of iron ore, iron ore pellets, coal and mild steel scrap sourced from suppliers as a percentage of our total cost of raw materials consumed and revenue from operations in the last three Fiscals.

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|
| ***Iron ore*** | | | |
| Cost of iron ore sourced from suppliers (*₹ million*) | 1,350.73 | 1,034.12 | 2,036.34 |
| Cost of iron ore as a percentage of cost of raw materials consumed (*%*) | 16.30 | 15.43 | 32.10 |
| Cost of iron ore as a percentage of revenue from operations (%) | 10.51 | 11.03 | 24.85 |
| ***Iron ore pellets*** | | | |
| Cost of iron ore pellets sourced from suppliers (*₹ million*) | 458.21 | 562.64 | 510.36 |
| Cost of iron ore pellets as a percentage of cost of raw materials consumed (*%*) | 5.53 | 8.40 | 8.04 |
| Cost of iron ore pellets as a percentage of revenue from operations (%) | 3.56 | 6.00 | 6.23 |
| ***Coal*** | | | |
| Cost of coal sourced from suppliers (*₹ million*) | 1,105.75 | 1,376.04 | 823.02 |
| Cost of coal as a percentage of cost of raw materials consumed (*%*) | 13.34 | 20.54 | 12.97 |
| Cost of coal as a percentage of revenue from operations (%) | 8.60 | 14.68 | 10.04 |
| ***Sponge iron*** | | | |
| Cost of sponge iron sourced from suppliers (*₹ million*) | 2,752.08 | 1,452.14 | 879.53 |
| Cost of sponge iron as a percentage of cost of raw materials consumed (*%*) | 33.21 | 21.67 | 13.86 |
| Cost of sponge iron as a percentage of revenue from operations (%) | 21.40 | 15.49 | 10.73 |
| ***Mild steel scrap*** | | | |
| Cost of mild steel scrap sourced from suppliers (*₹ million*) | 1,828.96 | 1,508.51 | 1,993.11 |
| Cost of mild steel scrap as a percentage of cost of raw materials consumed (*%*) | 22.07 | 22.51 | 31.41 |
| Cost of mild steel as a percentage of revenue from operations (%) | 14.22 | 16.10 | 24.33 |

We depend on third party suppliers for the supply of raw materials such as iron ore, coal, iron ore pellets, sponge iron and mild steel scrap in the quantities required by us. Our Sarora (Tilda) Facility is located in the mineral rich state of Chhattisgarh. We are located in close proximity to our key raw material suppliers. We source our iron ore requirements from a navratna public sector undertaking ("**PSU**") mining company's mines which are known for producing India's highest grade of iron ore. (*Source: CRISIL Report*) This enables us to access directly reduced calibrated lump ore ("**DRCLO**") grade iron ore as raw material for our products. Further, we source our coal requirements from a maharatna PSU through one of its highest coal producing subsidiary whose mines are Asia's largest coal mines and are merely 250 kilometres from our Sarora (Tilda) Facility. (*Source: CRISIL Report*)

This strategic proximity not only optimizes our logistics but also ensures a steady and efficient supply chain. Further, our backward integration processes allow us to manufacture a range of finished products including ERW black pipes and tubes (hollow section) and galvanized iron ("**GI**") pipes, using intermediate products such as sponge iron, blooms/slabs (mild steel and stainless steel) and hot rolled ("**HR**") coil which are manufactured in-house which off-sets our requirement to source such products from external suppliers.

We may experience volatility in the cost or availability of iron ore, coal, iron ore pellets, sponge iron and mild steel scrap. Our ability to pass through raw material costs or otherwise mitigate any cost increases could adversely affect our business. Any increase in prices of raw materials could have an impact on our working capital and strain our working capital availability as we would require additional funds to procure raw materials at higher prices.

Further, we have not entered into definitive agreements with most of our suppliers. Except with certain PSUs with whom we have entered into long term supply contracts, we typically do not enter into long-term contracts for the supply of raw materials with our suppliers. 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. Further, our reliance on a select group of suppliers may constrain our ability to negotiate our supply arrangements, which may have an impact on our ability to procure an uninterrupted supply of various raw materials, which in turn may affect our profit margins and financial performance.

While we maintain our inventory of raw materials to be able to avoid situations of irregular supply our results of operation may be impacted if we are unable to procure sufficient raw materials of requisite quality, and at acceptable prices as it could disrupt our production, delay our delivery cycle, leading to increase in our production costs and reduction in our production volumes, and also hinder our ability to expand and grow our product portfolio. Unavailability of raw materials, increase in price of raw materials or any disruption in procurement of raw materials due to discontinuation of our relationship with any of our suppliers would have a material adverse effect on our business and operations, financial condition, results of operations and prospects.

***Our expansion plans and new products***

Our future results of operations will be affected by our expansion plans. Our Sarora (Tilda) Facility has an installed capacity of 1,540,000 MTPA, as of September 20, 2024, which has increased from 1,122,400 MTPA as of March 31, 2024. Further, we also intend to operationalize our second manufacturing facility which will be located in Village - Kuthrel, in District Raipur, Chhattisgarh in the current Fiscal and are planning to commission a greenfield manufacturing facility in Village - Kesda, Tehsil Simga, Chhattisgarh. This facility will be operated by our Subsidiary, Sambhv Tubes Private Limited. We intend to add an installed capacity of approximately 1.20 MMTPA of finished product in three phases. Phase 1, for which a no objection certificate from the Kesda gram panchayat has been received, is expected to be commissioned by Fiscal 2027. NOC for this facility has also been received from Kesda gram panchayat and an HR mill has also been procured and is in the process of being imported and approximately 350,653 square meters of land has been acquired by our Subsidiary. Our Sarora (Tilda) Facility, the Kuthrel facility and the proposed Kesda manufacturing facilities are in close proximity to each other and we believe this will further augment our existing backward integration capabilities.

We expect that our expanded installed capacity will enable us to handle higher volume of production and expand our product portfolio. Ongoing product development remains a core focus area for our Company, and we aim to continue this in the future. We believe that product customization enables us to increase wallet share, while simultaneously enabling us to diversify our product basket, offering customers with newer solutions. In the current Fiscal, we propose to commence production of SS HRAP coils, SS CR coils, CRFH pipes, GP coils and GP pipes. Our future success will depend in part on our ability to introduce new products as well as produce or feature enhancements based on the evolving market trends and/or customer feedback in a timely manner. If we are unable to implement our expansion plans, or our new products fail to achieve market acceptance or we are unsuccessful in developing, engineering and bringing to market new and innovative and/or improved products or respond to evolving business requirements, we may be unable to expand our business, realize economies of scale, maintain our competitive position or sustain profitability.

Further, the production of our products is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Expansion of existing capacities may require long lead times which may impact our business, results of operations, profitability and margins, cash flows and financial condition. Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce.

***Any shutdown, slow-down or under-utilization of our manufacturing facility***

Our single operational manufacturing facility in Sarora (Tilda) is subject to operating risks, including but not limited to, forced or voluntary closure of our manufacturing facility, including as a result of regulatory actions, problems with supply chain continuity, including as a result of natural or man-made disasters at our manufacturing facility, manufacturing shutdowns, breakdown or failure of equipment, equipment performance below expected levels of efficiency, obsolescence of our equipment and production facility, industrial accidents and the need to comply with the directives of relevant government authorities, disruption in electrical power or water resources, fire and industrial accidents, which may entail significant repair and maintenance costs, labor disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions, any changes in the availability of power or water availability which impacts the entire region. We may be required to shut down our manufacturing facility, from time to time, for capacity expansions, enhancements and equipment upgrades. Further, any unscheduled, unplanned or prolonged disruption of our manufacturing operations could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. Our expansion plans including the setting up of new manufacturing facilities are subject to similar operating risks which may result in shut downs, underutilization and unscheduled/unplanned disruptions which in turn could affect our revenue from operations in the future.

Further, our ability to maintain our profitability depends on our ability to maintain sufficient levels of capacity utilization. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, labor shortages or unrest, industry/ market conditions as well as overhead costs and manufacturing costs. In the event that there is a decline in the demand for our products, or if we face prolonged disruptions at our existing operational or proposed manufacturing facility including due to interruptions in the supply of water, electricity or as a result of labor unrest, or are unable to procure sufficient raw materials, we would not be able to achieve and maintain optimum levels of capacity utilization at our manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our financial condition and results of operations.

***Relationship with key distributors and customers***

As of March 31, 2024, we have a network of 33 distinct distributors with two distributors distributing through six branches in 15 states and one union territory taking the total distributor network to 39 that in turn distribute our finished products through over 600 dealers in India We depend largely on our distributors to sell our finished products, i.e., ERW black pipes and structural tubes (hollow section) and GI pipes. In addition to our distribution network, we also supply our products directly to end-customers such as construction and infrastructure companies, and government organizations and projects.

The loss of any of our distributors/customers for any reason (including due to loss of contracts, disputes with distributors/customers, delay in fulfilling existing orders, adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. Our distributors are not exclusive to us and also stock and sell products of multiple manufacturers, who could be our competitors. A change in our relationship with any of our significant distributors/customers will impact our business leading to a reduction in our sales. Any loss of any of our significant distributors/ customers, including as a result of any dispute with or disqualification by them, will have an adverse effect on our business and results of operations.

Further, we seek to increase the penetration of our products by engaging new distributors to ensure a wider distribution network targeted at different regions. We may, however, not be successful in appointing new distributors to expand our network or maintain and strengthen our relationships with our existing distributors, or effectively manage our existing distribution network, which may adversely affect our business and results of operations.

***Industry growth and macro-economic conditions***

Our results of operations will be affected by the growth in the steel tubes sector. The demand for domestic steel pipes and tubes is expected to have grown at a CAGR of 5-6% between Fiscals 2019-2025, rising from 8.8 MTPA in Fiscal 2019 to 12.50-13.50 MTPA in Fiscal 2025, led by government initiatives to augment urban structural infrastructure and to infuse investments in the oil and gas sector. (*Source: CRISIL Report*) Going forward, domestic steel pipe demand is projected to increase to 18.50-20.50 MTPA in Fiscal 2029 at a 8-9% CAGR during the period between Fiscal 2025 and Fiscal 2029 on a high base. (*Source: CRISIL Report*) The growth would primarily be led by structural infrastructure and irrigation sector, which would continue to account for 50-55% of total domestic steel pipe demand. (*Source: CRISIL Report*)

Further, the demand for steel pipes and tubes will also be getting the push from the potential substitution of conventional construction materials, such as concrete cement and conventional steel. For example, owing to tubular steel being 10-20% lighter than conventional steel, the foot-over bridges and ceiling planned to be constructed under the government's "Amrit Bharat Station Scheme" would be made completely from steel pipes and tubes. The scheme, which plans to redevelop around 1,275 Indian railway stations in next 5 years, is expected to present a total sales opportunity of 500-3,000 tons of steel pipes and tubes per railway station. Steel tubes are also finding opportunities in the construction of other infrastructure projects such as new airports, high-rise complexes, warehouses, data centers, water tanks and hospitals. (*Source: CRISIL Report*)

Further, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any slowdown in the Indian economy would materially and adversely affect our business, financial condition, results of operations and cash flows. An increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy.

## NON-GAAP FINANCIAL MEASURES

We use certain supplemental non-generally accepted accounting principles measures ("**Non-GAAP Measures**") to review and analyze our financial and operating performance from period to period, and to evaluate our business, and for forecasting purposes. Although these Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating and financial performance. Further, our management believes that when taken collectively with financial measures prepared in accordance with Ind AS, these Non-GAAP Measures may be helpful to investors because they provide an additional tool for investors to use in evaluating our ongoing results and trends. Presentation of these Non- GAAP Measures should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Financial Information set out in this Draft Red Herring Prospectus.

These Non-GAAP Measures are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or cash requirements. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These Non-GAAP Measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these Non- GAAP Measures should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, cash flows, liquidity or profitability. For further details, see "*Risk Factor – This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian steel industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies"* on page 62.

### *EBITDA, EBITDA Margin and Net Profit Ratio*

"**EBITDA**" is defined as earnings before interest, taxes, depreciation and amortization. "**EBITDA Margin**" is a profitability ratio we use to calculate the percentage of profit we generate from our revenue from operations; it is defined as our EBITDA during a given period as a percentage of revenue from operations during that period. "**Profit After Tax Margin**" is a measure of how much profit after tax is generated as a percentage of revenue from operations, and is calculated by dividing our net profit for the year by revenue from operations during that period and is expressed as a percentage. The table below reconciles our profit for the year to EBITDA, for the periods indicated, and sets out our EBITDA Margin and Profit After Tax Margin, for the periods indicated.

*(₹ million, except percentage data)*

| **Particulars** | **Fiscal** | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| **Profit/ (loss) after tax (A)** | 824.39 | 603.83 | 721.08 |
| **Less:** | | | |
| **Other Income (B)** | 36.18 | 17.84 | 14.04 |
| **Add:** | | | |
| Finance cost, net | 318.15 | 218.16 | 191.24 |
| Income tax expense | 283.26 | 207.34 | 245.67 |
| Depreciation and amortization expense | 209.10 | 161.51 | 101.20 |
| **EBITDA (C)** | 1,598.72 | 1,173.00 | 1,245.15 |
| **Revenue from Operations (D)** | 12,857.57 | 9,372.20 | 8,193.49 |
| **Total Income (E)** | 12,893.75 | 9,390.04 | 8,207.53 |
| **EBITDA Margin (C/D) (%)** | 12.43% | 12.52% | 15.20% |
| **Profit after tax margin (A/D) (%)** | 6.41% | 6.44% | 8.80% |

### *Free Cash Flow*

**Free Cash Flow** is calculated by subtracting capital expenditure from the cash flow generated from operating activities during a given period (*i.e.*, cash flow generated from operating activities – capital expenditure). The table below sets out the calculation of our Free Cash Flow, during the periods indicated below.

*(₹ million)*

| Particulars | Fiscal | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| **Cash flow generated from/ (used in) operating activities** | 1,424.28 | 655.52 | 344.95 |
| **Less:** | | | |
| Capital expenditure | 2,849.29 | 871.04 | 988.72 |
| **Free Cash flow** | (1,425.01) | (215.52) | ( 643.77) |

### *Return on Capital Employed*

Return on capital employed ("**RoCE**") is calculated as EBIT divided by capital employed. EBIT is calculated by adding profit before exceptional items and tax to Finance Cost. Capital employed is calculated by adding tangible net worth to total debt and deferred tax liability. The table below sets out the reconciliation of our RoCE to our EBIT, for the periods indicated.

*(₹ million, except percentage date)*

| Particulars | As of, and for the year ended, March 31 | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| EBIT (A) | 1,425.80 | 1,029.33 | 1,157.99 |
| Equity Share Capital (B) | 2,410.02 | 200.90 | 200.90 |
| Other Equity (C) | 1,972.80 | 1,903.07 | 1,292.07 |
| Borrowings (Current Liabilities.) (D) | 1,654.48 | 1,137.80 | 1,047.88 |
| Borrowings (Non-current Liabilities) (E) | 1,814.28 | 1,689.92 | 1,365.00 |
| Lease Liabilities (F) | 36.64 | 22.81 | 3.52 |
| Deferred tax liabilities (Net) (G) | 187.50 | 142.07 | 97.02 |
| Capital Employed (H=B+C+D+E+F+G) | 8,075.72 | 5,096.57 | 4,006.39 |
| **RoCE (A/H) (%)** | **17.66%** | **20.20%** | **28.90%** |

### *Return on Equity*

Return on equity ("**RoE**") is calculated as restated profit for the year divided by average equity. The table below sets out the reconciliation of our RoE to our profit for the year, for the periods indicated.

*(₹ million, except percentage date)*

| Particulars | As of, and for the year ended, March 31 | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Profit after tax (A) | 824.39 | 603.83 | 721.08 |
| Closing Equity (B) | 4,382.82 | 2,103.97 | 1,492.97 |
| Opening Equity (C) | 2,103.97 | 1,492.97 | 772.65 |
| Total Shareholder's Equity (D = B+C) | 6,486.79 | 3,596.94 | 2,265.62 |
| Average equity (E = D/2) | 3,243.40 | 1,798.47 | 1,132.81 |
| **RoE (A/E) (%)** | **25.42%** | **33.57%** | **63.65%** |

### *Debt to Equity Ratio*

We monitor our capital and financial leverage levels using the Debt to Equity ratio. We calculate Debt to Equity ratio by dividing the Debt (*i.e.*, borrowings (current and non-current) plus lease liability) by total equity. The table below sets out the calculation of our Debt to Equity ratio, as of the dates indicated below.

*(₹ million, unless otherwise specified)*

| Particulars | As of March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Debt (A) | 3,505.40 | 2850.53 | 2,416.40 |
| Equity (B) | 4,382.82 | 2,103.97 | 1,492.97 |
| **Debt to Equity Ratio (A)/(B)** | **0.80** | **1.35** | **1.62** |

*Interest Coverage Ratio*

"Interest Coverage Ratio" measures our ability to make interest payments from available earnings and is calculated as EBIT divided by Finance Cost. The table below sets out the calculation of our Interest Coverage Ratio, for the periods indicated below.

*(₹ million, unless otherwise specified)*

| Particulars | Fiscal | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| EBIT (A) | 1425.80 | 1029.33 | 1157.99 |
| Finance Cost (B) | 318.15 | 218.16 | 191.24 |
| **Interest Coverage Ratio (A)/(B)** | **4.48** | **4.72** | **6.06** |

*Current Ratio*

"Current Ratio" is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the total current assets by the total current liabilities. The table below sets out details of our Current Ratio, as of the dates indicated below.

*(₹ million, unless otherwise specified)*

| Particulars | As of March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Total current assets | 3,153.12 | 2,063.71 | 1,889.92 |
| Total current liabilities | 2,967.38 | 1,554.58 | 1,619.12 |
| Current Ratio | 1.06 | 1.33 | 1.17 |

*Trade Receivables Days*

"**Trade Receivables Days**" quantifies our effectiveness in collecting our receivables or money owed by customers and is calculated as trade receivable at the end of the year divided by revenue from operations multiplied by 365 days. The table below sets out our Trade Receivables Days, for the periods indicated below.

*(₹ million, unless otherwise specified)*

| Particulars | As of, and for the year ended, March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Revenue from operations (A) | 12,857.57 | 9,372.20 | 8,193.49 |
| Trade receivables at the end of the year/ period (B) | 940.97 | 345.65 | 156.44 |
| Trade Receivables Days (B/A x 365) | 27 | 13 | 7 |

*Trade Payables Days*

"**Trade Payables Days**" quantifies our effectiveness in paying our payables or money owed to vendors and is calculated as trade payable at the end of the year divided by revenue from operations multiplied by 365 days. The table below sets out our Trade Payables Days, for the periods indicated.

*(₹ million, unless otherwise specified)*

| Particulars | As of, and for the year ended, March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Revenue from operations (A) | 12,857.57 | 93,72.20 | 8,193.49 |
| Trade payables at the end of the year (B) | 977.68 | 282.85 | 309.78 |
| Trade Payables Days (B/A x 365) | 28 | 11 | 14 |

*Inventory Days*

"**Inventory Days**" is the number of days a business is holding it's inventory before selling it and is calculated as inventory at the end of the year divided by revenue from operations multiplied by 365 days. The table below sets out our Inventory Days, for the periods indicated below.

*(₹ million, unless otherwise specified)*

| Particulars | As of, and for the year ended, March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Revenue from operations (A) | 12,857.57 | 9,372.20 | 8,193.49 |

| Particulars | As of, and for the year ended, March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Inventory at the end of the year (B) | 1,490.59 | 1,414.47 | 1,215.12 |
| Inventory Days (B/A x 365) | 42 | 55 | 54 |

***Working Capital Cycle***

Working capital cycle describes the number of days it takes for us to convert our working capital into revenue and is calculated by deducting trade payable days from trade receivable days and inventory days. Trade receivables days have been calculated as trade receivables divided by revenue from operations multiplied by 365 days. Trade payables days have been calculated as trade payables divided by revenue from operations multiplied by 365 days. Inventory day have been calculated as Inventory divided by revenue from operations multiplied by 365 days. The table below sets out details of our working capital days, as of the periods indicated below.

*(₹ million, unless otherwise specified)*

| Particulars | As of, and for the year ended, March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Revenue from operations (A) | 12,857.57 | 9,372.20 | 8,193.49 |
| Trade receivables (B) | 940.97 | 345.65 | 156.44 |
| Trade payables (C) | 977.68 | 282.85 | 309.78 |
| Inventory (D) | 1,490.59 | 1,414.47 | 1,215.12 |
| Trade receivable days {(B/A)*365} | 27 | 13 | 7 |
| Trade payable days {(C/A)*365} | 28 | 11 | 14 |
| Inventory Days {(D/A)*365} | 42 | 55 | 54 |
| Working Capital Days | 41 | 57 | 47 |

**PRESENTATION OF FINANCIAL INFORMATION**

The restated financial information of our Company comprise the restated statement of assets and liabilities as of 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, the restated statement of cash flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the statement of material accounting policies, and other explanatory information (collectively, the "**Restated Financial Information**").

The Restated Financial Information have been compiled from the audited Ind AS financial statements of the Company as of and for the financial years ended March 31, 2024 and the audited special purpose Ind AS financial statements of the Company as of and for the financial years ended March 31, 2023 and March 31, 2022 each prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India

**MATERIAL ACCOUNTING POLICIES**

***Revenue from contract with customer***

The Company manufactures and sells a range of steel and other products.

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

*Sale of Goods*

The control of the products is said to have been transferred to the customer when the products are delivered to the customer, the customer has significant risks and rewards of the ownership of the product or when the customer has accepted the product.

Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates, estimated additional discounts and expected sales returns and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. Revenue is only recognised to the extent that is highly probable that significant reversal will not accrue.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

*Contract balances*

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Upon completion of the contractual services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

*Trade receivables*

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

*Contract liabilities*

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

*Assets and liabilities arising from rights of return*

Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

***Other Income***

*Dividend Income*
Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the same.

*Interest Income*
Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

***Government Grants***

Government grants are recognised where there is reasonable assurance that the grant will be received, ultimate collection of the grant/subsidy is reasonably certain and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

***Export Incentives***

Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

***Investment in Subsidiary***

A subsidiary is an entity that is controlled by another entity. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Company's investments in its subsidiary and associates are accounted at cost less impairment.

***Property, Plant and Equipment (PPE)***

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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 entity and the cost can be measured reliably.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

In the carrying amount of an item of property, plant and equipment, the cost of replacing the part of such an item is recognised when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition principles.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Spare parts procured along with the plant & machinery or subsequently which meet the recognition criteria, are capitalised and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores & spares' forming part of the inventory.

*Depreciation*

Depreciation is recognised on the cost of assets less their residual values. Depreciation is provided based on useful life of the assets. The management has evaluated that the useful life is in conformity with the useful life as prescribed in Schedule II of the Companies Act and such useful life has been considered by applying the straight-line method. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately based on its' useful life.

| Assets | Useful Life as per Schedule II (Years) |
|---|---|

| | |
|---|---|
| Building (other than factory buildings) other than RCC Frame Structure | 30 |
| Building (other than factory buildings) RCC Frame Structure | 60 |
| Building- Roads, Tubewell and temporary shed | 3-10 |
| Plant and equipment | 15-20 |
| Furniture and fixtures | 10 |
| Vehicles | 8-10 |
| Office equipments | 3-6 |

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as change in an accounting estimate.

The depreciation for each year is recognised in the Statement of Profit & Loss unless it is included in the carrying amount of another asset.

For transition to Ind AS, The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

***Intangible Assets***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the company’s intangible assets is as follows:

| **Intangible assets** | **Useful life (In Years)** | **Amortisation method used** |
|---|---|---|
| Computer Software | 6 | Amortised on straight-line basis |

***Capital Work-in-progress***

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work-in-Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost directly attributable to projects under construction, net of income earned during such period, include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and upgradation, among others of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under 'Capital Work-in-Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

Capital expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalised and carried under 'Capital work-in-progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the 'attributability' and the 'Unit of Measure' concepts in Ind AS 16-'Property, Plant & Equipment'. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

*Leases*

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

*Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of the right-of-use asset shall comprise: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

*Lease Liabilities*

At the commencement date of the lease, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date: fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

After the commencement date the carrying amount of lease liabilities is remeasured to reflect changes in the lease payments. The amount of remeasurement of the lease liability is recognised as an adjustment to the carrying amount of the right-of-use of the asset and any remaining amount of remeasurement in profit or loss.
Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

*Short-term leases and leases of low-value assets*

The Company has elected to apply the exemption from lease recognition to short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases for which the underlying assets is of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*Company as a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

***Inventories***

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads and other cost incurred in bringing inventories to their present location and condition based on the normal operating capacity but excluding borrowing costs. Cost is determined on FIFO
- Stores and Spares is value at FIFO
- Scrap is valued at estimated realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase

The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

***Contingent Liabilities & Contingent Assets***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

*Contingent liabilities*

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

*Contingent Assets*

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

***Employee benefits***

*Gratuity*

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is Un-Funded.

The Company's Liabilities on account of Gratuity on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS)-19 'Employee Benefits'. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the period in which they arise. They are included in retained earnings through OCI in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(a) The date of the plan amendment or curtailment, and
(b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss :

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
(b) Net interest expense or income

*Compensated Absences*

Accumulated compensated absences are either availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service. The Company has a policy to encash the entire leaves balance outstanding as at the end of the year in the subsequent year.

*Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

***Financial Instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Financial Assets***

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

*Financial assets at amortised cost (debt instruments)*

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loans to employees included under financial assets.

*Financial assets at fair value through OCI (FVTOCI) (debt instruments)*

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

*Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under '*Ind AS 32 Financial Instruments: Presentation and are not held for trading'.* The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right to receive the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Dividend income is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

*Impairment of financial assets*

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other assets, the Company uses twelve-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

***Trade Receivables***

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as on-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are disclosed in the Restated Consolidated Financial Information.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the 'Other income' line item.

*Derecognition of Financial Assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights 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

  - the Company has transferred substantially all the risks and rewards of the asset; or
  - the Company 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 rights 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 Company'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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

***Financial Liabilities***

*Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

*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 appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, inter corporate deposits and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

*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)

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

*Financial liabilities at amortised cost (Borrowings)*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

This category generally applies to borrowings.

*Derecognition of financial liabilities*

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

***Taxes***

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

- In respect of taxable temporary differences associated with interests in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

*Borrowing Costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

***Changes in accounting policies and disclosures***

*New and amended standards and interpretations*

<u>Definition of Accounting Estimates - Amendments to Ind AS 8</u>

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the financial statements of the Company.

<u>Disclosure of Accounting Policies – Amendments to Ind AS 1</u>

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements of the Company.

<u>Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12</u>

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. These amendments had no impact on the financial statements of the Company

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

*Standards issued but not yet effective*

There are no such standards or amendment issued which are not effective as on date.

**CHANGES IN ACCOUNTING POLICIES**

Except as disclosed above, there have been no changes in our accounting policies during Fiscal 2024, 2023 and 2022.

**PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

***Income***

Our income comprises (i) revenue from operations; and (ii) other income.

*Revenue from operations*

The revenue from our operations comprises (i) sale of products; and (ii) other operating revenue.

(i) Our sale of products comprises (i) finished goods; and (ii) stock-in trade; and
(ii) Our other operating revenue comprises (i) job work charges; and (ii) export incentives.

*Other income*

Our other income comprises (i) interest income which in turn comprises interest from (a) bank deposits; (b) electricity deposit; and from other financial assets at amortized cost; (ii) gain on sale of current investments; (iii) sale of scrap; (iv) gain on foreign exchange variation (net); (v) gain on modification/termination of lease; and (vi) miscellaneous income.

***Expenses***

Our expenses primarily comprises (i) cost of materials consumed; (ii) purchase of stock-in-trade; (iii) changes in inventories of finished goods and stock-in trade; (iv) employee benefit expenses; (v) finance cost; (vi) depreciation and amortization expenses; and (vii) other expenses

*Cost of materials consumed*

Cost of materials consumed consists of costs for raw materials and components (such a freight charges and other expenses incurred on purchase of raw materials).

*Purchase of stock-in-trade*

Purchase of stock-in-trade consists of purchases of trading goods such as coal, scrap, G.I. pipes and other trading goods of similar nature.

*Changes in inventories of finished goods and stock-in trade*

Changes in inventories of finished goods and stock-in-trade denotes increase/ decrease in inventories of finished goods and stock-in-trade between opening and closing dates of a reporting period.

*Employee benefits expense*

Employee benefits expense includes (i) salaries, wages and bonus; (ii) contribution to provident and other funds; and (iii) staff welfare expenses

*Finance cost*

Finance cost includes (i) interest expense (at amortized cost); and (ii) other borrowing costs.

Interest expense (at amortized cost) includes interest expense on (a) borrowings; (b) lease liabilities; and (c) others which comprises interest on income tax expenses and interest on outstanding dues of micro and small enterprises, and other borrowing costs includes bank and commission charges, charges for opening line of credit and line of credit discounting charges.

*Depreciation and amortization expense*

Depreciation and amortization expense includes (i) depreciation of property, plant and equipment; (ii) amortization of intangible assets; and (iii) depreciation of right of use assets.

***Other expenses***

Other expenses includes (i) consumption of store and spare parts; (ii) power and fuel; (iii) job work charges; (iv) freight outwards; (v) rent expenses; (vi) repair and maintenance; (vii) legal and professional fees; (viii) payment to auditors; (ix) corporate social responsibility expenditure; (x) advertisement and sales promotion expenses; (xi) commission expenses; (xii) travelling and conveyance expenses; (xiii) security service expenses; (xiv) loss on sale of property, plant and equipment (net); (xv) insurance; (xvi) rates and taxes; (xvii) balance written off for doubtful receivables and advances; (xviii) allowance for expected credit loss; (xix) fair value amortization on loan to employees; (xx) donations and contributions; and (xxi) miscellaneous expenses.

***Exceptional Items***

There are no exceptional items which have been charged to the statements of profit and loss included in our Restated Financial Information.

***Tax Expenses***

Our tax expenses comprise (i) current tax; and (ii) deferred tax.

**OUR RESULTS OF OPERATIONS**

The table below sets forth, for the periods indicated, certain items from our restated statement of profit and loss, in each case also stated as a percentage of our total income.

*(₹ million, except % data)*

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|
| | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income |
| **INCOME** | | | | | | |
| Revenue from operations | 12,857.57 | 99.72% | 9,372.20 | 99.81% | 8,193.49 | 99.83% |
| Other income | 36.18 | 0.28% | 17.84 | 0.19% | 14.04 | 0.17% |
| **Total income (I)** | **12,893.75** | **100%** | **9,390.04** | **100%** | **8,207.53** | **100%** |
| | | | | | | |
| **EXPENSES** | | | | | | |
| Cost of materials consumed | 8,287.16 | 64.27% | 6,700.23 | 71.35% | 6,344.50 | 77.30% |
| Purchase of stock-in-trade | 1,056.93 | 8.20% | 569.19 | 6.06% | 135.44 | 1.65% |
| Changes in inventories of stock-in-trade and finished goods | (142.25) | (1.10%) | (302.41) | (3.22%) | (281.87) | (3.43%) |
| Employee benefits expense | 571.33 | 4.43% | 414.61 | 4.42% | 234.65 | 2.86% |
| Finance costs | 318.15 | 2.47% | 218.16 | 2.32% | 191.24 | 2.33% |
| Depreciation and amortization expense | 209.10 | 1.62% | 161.51 | 1.72% | 101.20 | 1.23% |

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|
| | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income |
| Other expenses | 1,485.68 | 11.52% | 817.58 | 8.71% | 515.62 | 6.28% |
| **Total expenses (II)** | **11,786.10** | **91.41%** | **8,578.87** | **91.36%** | **7,240.78** | **88.22%** |
| | | | | | | |
| **Profit before exception item and tax (I-II)** | **1,107.65** | **8.59%** | **811.17** | **8.64%** | **966.75** | **11.78%** |
| | | | | | | |
| **Exceptional items** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | | | | | |
| **Profit before tax (III-IV)** | **1,107.65** | **8.59%** | **811.17** | **8.64%** | **966.75** | **11.78%** |
| | | | | | | |
| **Tax expense** | | | | | | |
| Current tax | 238.24 | 1.85% | 164.71 | 1.75% | 200.07 | 2.44% |
| Deferred tax | 45.02 | 0.35% | 42.63 | 0.45% | 45.60 | 0.56% |
| **Total tax expense** | **283.26** | **2.20%** | **207.34** | **2.21%** | **245.67** | **2.99%** |
| | | | | | | |
| **II. Profit for the year (V - VI)** | **824.39** | **6.39%** | **603.83** | **6.43%** | **721.08** | **8.79%** |
| | | | | | | |
| **III. Other comprehensive income** | | | | | | |
| Items that will not be reclassified to the statement of profit or loss: | | | | | | |
| Remeasurement gain/(losses) on the defined benefit plan | 1.64 | 0.01% | 9.59 | 0.10% | (1.02) | (0.01%) |
| Income tax relating to above item | (0.41) | (0.00%) | (2.42) | (0.03%) | 0.26 | 0.00% |
| **Other comprehensive income for the year (net of tax)** | **1.23** | **0.01%** | **7.17** | **0.07%** | **(0.76)** | **(0.01%)** |
| | | | | | | |
| **Total comprehensive income for the year (net of tax) (VII + VIII)** | **825.62** | **6.40%** | **611.00** | **6.51%** | **720.32** | **8.78%** |

***Product-wise revenue from operations***

Our product-wise reporting reflects our product-wise break-down of our revenue from contracts with customers (i.e., sale of products).

The table below sets forth, for the periods indicated, a product-wise break-down of our revenue from contracts from customers (i.e., sale of products):

*(₹ million, except % data)*

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|
| | Amount | % of total | Amount | % of total | Amount | % of total |
| ERW black pipes and tubes | 9,448.15 | 73.71 | 3,569.37 | 38.13 | - | - |
| Blooms/Slabs | 1,363.51 | 10.64 | 2,026.47 | 21.65 | 2,252.16 | 27.49 |
| G.I. Pipes | 813.24 | 6.34 | 431.02 | 4.60 | - | - |
| HR Coil | 250.96 | 1.96 | 2,593.11 | 27.70 | 5,023.95 | 61.32 |
| Others | 942.37 | 7.35 | 742.15 | 7.93 | 917.37 | 11.20 |
| **Total** | **12,818.23** | **100.00** | **9,362.12** | **100.00** | **8,193.49** | **100.00** |

**FISCAL 2024 COMPARED TO FISCAL 2023**

***Income***

Our total income increased by 37.31% to ₹12,893.75 million in Fiscal 2024 from ₹9,390.04 million in Fiscal 2023 primarily due to an increase in our revenue from operations and our other income during this period.

*Revenue from operations*

Our revenue from operations increased by 37.19% to ₹12,857.57 million in Fiscal 2024 from ₹9,372.20 million in Fiscal 2023, which was primarily due to the reasons set forth below:

Revenue from sale of products

Our revenue attributable to the revenue from sale of products increased by 36.92% to ₹12,818.23 million for Fiscal 2024 from ₹9,362.12 million in Fiscal 2023, primarily due to an increase in sale of (i) finished goods to ₹11,733.02 million for Fiscal 2024 from ₹8,778.75 million in Fiscal 2023, which was primarily due to increase in sales volume of our products resulting from capacity expansion; and (ii) stock-in-trade to ₹1,085.21 million for Fiscal 2024 from ₹583.37 million in Fiscal 2023 which was primarily due to increase in trading opportunities in relation to coal, scrap, G.I. pipes and other trading goods of similar nature.

Other operating revenue

Our revenue attributable to other operating revenue increased by 290.28% to ₹39.34 million for Fiscal 2024 from ₹10.08 million in Fiscal 2023, primarily due to an increase in job work income to ₹39.07 million for Fiscal 2024 from ₹9.64 million in Fiscal 2023. However, this increase was partially off-set by a decrease in export incentives to ₹0.27 million for Fiscal 2024 from ₹0.44 million in Fiscal 2023.

*Other income*

Our other income increased by 102.80% to ₹36.18 million in Fiscal 2024 from ₹17.84 million in Fiscal 2023, which was primarily due to the reasons set forth below:

Interest income

The interest income increased by 163.79% to ₹22.95 million for Fiscal 2024 from ₹8.70 million in Fiscal 2023, primarily due to an increase in interest income (i) from bank deposits to ₹14.01 million for Fiscal 2024 from ₹5.76 million in Fiscal 2023; (ii) from others to ₹8.81 million for Fiscal 2024 from ₹2.82 million in Fiscal 2023 which included interest from deposits and interests on advances; and (iii) from other financial assets at amortized cost to ₹0.13 million for Fiscal 2024 from ₹0.12 million in Fiscal 2023.

Gain on sale of current investments

The gain on sale of current investments increased to ₹2.68 million for Fiscal 2024 from ₹Nil in Fiscal 2023 primarily due to sale of investments in mutual funds during the year. The investment sold was also purchased during the same financial year.

Sale of scrap

The sale of scrap increased by 38.33% to ₹0.83 million for Fiscal 2024 from ₹0.60 million in Fiscal 2023 primarily due to increase in saleable quantity of store scrap.

Gain on foreign exchange variation (net)

The gain on foreign exchange variation (net) increased by 77.11% to ₹3.56 million for Fiscal 2024 from ₹2.01 million in Fiscal 2023 primarily due to difference in the foreign exchange rates between the date of the payment and date of the receipt of imported material.

The increase in the other income was off-set due to the reasons set forth below.

Gain on modification/termination of lease

The gain on modification/termination of lease decreased by 65.00% to ₹0.07 million for Fiscal 2024 from ₹0.20 million in Fiscal 2023 primarily due to changes to the terms of the leases.

Miscellaneous income

The miscellaneous income decreased by 3.79% to ₹6.09 million for Fiscal 2024 from ₹6.33 million in Fiscal 2023 primarily due to decrease in rental income.

***Expenses***

Our expenses increased by 37.39% to ₹11,786.10 million in Fiscal 2024 from ₹8,578.87 million in Fiscal 2023 primarily due to an increase in (i) cost of materials consumed; (ii) purchase of stock-in trade; (iii) changes in inventories of stock-in-trade and finished goods; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses.

*Cost of materials consumed*

Our cost of materials consumed increased by 23.68% to ₹8,287.16 million in Fiscal 2024 from ₹6,700.23 million in Fiscal 2023, primarily due to increase in purchases to ₹8,229.61 million in Fiscal 2024 from ₹6,567.70 million in Fiscal 2023. This was commensurate with the increase in revenue to ₹12,857.57 million in Fiscal 2024 from ₹9,372.20 million in Fiscal 2023.

*Purchase of stock-in trade*

Our purchase of stock-in trade increased by 85.69% to ₹1,056.93 million in Fiscal 2024 from ₹569.19 million in Fiscal 2023. This increase was primarily as a result of an increase in the value and volume of products, procured from third parties and traded by us, due to increase in trading opportunities in relation to coal, scrap, G.I. pipes and other trading goods of similar nature.

*Change in inventories of finished goods and stock-in trade*

Changes in inventories of finished goods and work-in-progress increased by 52.96% to ₹(142.25) million in Fiscal 2024 from ₹(302.41) million in Fiscal 2023. This was primarily due to increase in inventories (i) at the beginning of the year to ₹620.93 million in Fiscal 2024 from ₹318.52 million in Fiscal 2023 due to increase in finished goods to ₹620.93 million in Fiscal 2024 from ₹317.19 million in Fiscal 2023 which was partially off-set by decrease in stock-in trade to ₹Nil in Fiscal 2024 from ₹1.33 million in Fiscal 2023; and (ii) at the end of the year by to ₹763.18 million in Fiscal 2024 from ₹620.93 million in Fiscal 2023 primarily due to increase in finished goods to ₹761.26 million in Fiscal 2024 from ₹620.93 million in Fiscal 2023. We witnessed an increase in our inventories due to capacities expansion as well as the shift in our product portfolio to include ERW pipes and structural tubes (hollow section).

*Employee benefits expense*

Our employee benefits expense increased by 37.80% to ₹571.33 million in Fiscal 2024 from ₹414.61 million in Fiscal 2023, primarily due to increase in (i) salaries, wages and bonus to ₹542.79 million in Fiscal 2024 from ₹398.49 million in Fiscal 2023 due to capacity expansion which resulted in increase in number of employee and increase in salaries of existing employees; (ii) contributions to provident and other funds to ₹7.43 million in Fiscal 2024 from ₹5.68 million in Fiscal 2023; and (iii) staff welfare expenses to ₹21.11 million in Fiscal 2024 from ₹10.44 million in Fiscal 2023. Our number of employees increased to 1,111 as of March 31, 2024 from 784 as of March 31, 2023.

*Finance costs*

Our finance costs increased by 45.83% to ₹318.15 million in Fiscal 2024 from ₹218.16 million in Fiscal 2023, primarily due to increase in interest expenses on borrowings to ₹295.69 million in Fiscal 2024 from ₹209.69 million in Fiscal 2023 primarily attributable to increase in short term and long term borrowings.

*Depreciation and amortization expense*

Our depreciation and amortization expenses increased by 29.47% to ₹209.10 million in Fiscal 2024 from ₹161.15 million in Fiscal 2023, primarily due to increase in depreciation of property, plant and equipment to ₹206.84 million in Fiscal 2024 from ₹158.61 million in Fiscal 2023.

*Other expenses*

Our other expenses increased by 81.72% to ₹1,485.68 million in Fiscal 2024 from ₹817.58 million in Fiscal 2023, primarily due to an (i) increase in consumption of store and spare parts to ₹315.24 million in Fiscal 2024 from ₹220.95 million in Fiscal 2023 primarily due to continuous capacity expansion, which has resulted into increase in usage of consumables; (ii) increase in power and fuel costs to ₹844.88 million in Fiscal 2024 from ₹397.74 million in Fiscal 2023 resulting from increase in electricity consumption due to higher production and sales; (iii) increase in advertisement and sales promotion expenses to ₹68.58 million in Fiscal 2024 from ₹3.33 million in Fiscal 2023 primarily due to shift in our finished product to ERW pipes and tubes which required increased promotional activities and our distributorship model that required us to organize promotional activities on a regular basis; and (iv) increase in travelling and conveyance expenses to ₹14.03 million in Fiscal 2024 from ₹7.78 million in Fiscal 2023.

***Profit before tax for the year***

As a result of the factors discussed above, our profit before tax for the year increased by 36.55% to ₹1,107.65 million in Fiscal 2024 from ₹811.17 million in Fiscal 2023.

***Tax expenses***

Our tax expenses increased by 36.62% to ₹283.26 million in Fiscal 2024 from ₹207.34 million in Fiscal 2023, primarily due to increase in (i) current tax to ₹238.24 million in Fiscal 2024 from ₹164.71 million in Fiscal 2023 due to increase in taxable income (ii) deferred tax to ₹45.02 million in Fiscal 2024 from ₹42.63 million in Fiscal 2023 due to increase in deferred tax liability.

***Profit after tax for the year***

As a result of the factors discussed above, our profit after tax for the year increased by 36.53% to ₹824.39 million in Fiscal 2024 from ₹603.83 million in Fiscal 2023.

**FISCAL 2023 COMPARED TO FISCAL 2022**

***Income***

Our total income increased by 14.41% to ₹9,390.04 million in Fiscal 2023 from ₹8,207.53 million in Fiscal 2022 primarily due to an increase in our revenue from operations and our other income during this period.

*Revenue from operations*

Our revenue from operations increased by 14.39% to ₹9,372.20 million in Fiscal 2023 from 8,193.49 million in Fiscal 2022, which was primarily due to the reasons set forth below:

Revenue from sale of products

Our revenue attributable to the revenue from sale of products increased by 14.26% to ₹9,362.12 million for Fiscal 2023 from ₹8,193.49 million in Fiscal 2022, primarily due to an increase in sale of (i) finished goods to ₹ 8,778.75 million for Fiscal 2023 from ₹8,051.51 million in Fiscal 2022 which was primarily due to increase in sales volume of our products which was a result of our capacity expansion; and (ii) stock-in trade to ₹ 583.37 million for Fiscal 2023 from ₹141.98 million in Fiscal 2022 which was primarily due to increase in trading opportunities in relation to coal, scrap, G.I. pipes and other trading goods of similar nature.

Other operating revenue

Our revenue attributable to other operating revenue increased to ₹10.08 million for Fiscal 2023 from ₹Nil in Fiscal 2022, primarily due to an increase in job work income to ₹9.64 million for Fiscal 2023 from ₹Nil in Fiscal 2022.

*Other income*

Our other income increased by 27.07% to ₹17.84 million in Fiscal 2023 from ₹14.04 million in Fiscal 2022, which was primarily due to the reasons set forth below:

Interest income

The interest income increased by 27.01% to ₹8.70 million for Fiscal 2023 from ₹6.85 million in Fiscal 2022, primarily due to an increase in interest income (i) from bank deposits to ₹5.76 million for Fiscal 2023 from ₹5.42 million in Fiscal 2022; (ii) from others to ₹2.82 million for Fiscal 2023 from ₹1.43 million in Fiscal 2022 which included interest from deposits and interests on advances; and (iii) from other financial assets at amortized cost to ₹0.12 million for Fiscal 2023 from ₹Nil in Fiscal 2022.

Sale of scrap

The sale of scrap increased by 50.00% to ₹0.60 million for Fiscal 2023 from ₹0.40 million in Fiscal 2022 primarily due to increase in saleable quantity of scrap.

Gain on foreign exchange variation (net)

The gain on foreign exchange variation (net) increased by 905.00% to ₹2.01 million for Fiscal 2023 from ₹0.20 million in Fiscal 2022 primarily due to due to difference in the foreign exchange rates between the date of the payment and date of the receipt of imported material.

Gain on modification/termination of lease

The gain on modification/termination of lease increased by 100.00% to ₹0.20 million for Fiscal 2023 from ₹Nil in Fiscal 2022 primarily due to changes to the terms of the leases.

The increase in the other income was off-set due to reason set forth below.

Miscellaneous income

The miscellaneous income decreased by 3.95% to ₹6.33 million for Fiscal 2023 from ₹6.59 million in Fiscal 2022 primarily due to decrease in rental income.

***Expenses***

Our expenses increased by 18.48% to ₹8,578.87 million in Fiscal 2023 from ₹7,240.78 million in Fiscal 2022 primarily due to an increase in (i) cost of materials consumed; (ii) purchase of stock-in trade; (iii) (iii) changes in inventories of stock-in-trade and finished goods; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses.

*Cost of materials consumed*

Our cost of materials consumed increased by 5.61% to ₹6,700.23 million in Fiscal 2023 from ₹6,344.50 million in Fiscal 2022, primarily due to increase in the inventories at the beginning of the year to ₹ 837.89 million in Fiscal 2023 from ₹ 285.92 million in Fiscal 2022. This was partially off-set by decrease in purchases to ₹ 6,567.70 million in Fiscal 2023 from ₹6,896.47 million in Fiscal 2022.

*Purchase of stock-in trade*

Our purchase of stock-in trade increased by 320.25% to ₹569.19 million in Fiscal 2023 from ₹135.44 million in Fiscal 2022. This increase was primarily as a result of an increase in the value and volume of products, procured from third parties and traded by us, due to increase in trading opportunities in relation to coal, scrap, G.I. pipes and other trading goods of similar nature.

*Change in inventories of finished goods and stock-in trade*

Changes in inventories of finished goods and work-in-progress decreased by 7.29% to ₹(302.41) million in Fiscal 2023 from ₹(281.87) million in Fiscal 2023. This was primarily due to increase in inventories (i) at the beginning of the year to ₹318.52 million in Fiscal 2023 from ₹36.65 million in Fiscal 2023 due to increase in finished goods to ₹317.19 million in Fiscal 2023 from ₹36.65 million in Fiscal 2022 increase in stock-in trade to ₹1.33 million in Fiscal 2023 from ₹Nil in Fiscal 2022; and (ii) at the end of the year to ₹620.93 million in Fiscal 2023 from ₹318.52 million in Fiscal 2023 primarily due to increase in finished goods to ₹620.93 million in Fiscal 2023 from ₹317.19 million in Fiscal 2022. We witnessed a decrease in our inventories due to optimization of our inventory level.

*Employee benefits expense*

Our employee benefits expense increased by 76.69% to ₹414.61 million in Fiscal 2023 from ₹234.65 million in Fiscal 2022, primarily due to increase in (i) salaries, wages and bonus to ₹398.49 million in Fiscal 2023 from ₹223.42 million in Fiscal 2022 due to capacity expansion, which resulted in increase in number of employee and increase in salaries of the existing employees; (ii) contributions to provident and other funds to ₹5.68 million in Fiscal 2023 from ₹3.91 million in Fiscal 2022; and (iii) staff welfare expenses by to ₹10.44 million in Fiscal 2023 from ₹7.32 million in Fiscal 2022. Our number of employees increased to 784 as of March 31, 2023 from 745 as of March 31, 2022.

*Finance costs*

Our finance costs increased by 14.08% to ₹218.16 million in Fiscal 2023 from ₹191.24 million in Fiscal 2022, primarily due to increase in interest expenses on borrowings to ₹209.69 million in Fiscal 2023 from ₹170.59 million in Fiscal 2022 primarily attributable to increase in short term and long term borrowings.

*Depreciation and amortization expense*

Our depreciation and amortization expenses increased by 59.59% to ₹161.51 million in Fiscal 2023 from ₹101.20 million in Fiscal 2022, primarily due to increase in depreciation of property, plant and equipment to ₹158.61 million in Fiscal 2023 from ₹100.21 million in Fiscal 2022.

*Other expenses*

Our other expenses increased by 58.56% to ₹817.58 million in Fiscal 2023 from ₹515.62 million in Fiscal 2022, primarily due to an (i) increase in consumption of store and spare parts to ₹220.95 million in Fiscal 2023 from ₹119.15 million in Fiscal 2022 primarily due to continuous capacity expansion, which has resulted into increase in usage of consumables; (ii) increase in power and fuel costs by ₹397.74 million in Fiscal 2023 from ₹237.73 million in Fiscal 2022 primarily due to resulting from increase in electricity consumption due to higher production and sales; (iii) increase in repair and maintenance costs to ₹21.88 million in Fiscal 2023 from ₹10.94 million in Fiscal 2022 primarily due to increase in expenses towards plant and machinery to ₹15.00 million in Fiscal 2023 from ₹8.27 million in Fiscal 2022; and (iv) increase in legal and professional fees 71.66% to ₹36.41 million in Fiscal 2023 from ₹21.21 million in Fiscal 2022 due to increase in operations during the year.

***Profit before tax for the year***

As a result of the factors discussed above, our profit before tax for the year decreased by 16.09% to ₹811.17 million in Fiscal 2023 from ₹966.75 million in Fiscal 2022.

***Tax expenses***

Our tax expenses decreased by 15.60% to ₹207.34 million in Fiscal 2023 from ₹245.67 million in Fiscal 2023, primarily due to decrease in (i) current tax by 17.67% to ₹164.71 million in Fiscal 2023 from ₹200.07 million in Fiscal 2022 due to decrease in taxable income (ii) deferred tax by 6.51% to ₹42.63 million in Fiscal 2023 from ₹45.60 million in Fiscal 2022 due to decrease in deferred tax liability.

***Profit after tax for the year***

As a result of the factors discussed above, our profit after tax for the year decreased by 16.26% to ₹603.83 million in Fiscal 2023 from ₹721.08 million in Fiscal 2022.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing, owned funds and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short-term working capital requirements. Further, we believe that after taking into account the expected cash to be generated from our business and operations, the Net Proceeds from the Fresh Issue and the proceeds from our existing bank loans, and new loans for any new expansion or capital expenditure, we will have sufficient capital to meet our anticipated capital requirements for our working capital and capital expenditure requirements.

## CASH FLOWS

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

*(₹ million)*

| Particulars | Fiscal | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Net cash generated from operating activities | 1,424.28 | 655.52 | 344.95 |
| Net cash (used in)/ from investing activities | (3,116.00) | (849.00) | (1,002.48) |
| Net cash (used in)/ from financing activities | 1,765.59 | 194.85 | 656.84 |
| **Net increase/ (decrease) in cash and cash equivalents** | **73.87** | **1.37** | **(0.69)** |
| Cash and cash equivalents at the beginning of the year | 1.97 | 0.60 | 1.29 |
| **Cash and cash equivalents at the end of the year** | **75.84** | **1.97** | **0.60** |

***Fiscal 2024***

*Cash flows from operating activities*

The net cash generated from operating activities in Fiscal 2024 was ₹1,424.28 million, while profit before tax was ₹1,107.65 million. The difference was attributable primarily to depreciation and amortization expenses of ₹209.09 million and finance cost of ₹304.28 million. These were partially offset by outflows of adjustments for interest income of ₹22.95 million.

Further there were also working capital changes including increase in other financial assets of ₹63.66 million, increase in other assets of ₹49.14 million, increase in inventories of ₹76.11 million, increase in trade receivables of ₹596.09 million, increase in trade payables of ₹694.83 million, and increase in other current liabilities of ₹78.24 million.

*Cash flows from investing activities*

The net cash used in investing activities in Fiscal 2024 was ₹3,116.00 million, which was attributable primarily to payments for purchase of property, plant and equipment including capital work-in progress, intangible assets and capital advances of ₹2,849.29 million, and purchase of current investments of ₹500.00 million. These were partially offset by inflows of ₹502.68 million from proceeds from sale of current investments.

*Cash flows from financing activities*

The net cash flow from financing activities in Fiscal 2024 was ₹1,765.59 million, which was attributable primarily to proceeds from non-current borrowings ₹1,240.69 million, proceeds of current borrowings (net) (excluding current maturities of non-current borrowings) of ₹481.75 million and proceeds from issue of equity shares of ₹1,503.71 million. These were partially offset by repayment of non-current borrowings of ₹1,081.40 million, share issue expenses of ₹50.48 million and finance cost paid of ₹326.05 million.

***Fiscal 2023***

*Cash flows from operating activities*

The net cash generated from operating activities in Fiscal 2023 was ₹655.52 million, while profit before tax was ₹811.17 million. The difference was attributable primarily to depreciation and amortization expenses of ₹161.51 million, and finance cost of ₹213.83 million. These were partially offset by outflows of adjustments for interest income of ₹8.70 million.

Further there were also working capital changes including increase in other financial assets of ₹16.68 million, decrease in other assets of ₹209.36 million, increase in inventories of ₹199.34 million, increase in trade receivables of ₹189.72 million, decrease in trade payables of ₹26.92 million, and decrease in other current liabilities of ₹23.33 million.

*Cash flows from investing activities*

The net cash used in investing activities in Fiscal 2023 was ₹849.00 million, which was attributable primarily to payments for purchase of property, plant and equipment including capital work-in progress, intangible assets and capital advances of ₹871.04 million. This was partially off-set by inflows of ₹18.63 million from proceeds from disposal of property, plant and equipment and intangible assets and ₹7.18 million from interest received.

*Cash flows from financing activities*

The net cash flow from financing activities in Fiscal 2023 was ₹194.85 million, which was attributable primarily to proceeds from non-current borrowings ₹979.47 million. These were partially offset by repayment of non-current borrowings of ₹577.40 million and finance costs paid of ₹217.07 million.

***Fiscal 2022***

*Cash flows from operating activities*

The net cash generated from operating activities in Fiscal 2022 was ₹344.95 million, while profit before tax was ₹966.75 million. The difference was attributable primarily to depreciation and amortization expenses of ₹101.19 million and finance cost of ₹180.94 million. These were partially offset by outflows of adjustments for interest income of ₹6.86 million.

Further there were also working capital changes including increase in other financial assets of ₹18.97 million, increase in other assets of ₹37.72 million, increase in inventories of ₹860.34 million, increase in trade receivables of ₹80.47 million, increase in trade payables of ₹167.68 million and increase in other current liabilities of ₹18.92 million.

*Cash flows from investing activities*

The net cash used in investing activities in Fiscal 2022 was ₹1,002.48 million, which was attributable primarily to payments for purchase of property, plant and equipment including capital work-in progress of ₹988.72 million and matured in fixed deposit (net) of ₹21.90 million. These were partially off-set by inflows of ₹ ₹6.24 million from interest received.

*Cash flows from financing activities*

The net cash from financing activities in Fiscal 2022 was ₹656.84 million, which was attributable primarily to proceeds from non-current borrowings of 1,312.19 million and proceeds of current borrowings (net) (excluding current maturities of non-current borrowings) of ₹544.63 million. These were partially offset by repayment of non-current borrowings of ₹1,023.74 million and finance costs paid of ₹175.78 million.

**FINANCIAL INDEBTEDNESS**

As of August 31, 2024, our Company's total outstanding borrowings were ₹5,362.38 million. The table below sets forth details of our Company's outstanding borrowings as of August 31, 2024.

| **Category of borrowings** | **Amount sanctioned** | **Amount outstanding as on August 31, 2024** |
|---|---|---|
| | ***(in ₹ million)*** | |
| **(A) Fund Based** | | |
| - Secured | | |
| Term loans | 4,947.10 | 3,098.11 |
| Working Capital | 3,120.00 | 1,591.43 |
| Vehicle loans | 37.74 | 18.61 |
| - Unsecured | | |
| Sales bill discounting | 850.00 | 598.96 |
| **Total (A)** | **8,954.84** | **5,307.11** |
| **(B) Non-Fund Based** | | |
| Working Capital | 1,112.17 | 55.27 |
| **Total (B)** | **1,112.17** | **55.27** |
| **Total (A+B)** | **10,067.01** | **5,362.38** |

[(1)] *As certified by S S Kothari Mehta & Co. LLP, pursuant to their certificate dated September 30, 2024.*

For further details, see "*Financial Indebtedness*" on page 342.

**CREDIT RATINGS**

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and our ability to meet our obligations. Details of our credit ratings during the last three Fiscals are provided below:

| Rating Agency | Instrument | Rating / Outlook - | | |
|---|---|---|---|---|
| | | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Acuite, Rating and Research | Bank loans | Long term rating – ACUITE A\| Stable<br><br>Short term rating – ACUITE A1 | Long term rating – ACUITE A - \| Positive \| Reaffirmed<br><br>Short term rating – ACUITE A2+ Reaffirmed | Long term rating – ACUITE A - \| Stable \| Reaffirmed<br><br>Short term rating – ACUITE A2+ \| Reaffirmed |

Also see "*Risk Factors — Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business, financial conditions, cash flows and results of operations*" on page 53.

## CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The table below sets forth our undiscounted contractual maturities of significant financial liabilities as of March 31, 2024. These obligations primarily relate to our contractual maturities of significant financial liabilities such as borrowings, trade payables and other financial liabilities. The amounts are on a gross basis and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements.

*(₹ million)*

| Undiscounted contractual maturities of significant financial liabilities as of March 31, 2024 | | | | |
|---|---|---|---|---|
| **Particulars<br>On demand** | **Less than 1 year** | **1 to 5 years** | **More than 5 years** | **Total** |
| Borrowings | 1,654.48 | 1,525.73 | 294.27 | 3,474.48 |
| Lease liabilities | 4.69 | 19.25 | 51.57 | 75.51 |
| Trade payables | 958.71 | 18.97 | - | 977.68 |
| Other Financial Liabilities | 127.61 | - | - | 127.61 |
| **Total** | **2,745.49** | **1,563.95** | **345.84** | **4,655.28** |

The Company has secured loans from banks that contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the above table.

## CONTINGENT LIABILITIES AND COMMITMENTS

Set out below are our contingent liabilities and commitments as of March 31, 2024.

*(₹ million)*

| Contingent Liabilities and commitments | As of March 31, 2024 |
|---|---|
| **a. Contingent liabilities** | |
| **Claims against the Company not acknowledged as debts:** | |
| Excise/Goods & service tax demands (Goods & Services tax demand, Demand of GST & penalty because of incomplete E-way bill is pending before Appellate Authority, Jabalpur M.P.) | 0.66 |
| Income Tax Demands | 4.45 |
| **b. Outstanding bank guarantees** | 58.77 |
| **c. Capital commitments** | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,063.75 |
| **Export promotion capital goods scheme** | |
| Duty saved | 1.82 |
| **Export Obligation** | |
| Obligation fulfilled | - |
| Obligation yet to be fulfilled | 10.93 |

Also see "*Risk Factors — We have certain contingent liabilities which, if materialised, may adversely affect our financial condition*" on page 51.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except as disclosed in our Restated Financial Information included in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not enter into derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include managerial remuneration, retainers and consultants fees, directors sitting fees, rental income, loan from related party, interest expenses on loan taken, and repayment of loan and interest.

For further information relating to our related party transactions, see "*Related Party Transactions*" on page 378.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

### Risk Management Framework

Our Board has overall responsibility for the establishment and oversight of our risk management framework. The Board have authorized the Managing Director to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

Our risk management policies are established to identify and analyze the risks faced by us , to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and our activities. We have, through our training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

***Credit Risk***

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial asset fails to meet its contractual obligations. Our exposure to credit risk is influenced mainly by the individual characteristics of each financial asset. The carrying amounts of financial assets represents the maximum credit risk exposure.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

We have a credit risk management policy in place to limit credit losses due to non-performance of counterparties. The Group monitors its exposure to credit risk on an ongoing basis. Assets are written off when there is no reasonable expectation of recovery. Where loans and receivables are written off, we continue to engage in enforcement activity to attempt to recover the dues.

*Trade receivables*

We closely monitor the credit-worthiness of the receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. We use a simplified approach (lifetime expected credit loss model) for the purpose of computation of expected credit loss for trade receivables.

*Cash and cash equivalents and other bank balances*

Credit risk related to cash and cash equivalents and bank deposits is managed by only investing in deposits with highly rated banks and diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Group deals with highly rated banks.

*Other financial assets*

Other financial assets measured at amortized cost includes security deposits, contract assets, accrued interest on fixed deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place to ensure the amounts are within defined limits. Credit risk is considered low because we are in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue from patient and other receivables from revenue sharing arrangements). Further, we create provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

*Credit risk exposure*

Expected credit loss for trade receivables under simplified approach i.e. provision matrix approach using historical trends.

***Liquidity Risk***

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

***Market Risk***

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates – will affect our income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

***Foreign exchange risk***

We have international transactions and are exposed to foreign exchange risk arising from foreign currency transactions (imports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our functional currency. We have not hedged our foreign exchange receivables and payables for Fiscal 2024.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our interest rate risk arises from:

- Borrowings which are made at market rate of interest at the time of borrowings.
- Bank deposits which are made at market rate of interest at the time of deposit.

This exposes us to cash flow interest rate risk.

For further information, see "*Restated Financial Information – Note 43 – Financial risk management*" on page 321.

## OTHER QUALITATIVE FACTORS

***Recent Accounting Changes***

There are no recent accounting changes which would have been applicable to our Company from April 1, 2024.

***Unusual or infrequent events of transactions***

Other than as described below and elsewhere in this Draft Red Herring Prospectus, to our knowledge, there have been no other events or transactions that, may be described as "unusual" or "infrequent" and which materially affect or are likely to affect our revenue from operations.

***Seasonality of business***

Our business is not seasonal in nature.

***Known trends or uncertainties***

Our business has been affected and we expect will continue to be affected by the trends identified above in "*—Significant Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 344 and 33, respectively. 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.

***Future relationship between cost and income***

Other than as described in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

***New products or business segments***

Other than as described in "*Our Business*" on page 195, there are no plans to introduce any new products or business segments in the near future which are likely to materially affect our revenue from operations or profitability.

***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 Fiscals are as described in "*– Fiscal 2024 compared to Fiscal 2023*", and *"– Fiscal 2023 compared to Fiscal 2022*" on pages 366 and 369, respectively.

***Significant dependence on a single or few customers***

A significant portion of our revenue is derived from certain key distributors and direct customers. For further details, see "*Risk Factors– Our business is dependent on certain key distributors and direct customers. A decrease in the revenue we earn from such key distributors and direct customers and an inability to expand or effectively manage our distributor network, or any disruptions in our distribution network could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.*" on page 41.

***Competition***

For information on our competitive conditions and our competitors, see "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 33, 147 and 195, respectively.

***Significant Developments after March 31, 2024 that may affect our future results of operations***

Except as disclosed below and as disclosed elsewhere in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since March 31, 2024 that materially and adversely affect or are likely to affect our operations, trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

(i) Pursuant to a special resolution adopted in the EGM of the Shareholders of the Company held on April 24, 2024, the Company has converted from private limited company to a public limited company and consequently the name of the Company has changed from 'Sambhv Steel Tubes Private Limited' to 'Sambhv Steel Tubes Limited' pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Central Processing Centre on July 9, 2024.

(ii) On September 5, 2024, the Board of Directors approved the acquisition of 100% of the shares of Sambhv Tubes Private Limited. As a result of this acquisition, Sambhv Tubes Private Limited has become a wholly-owned subsidiary of the Company.

(iii) On September 5, 2024, the Board of Directors approved the acquisition of 26% of the equity shares of Clean Max Opia Private Limited. As a result of this acquisition, Clean Max Opia Private Limited will become an associate of the Company.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2024, 2023 and 2022 as per the requirements under Ind AS 24, see "*Financial Statements - Note 38 - Related Parties Disclosures*" on page 314.

## SECTION VI: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings (including any notices threatening criminal action, matters which are at FIR stage even if no cognizance has been taken by any court), (ii) actions taken/ penalties imposed by statutory or regulatory authorities, (iii) claims related to direct or indirect tax matters (disclosed in a consolidated manner), and (iv) litigation that is otherwise material, in each case, involving our Company, our Subsidiary, our Promoters and our Directors ("**Relevant Parties**"). Further, there are no: (i) disciplinary actions including any penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action; or (ii) outstanding litigation involving our Group Companies that have a material impact on our Company.*

*For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to resolution dated September 28, 2024 of our Board:*

*All outstanding legal proceedings involving the Relevant Parties (other than as set out in (i), (ii) and (iii) above) shall be disclosed:*

***(i)*** *if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of the lower of (a) 2% of the turnover of our Company as per the last restated annual financial statements; or (b) 2% of the net worth of our Company as per the last restated annual financial statements; except in case the arithmetic value of the net worth is negative; or (c) 5% of the average of the absolute value of the profit or loss after tax of our Company, as per the last three restated annual financial statements, in this case being, ₹35.82 million (i.e., lower of: (a) ₹257.15 million, being 2% of the turnover of the Company as per the last restated annual financial statements; (b) ₹87.66 million, being 2% of the net worth of the Company as per the last restated annual financial statements; and (c) ₹35.82 million, being 5% of the average of the absolute value of the profit/ loss after tax as per the last three restated annual financial statements) ("**Materiality Threshold**"); or*

*(ii) where the monetary liability is not determinable or quantifiable or does not exceed the Materiality Threshold as specified in (i) above, for any other outstanding litigation or arbitration proceedings, but the outcome of any such pending proceedings may have a material bearing, in the opinion of the Board, on the business, operations, performance, prospects or reputation of the Company or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the Materiality Threshold in (i) above*

*(iii) pre-litigation notices received by the Relevant Parties, from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality and shall not be considered as litigation until such persons are impleaded as defendants or respondents in proceedings before any judicial forum, arbitral forum, tribunal or governmental authority.*

*Further, pursuant to a Board resolution dated September 28, 2024, our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which all creditors of our Company to whom the amount due from our Company exceeds 5.00% of the total trade payables of our Company as of the latest date of the restated financial information are material creditors (i.e., ₹48.88 million based on the Restated Financial Information as of and for the period ended March 31, 2024). Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.*

*All terms defined in a particular litigation disclosure below correspond to that particular litigation only.*

### I. Litigation involving our Company

*(a) Criminal proceedings against our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against our Company.

*(b) Criminal proceedings by our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

*(c) Actions and proceedings initiated by statutory/regulatory authorities involving our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions and proceedings initiated by statutory/regulatory authorities involving our Company other than as set out below.

1. Our Company received a notice for default under section 203 of the Companies Act, 2013 dated January 16, 2023 ("**Notice**") from the RoC. The Notice was sent to our Company for not appointing a full-time company secretary mandated under section 203 of the Companies Act, 2013 and Rule 8A of Companies (Appointment and Remuneration) Rules, 2014. Our Company replied to the Notice on January 19, 2023 describing the steps taken to rectify the non-compliance by appointing a company secretary. Our Company has not received any further correspondence from the RoC in this matter.

*(d) Material civil litigation against our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against our Company.

*(e) Material civil litigation by our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Company.

## II. Litigation involving our Subsidiary

*(a) Criminal proceedings against our Subsidiary*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiary.

*(b) Criminal proceedings by our Subsidiary*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Subsidiary.

*(c) Actions and proceedings initiated by statutory/regulatory authorities involving our Subsidiary*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving our Subsidiary.

*(d) Material civil litigation against our Subsidiary*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against our Subsidiary.

*(e) Material civil litigation by our Subsidiary*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Subsidiary.

## III. Litigation involving our Directors

*(a) Criminal proceedings against our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

(b) *Criminal proceedings by our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Directors.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving any of our Directors.

(d) *Material civil litigation against our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Directors.

(e) *Material civil litigation by our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Directors.

**IV. Litigation involving our Promoters**

(a) *Criminal proceedings against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

(b) *Criminal proceedings by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Promoters.

(d) *Disciplinary action imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including outstanding action*

As of the date of this Draft Red Herring Prospectus, there are no disciplinary actions imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals.

(e) *Material civil litigation against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated against our Promoters.

(f) *Material civil litigation by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by our Promoters.

**V. Tax proceedings involving our Company, Subsidiary, Directors and Promoters**

Details of outstanding tax proceedings involving our Company, Subsidiary, Directors and Promoters as of the date of this Draft Red Herring Prospectus are set out below:

*(₹ in million)*

| Nature of Proceedings | Number of Proceedings | Amount involved |
|---|---|---|
| **Direct Tax[(1)]** | | |
| *Company* | 2 | 4.29 |
| *Subsidiary* | Nil | Nil |
| *Directors[(2)]* | 1 | 0.09 |
| *Promoters* | 12 | 0.16 |
| **Sub-Total (A)** | **15** | **4.54** |
| **Indirect Tax[(1)]** | | |
| *Company* | Nil | Nil |
| *Subsidiary* | Nil | Nil |
| *Directors[(2)]* | Nil | Nil |
| *Promoters* | 3 | 0.73 |
| **Sub-Total (B)** | **3** | **0.73** |
| **Total (A+B)** | **18** | **5.27** |

*[(1)] Such amount excludes any interest or penalty in relation to such tax proceedings*
*[(2)] Other than Promoters*

## VI. Outstanding dues to creditors

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution dated September 28, 2024 of our Board, considers all creditors to whom the amount due by our Company exceeds 5.00% of the total trade payables as per the latest restated financial information set out in this Draft Red Herring Prospectus as material creditors (i.e., 5.00% of ₹977.68 million which is ₹48.88 million based on the latest restated financial information as of and for the period ended March 31, 2024). Details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company based on such determination are set out below:

*(₹ in million)*

| Type of creditors | Number of creditors | Amount |
|---|---|---|
| Material creditors | 4 | 430.28 |
| MSME creditors | 68 | 17.98 |
| Other creditors | 456 | 529.42 |
| **Total** | **528** | **977.68** |

The details pertaining to outstanding dues towards our material creditors are available on the website of our Company at www.sambhv.com/material-creditors/. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

## VII. Material developments since the date of the last balance sheet

Other than as set out in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 344, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as set out in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

## VIII. Other confirmations

Except as disclosed in this Draft Red Herring Prospectus, there are no findings/observations of any inspections by SEBI or any other 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 Offer, as on the date of this Draft Red Herring Prospectus.

# GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of licenses, approvals, consents, registrations and permits obtained by our Company for the purpose of undertaking its business activities. In view of these approvals, our Company can undertake the Offer and its business activities. Certain of our approvals may have expired or may expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such approvals or is in the process of making such renewal applications. Further, for details in connection with the applicable regulatory and legal framework in India, see "Risk Factors" and "Key Regulations and Policies" on page 33 and 224, respectively.*

## I. Approvals in relation to the Offer

For details in relation to the approvals and authorizations in relation to the Offer, see "*Other Regulatory and Statutory Disclosures—Authority for the Offer*" on page 387.

## II. Material approvals in relation to our Business

***A.*** *Corporate approvals*

1. Certificate of incorporation dated April 25, 2017 issued by the Registrar of Companies, Central Registrar Centre, Manesar.

2. Fresh certificate of incorporation dated February 22, 2024 issued by the Registrar of Companies, Central Processing Centre, pursuant to the change of our name from 'Sambhv Sponge Power Private Limited' to 'Sambhv Steel Tubes Private Limited'.

3. Fresh certificate of incorporation dated July 9, 2024 issued by the Registrar of Companies, Central Processing Centre, upon conversion to a public limited company.

***B.*** *Tax registrations*

1. The permanent account number of our Company is AAYCS5590C, issued by the Income Tax Department, Government of India.

2. The tax deduction account number of our Company is JBPS12279B, issued by the Income Tax Department, Government of India.

3. The GST registration number of our Company is 22AAYCS5590C1Z1, issued by Assistant Commissioner of State Tax, Raipur Chhattisgarh.

***C.*** *Material licenses and approvals in relation to our Business*

1. License to work a factory issued under the Factories Act, 1948 by the Government of Chhattisgarh for our Sarora (Tilda) Facility.

2. Consent under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 from the Chhattisgarh Environment Conservation Board, for our Sarora (Tilda) Facility.

3. Permission to establish under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 from Chhattisgarh Environment Conservation Board for our Sarora (Tilda) Facility.

4. Authorization for generation, collection, storage, transportation, reuse, recycling, recovery, utilization & disposal of hazardous wastes under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016 from Chhattisgarh Environment Conservation Board for our Sarora (Tilda) Facility.

5. Authorization for operating a facility for generation, collection, reception, storage, transport, treatment and disposal of bio-medical wastes under Rule 10 of the Bio-Medical Waste Management Rules, 2016 from Chhattisgarh Environment Conservation Board for our Sarora (Tilda) Facility.

6. Grant of environmental clearance from Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India for our Sarora (Tilda) Facility.

7. No objection certificate for ground water abstraction from Central Ground Water Authority, River Development & Ganga Rejuvenation, Department of Water Resources, Ministry of Jal Shakti, Government of India for our Sarora (Tilda) Facility.

8. Certificate for use of a boiler under the Indian Boiler Act, 1923 from the Chhattisgarh Boiler Inspection Department for our Sarora (Tilda) Facility.

9. Permission to establish under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 from Chhattisgarh Environment Conservation Board for our Kuthrel manufacturing facility.

10. Consent under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 from the Chhattisgarh Environment Conservation Board for our Kuthrel manufacturing facility.

11. No objection certificate for ground water abstraction from Central Ground Water Authority, River Development & Ganga Rejuvenation, Department of Water Resources, Ministry of Jal Shakti, Government of India for our Kuthrel manufacturing facility.

12. Certificate of importer exporter code issued by the Deputy Director General of Foreign Trade, Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

13. Registration-cum-membership certificate as manufacturer exporter of iron and other spongy ferrous products from EEPC India (formerly Engineering Export Promotion Council).

14. Legal Entity Identifier 3358008O67NF7JFQGV54 issued by Legal Entity Identifier India Limited.

15. Licenses from the Bureau of Indian Standards issued under the Bureau of Indian Standards Act, 2016.

16. License issued under the Legal Metrology Act, 2009.

17. Registration under Rule 45 of the Mineral Conservation and Development Rules, 1988 with the Indian Bureau of Mines, Ministry of Mines, Government of India.

***D.*** *Labor related approvals*

We have obtained registrations under applicable labor law legislations including, but not limited to, the following:

1. Contract Labour (Regulation and Abolition) Act, 1970, as a principal employer, covering our establishments, as applicable, in Chhattisgarh.

2. Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

3. Employees' State Insurance Act, 1948 covering our branches/units in the States where we have our operations.

**III. Material approvals in relation to our business for which applications have been filed**

1. Our Company has applied for amendment of the factory license for our Sarora (Tilda) Facility.

2. Our Company has applied for no-objection certificate from the fire service department for our Sarora (Tilda) Facility.

3. Our Company has filed a renewal application for the BIS license bearing CM/L no. 5900069313.

4. Our Company has applied for consent to operate and change of name to "Sambhv Steel Tubes Limited" from Chhattisgarh Environment Conservation Board, for our Kuthrel manufacturing facility.

## IV. Material approvals required but yet to be obtained or applied for

Nil

## V. Intellectual Property

### A. *Registrations obtained by our Company*

As of the date of this Draft Red Herring Prospectus, our Company has registered the trademarks, as disclosed below:

| S. No. | Description | Trademark number | Class | Type of trademark | Valid/Renewed up to |
|---|---|---|---|---|---|
| | SAMBHV STEEL | 5028012 | 6 | Device mark | July 1, 2031 |
| | SAMBHV<br>STEEL | 5028011 | 6 | Device mark | July 1, 2031 |

**B.** *Applications filed by our Company*

As of the date of this Draft Red Herring Prospectus, our Company has applied for registration of trademarks, as disclosed below:

| S. No. | Description | Application number | Class | Type of trademark | Date of application | Status |
|---|---|---|---|---|---|---|
| | SAMBHV | 6449191 | 6 | Device mark | May 24, 2024 | Pending |
| | SAMBHV<br>STEEL PIPES & TUBES<br>सब संभव है | 6449192 | 6 | Device mark | May 24, 2024 | Pending |
| | सब संभव है | 6449193 | 6 | Device mark | May 24, 2024 | Pending |

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board has approved the Offer pursuant to a resolution dated September 5, 2024 and our Shareholders have approved the Fresh Issue pursuant to a special resolution dated September 12, 2024. This Draft Red Herring Prospectus has been approved by our Board pursuant to the resolutions dated September 30, 2024.

The Offer for Sale has been authorized, severally and not jointly, by the Selling Shareholders as disclosed in "*The Offer*" on page 75.

Our Board has taken on record the participation of Selling Shareholders in the Offer for Sale, pursuant to a resolution dated September 30, 2024,

The Equity Shares being offered by the Selling Shareholders in the Offer for Sale have been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

The Equity Shares proposed to be offered by the Selling Shareholders in the Offer for Sale are free from any lien, encumbrance, transfer restrictions or third-party rights:

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by the SEBI or other Governmental Authorities

Our Company, the Promoters, members of Promoter Group, the Selling Shareholders and our Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated as promoters, directors or persons in control have been debarred from accessing capital markets by the SEBI.

None of our Directors are associated with the securities market in any manner and no outstanding action has been initiated against our Directors by SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

None of our Company or our Promoters or Directors have been identified as a Wilful Defaulter or Fraudulent Borrower.

Our Promoters and Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

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 of the date of this Draft Red Herring Prospectus.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of Promoter Group, Directors and each of the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as of the date of this Draft Red Herring Prospectus.

### Other confirmations

As on the date of this Draft Red Herring Prospectus, except Ganpati Sponge Iron Private Limited, which is one of our suppliers of raw materials and where our Promoters Brijlal Goyal and Sheetal Goyal are shareholders, there are no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and the Company, Promoters, Promoter Group, Key Managerial Personnels, Directors, and Subsidiary/ Group Companies and its directors.

As on the date of this Draft Red Herring Prospectus, except Ganpati Sponge Iron Private Limited, which is one of our suppliers of raw materials and where our Promoters Brijlal Goyal and Sheetal Goyal are shareholders, there are no conflict of interest between the lessor of the immovable properties (crucial for operations of the Company) and the Company, Promoters, Promoter Group, Key Managerial Personnels, Directors and Subsidiary/ Group Companies and its directors.

**Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), i.e., as of and for the Financial Years 2024, 2023 and 2022, of which not more than 50% of the net tangible assets are held in monetary assets.
- Our Company has an average operating profit of ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), i.e., Financial Years 2024, 2023 and 2022 with operating profit in each of these preceding three years.
- Our Company has a net worth of at least ₹10 million, calculated on a restated basis in each of the preceding three full years (of 12 months each), i.e., Financial Years 2024, 2023 and 2022; and
- Except as disclosed in "*History and Certain Corporate Matters- Amendments to our Memorandum of Association*" on page 230, our Company has not changed its name in the year immediately preceding the date of this Draft Red Herring Prospectus. Further, at least 50% of the revenue, calculated based on Restated Financial Information, for the preceding one full year has been earned by our Company from the activity indicated by our new name. Further our Company has not undertaken any new business activity indicated pursuant to the new name.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the three immediately preceding Financial Years are disclosed below.

*Derived from the Restated Financial Information*

*(in ₹ million)*

| Particulars | As of and for the Financial Year | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Net tangible assets (A)[1] | 4571.02 | 2,245.06 | 1,588.12 |
| Operating profit (B)[2] | 1,389.62 | 1,011.49 | 1,143.95 |
| Net worth (C)[3] | 4,382.82 | 2,103.97 | 1,492.97 |
| Monetary assets (D)[4] | 406.01 | 69.18 | 60.42 |
| Monetary assets as a percentage of the net tangible assets (D)/(A) | 8.88% | 3.08% | 3.80% |

*Source: Restated Statement of Assets and Liabilities and Restated Statement of Profit and Loss of the Company as included in this Draft Red Herring Prospectus under the section "Financial Statements".*

1) *'Net Tangible Assets' means net block of Property, Plant & Equipment (Excluding Right of Use Assets), capital work in progress (including capital advances), Total current assets, Other Non-current financial assets and excludes all liabilities except lease liability and Deferred tax liability (DTL).*

2) *'Operating Profit' means the profit before finance costs, and tax expenses but after excluding other income.*

3) *'Net Worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation Monetary assets, on a restated basis, has been defined as aggregate of balance with banks in current accounts, Bank deposit with maturity of less than 3 months, fixed deposits with bank and fixed deposits with bank to the extent held as margin money.*

4) *'Monetary Assets' means cash in hand, cheques on hand, balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent).*

We are currently eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations.

Our Company has operating profit in each of the Financial Years 2024, 2023 and 2022 as per the Restated Financial Information. Our average restated operating profit for Financial Years 2024, 2023 and 2022 is ₹ 1,181.69 million.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company and each of the Selling

Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded in accordance with the SEBI ICDR Regulations and timelines specified under other applicable laws. None of the Selling Shareholders shall be liable to reimburse our Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of the respective portion of the Offered Shares offered by such Selling Shareholder in the Offer for Sale, or otherwise, unless such delay is solely accountable to such Selling Shareholder.

Our Company is in compliance with conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with Regulation 7(2) of the SEBI ICDR Regulations.

a. None of our Company, our Promoters, members of our Promoter Group, the Selling Shareholders or our Directors are debarred from accessing the capital markets by the SEBI;
b. None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI;
c. Neither our Company nor our Promoters or Directors are categorised as a Wilful Defaulter or a Fraudulent Borrower;
d. Neither our Promoters nor our Directors have been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018);
e. There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as of the date of filing of this Draft Red Herring Prospectus;
f. Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated August 22, 2024 and September 12, 2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
g. The Equity Shares of our Company held by our Promoters are in dematerialised form;
h. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as of the date of filing of this Draft Red Herring Prospectus; and
i. 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 Fresh Issue and existing identifiable accruals.

**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 TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING NUVAMA WEALTH MANAGEMENT LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAVE 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. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE RESPECTIVE PORTION OF THE EQUITY SHARES BEING OFFERED BY THEM IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, BEING NUVAMA WEALTH MANAGEMENT LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All applicable legal requirements pertaining to the Offer have been complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

**Caution - Disclaimer from our Company, Promoters, our Directors and the BRLMs**

Our Company, our Promoters, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.sambhv.com or any website of any affiliates of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Selling Shareholders and the BRLMs for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the BRLMs 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 any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters, the BRLMs and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoters, Promoter Group, the Selling Shareholders, and our Group Companies, and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter, the Promoter Group, the Selling Shareholders, and our Group Companies, and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

**Disclaimer from the Selling Shareholders**

The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.sambhv.com, or the respective websites of any affiliate of our Company or the Selling Shareholders would be doing so at his or her own risk. Each Selling Shareholder, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder or its Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to each Selling Shareholder and its 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 sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling Shareholders and its respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

**Disclaimer in respect of Jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

**Bidders eligible under Indian law to participate in the Offer**

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, Government of India, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Bidders are advised to ensure that any Bid from them should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

Certain persons outside India are restricted from participating in the Offer. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 434.

**Selling restrictions and transfer restrictions**

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States and may not be offered 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 offered in the Offer are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

**Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum shall be deemed to:**

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it did not purchase the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it 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, other than in accordance with applicable laws.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that if it acquired any

of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold the Company, the Selling Shareholders and the Members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Acknowledge that our Company, the Selling Shareholders, the Members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

**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 our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

**Disclaimer clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Listing**

The Equity Shares issued through the Red Herring 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. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. Each of the Selling Shareholder confirms that it shall extend reasonable support and co-operation (to the extent of its portions of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within two Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

Other than the listing fees, audit fees of the statutory auditors (other than to the extent attributable to the Offer), corporate or product advertisements expenses in the ordinary course of business by our Company (not in connection with the Offer), and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which will be borne solely by our Company, all costs, charges, fees and expenses that are associated with and incurred solely in connection with the Offer including, inter-alia, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel, fees and expenses of the statutory auditors (to the extent related to the Offer), registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, Syndicate Members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be shared by our Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and/or transferred by our Company and each of the Selling Shareholders in the Offer in respect of their respective portion of Equity Shares offered in the Offer for Sale, respectively, except as may be prescribed by the SEBI or any other regulatory authority. Our Company agrees to pay the cost and expenses of the Offer on behalf of the Selling Shareholders in the first instance, (in accordance with the appointment or engagement letter or memoranda of understanding or agreements with such entities), and each of the Selling Shareholders agrees that it shall reimburse our Company, in proportion to its respective portion of Equity Shares offered in the Offer for Sale, for any documented expenses incurred by our Company on behalf of such Selling Shareholder, subject to receipt of supporting documents for such expenses upon commencement of trading of the Equity Shares on the Stock Exchanges pursuant to the Offer. In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, all costs and expenses with respect to the Offer which may have accrued up to the date of such postponement, withdrawal, abandonment or failure shall be borne by our Company and Selling Shareholders in proportion to the number of Equity Shares our Company has agreed to issue and allot and each of the Selling Shareholders have agreed to sell in the Offer as disclosed in the Draft Red Herring Prospectus or as will be disclosed in the updated draft red herring prospectus to be filed by our Company with SEBI in relation to the Offer, whichever is later, including but not limited to, the fees and expenses of the BRLMs and all legal counsel in relation to the Offer.

**Consents**

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Auditors of our Company, the Domestic Legal Counsel to our Company, the Bankers to our Company and (b) the BRLMs, the Registrar to the Offer, independent practicing company secretary, independent chartered engineer, CRISIL MI&A, the Syndicate Members, the Bankers to the Offer, CRISIL and the Monitoring Agency to act in their respective capacities, have been obtained / will be obtained prior to filing the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as of the date of this Draft Red Herring Prospectus.

**Experts**

Our Company has not obtained any expert opinions other than as disclosed below.

Our Company has received written consent dated September 30, 2024 from the Statutory Auditors to include their name as required under the Companies Act in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act in respect of their (i) examination report dated September 28, 2024 on the Restated Financial Information; and (ii) the statement of possible special tax benefits dated September 30, 2024, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 30, 2024 from the Independent Chartered Accountants to include their name as required under the Companies Act in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 30, 2024 from Rohtash Agrawal & Co, practising company secretary, to include their name as the independent practicing company secretary as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 30, 2024 from Prakash Upadhyay, chartered engineer to include their name as a chartered engineer as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

**Particulars regarding capital issues by our Company in the last five years**

Our Company has not made any capital issues during the five years preceding the date of this Draft Red Herring Prospectus.

**Particulars regarding capital issues by our listed group companies, subsidiaries or associate entities during the last three years**

As of date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries, group companies or associates.

**Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public offer 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 subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis Objects – Details of Public or Rights Issues by our Company**

Our Company has not made any public issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus. Except as disclosed in the section "*Capital Structure*" on page 89, our Company has not made any rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus

**Performance vis-à-vis Objects – Details of Public or Rights Issues by listed subsidiaries/listed Promoter of our Company**

As of the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary or any corporate promoter.

**Price Information of Past Issues Handled by the BRLMs**

**1. Nuvama Wealth Management Limited**

1. Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Nuvama Wealth Management Limited:

| S. No. | **Issue Name | Issue Size (₹ million) # | Issue price (₹) | Listing Date | Opening Price on Listing Date (in ₹) | +/- % 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 |
|---|---|---|---|---|---|---|---|---|
| | P N Gadgil Jewellers Limited | 11,000.00 | 480.00 | September 17, 2024 | 830.00 | N.A. | NA | NA |
| | Allied Blenders and Distillers Limited | 15,000.00 | 281.00$ | July 02, 2024 | 320.00 | 9.68% [3.43%] | 21.28% [8.52%] | NA |
| | Go Digit General Insurance Limited | 26,146.46 | 272.00 | May 23, 2024 | 286.00 | 22.83% [2.32%] | 30.79% [7.54%] | NA |
| | Popular Vehicles and Services Limited | 6,015.54 | 295.00^^ | March 19, 2024 | 289.20 | -15.59% [1.51%] | -13.67% [7.55%] | -23.43%[16.22%] |
| | Capital Small Finance Bank Limited | 5,230.70 | 468.00 | February 14, 2024 | 435.00 | -25.25% [1.77%] | -26.09% [1.33%] | -31.44% [10.98%] |
| | Mediassist Healthcare Services Limited | 11,715.77 | 418.00 | January 23, 2024 | 465.00 | 22.32% [3.20%] | 15.66% [3.86%] | 33.86% [14.54%] |
| | Flair Writing Industries Limited | 5,930.00 | 304.00 | December 01, 2023 | 501.00 | 14.69% [7.22%] | -8.63% [8.31%] | 1.12% [12.93%] |
| | Gandhar Oil Refinery (India) Limited | 5,006.92 | 169.00 | November 30, 2023 | 298.00 | 61.51% [7.94%] | 41.57% [10.26%] | 22.99% [13.90%] |
| | ESAF Small Finance Bank Limited | 4,630.00 | 60.00^ | November 10, 2023 | 71.90 | 12.87% [7.58%] | 31.18% [11.17%] | 0.77% [13.26%] |
| | Sai Silks (Kalamandir) Limited | 12,009.98 | 222.00 | September 27, 2023 | 230.10 | 8.09% [-4.49%] | 25.09% [7.54%] | -12.30% [10.15%] |

*Source: www.nseindia.com and www.bseindia.com*

$*Allied Blenders and Distillers Limited- A discount of ₹ 26 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹281 per equity share*

^^*Popular Vehicles and Services Limited- A discount of ₹ 28 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹295 per equity share*

^ESAF Small Finance Bank Limited- *A discount of ₹ 5 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹60 per equity share.*
*#As per Prospectus*
***Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited ("Edelweiss") had emerged and now transferred to Nuvama Wealth Management Limited ("Nuvama") and therefore the said merchant banking business is part of Nuvama.*

***Notes***

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

| **Financial Year** | **Total no. of IPOs** | **Total amount of funds raised (₹ in million)** | **No. of IPOs trading at discount - 30th calendar days from listing** | | | **No. of IPOs trading at premium - 30th calendar days from listing** | | | **No. of IPOs trading at discount - 180th calendar days from listing** | | | **No. of IPOs trading at premium - 180th calendar days from listing** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | **Over 50%** | **Between 25-50%** | **Less than 25%** | **Over 50%** | **Between 25-50%** | **Less than 25%** | **Over 50%** | **Between 25-50%** | **Less than 25%** | **Over 50%** | **Between 25-50%** | **Less than 25%** |
| 2024-25* | 3 | 52,146.46 | - | - | - | - | - | 2 | - | - | - | - | - | - |
| 2023-24 | 9 | 68,029.67 | - | 1 | 1 | 1 | 1 | 5 | - | 1 | 3 | 1 | 1 | 3 |
| 2022-23 | 3 | 28,334.49 | - | **1** | - | - | 1 | 1 | - | **1** | **1** | - | - | **1** |

*The information is as on the date of the document*

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.*
   **For the financial year 2024-25, 2 issues have completed 30 calendar days, 2 issues have completed 90 calendar days and none of the issues have completed 180 calendar days.*

*#As per Prospectus*

## 2. Motilal Oswal Investment Advisors Limited

1. Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited:

| **Sr. No.** | **Issue name** | **Issue Size (*in ₹ million*)** | **Issue price (*in ₹*)** | **Designated stock exchange as disclosed in the red herring prospectus filed** | **Listing date** | **Opening price on listing date (*in ₹*)** | **+/- % 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** |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | P N Gadgil Jewellers Limited | 11,000.00 | 480.00 | NSE | September 17, 2024 | 830.00 | N.A. | N.A. | N.A. |
| | R K Swamy Limited [6] | 4,235.60 | 288.00 | BSE | March 12, 2024 | 252.00 | -1.30% [+1.86%] | -6.70% [+4.11%] | -17.57% [+10.20%] |
| | Happy Forgings Limited | 10,085.93 | 850.00 | NSE | December 27, 2023 | 1000.00 | +14.06% [-1.40%] | +4.44% [+2.04%] | +42.78% [+8.53%] |
| | Cello World Limited [5] | 19,000.00 | 648.00 | NSE | November 06, 2023 | 829.00 | +21.92% [+7.44%] | +32.99% [+12.58%] | +40.57% [+15.78%] |
| | Updater Services Limited | 6,400.00 | 300.00 | BSE | October 04, 2023 | 299.90 | -13.72% [-1.76%] | +9.05% [+10.80%] | 6.77% [+12.92%] |
| | Sai Silks (Kalamandir) Limited | 12,009.98 | 222.00 | BSE | September 27, 2023 | 230.10 | +8.09% [-4.49%] | +25.09% [+7.54%] | -12.30%[+10.15%] |
| | Rishabh Instruments Limited | 4907.83 | 441.00 | NSE | September 11, 2023 | 460.05 | +20.12% [-1.53%] | +13.24% [+4.87%] | +5.94% [+12.49%] |
| | IKIO Lighting Limited | 6,065.00 | 285.00 | BSE | June 16, 2023 | 391.00 | +44.77% [+4.22%] | +23.84% [+6.44%] | +23.86% [+9.73%] |
| | Radiant Cash Management Limited | 2,566.41 | 94.00 | NSE | January 04, 2023 | 103.00 | +2.55% [-2.40%] | 2.23% [-3.75%] | -1.31% [+6.35%] |
| | Tamilnad Mercantile Bank Limited | 8,078.40 | 510.00 | BSE | September 15, 2022 | 510.00 | -8.43% [-3.36%] | +2.14% [+4.34%] | -11.07% [-1.33%] |

*Notes:*

1. *The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange.*
2. *Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.*
3. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
4. *Not applicable – Period not completed.*
5. *A discount of Rs. 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
6. *A discount of Rs. 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*

2. Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ in million) | No. of IPOs trading at discount - 30th calendar days from listing | | | No. of IPOs trading at premium - 30th calendar days from listing | | | No. of IPOs trading at discount - 180th calendar days from listing | | | No. of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2024-25* | 1 | 11,000.00 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2023-24 | 7 | 62,704.34 | - | - | 2 | - | 1 | 4 | - | - | 1 | - | 2 | 4 |
| 2022-23 | 3 | 16,265.81 | - | - | 1 | - | - | 2 | - | - | 2 | - | - | 1 |

** The information is as on the date of the DRHP.*
*The information for each of the financial years is based on issues listed during such financial year.*
*Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available*
*Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange*

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, see the websites of the BRLMs, as provided in the table below.

| S. No. | Name of the BRLM | Website |
|---|---|---|
| 1. | Nuvama Wealth Management Limited | https://www.nuvama.com/ |
| 2. | Motilal Oswal Investment Advisors Limited | https://www.motilaloswalgroup.com/ |

**Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange as of 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 the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances or such period as prescribed under applicable laws.

All Offer related grievances (other than of Anchor Investors) may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary 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 DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole 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 Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI, by way of its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("**March 2021 Circular**") read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 ("**June 2021 Circular**") and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Master Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and any subsequent circulars, as applicable 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. Subsequently, SEBI vide its June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

As per the March 2021 Circular read with the June 2021 Circular and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, 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) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (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 nonallotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Master Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 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.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Master Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

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, 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 until 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<br>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 until 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<br>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 until 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 finalization of the Basis of Allotment until the date of actual unblock |

In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. 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 Book Running Lead Managers, 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.

**Disposal of Investor Grievances by our Company**

Our Company shall obtain authentication on the SEBI SCORES platform and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as of the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 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 Niraj Srivastava, as the Company Secretary and Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems. For details, see "*General Information*" on page 81.

Our Company has also constituted a Stakeholders' Relationship Committee comprising of Nidhi Thakkar, Vikas Kumar Goyal, Bhavesh Khetan and Manoj Khetan, as members, to review and redress shareholder and investor grievances. For details, see "*Our Management*" on page 236.

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

Our Company has not sought nor applied for any exemption from SEBI from complying with any provisions of securities laws, as of the date of this Draft Red Herring Prospectus.

## SECTION VII: OFFER RELATED INFORMATION

## TERMS OF THE OFFER

The Equity Shares being issued, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. 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 the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

### The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to Offer expenses, see "*Objects of the Offer*" on page 112.

### Ranking of the Equity Shares

The Equity Shares being issued, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the 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 Offer, 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*" on page 436.

### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 264 and 436, respectively.

### Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹[●] per Equity Share ("**Cap Price**"). The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. The Offer Price shall be determined by our Company, in consultation with the BRLMs , after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

### Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

**Rights of Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our 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 and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 436.

**Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated August 22, 2024 among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated September 12, 2024 among our Company, CDSL and the Registrar to the Offer.

**Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure*" on page 413.

**Joint Holders**

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

**The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the United States and may not be offered 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 offered in the Offer are being offered and sold only outside the United States in "offshore**

**transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act.**

**Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013 and the relevant rules made thereunder, 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. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/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 and Corporate 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 our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

**Bid/Offer Programme**

| | |
|---|---|
| **BID/OFFER OPENS ON** | [●][(1)] |
| **BID/OFFER CLOSES ON** | [●][(2) (3)] |

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

(2) *Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(3) *The UPI mandate end time and date shall be 5:00 p.m. on the Bid / Offer Closing Date.*

An indicative timetable in respect of the Offer is disclosed below:

| Event | Indicative Date |
|---|---|
| Finalisation 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 dematerialized 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/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher 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 until 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 until the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs 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 circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular* *no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.*

*The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.*The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.
*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, 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 ₹ 500,000, shall use UPI. RIBs for up to ₹ 500,000 and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 200,000 and up to ₹ 500,000, 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*

**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 three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company in consultation with the BRLMs The, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. 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. Each Selling Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation in relation to their respective portion of the Offered Shares, as required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.**

**The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date until the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory T+3 days listing basis, subject to the timing of the Offer 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

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 to any revised SEBI circulars to this effect.

**Submission of Bids (other than Bids from Anchor Investors):**

| | |
|---|---|
| **Bid/Offer Period (except the Bid/Offer Closing Date)** | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**") |
| **Bid/Offer Closing Date*** | |
| Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs and Eligible Employees Bidding under the Employee Reservation Portion | 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 ₹ 500,000) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of Electronic Applications (Syndicate Non-Retail, Non- | Only between 10.00 a.m. and up to 3.00 p.m. IST |

| | |
|---|---|
| Individual Applications) | |
| 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 where Bid Amount is more than ₹ 500,000 million) | 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 Bidders categories# | Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date |
| Upward or downward Revision of Bids or cancellation of Bids by RIBs | Only between 10.00 a.m. and up to 5.00 p.m. IST |

** UPI mandate end time and date shall be at 05:00 p.m. on Bid/ Offer Closing Date.*
*# QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.*

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding under the Employee Reservation Portion

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees Bidding under the Employee Reservation Portion and, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date until the Bid/Offer 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 confirmation to the BRLMs and the RTA on the 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/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 3:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period. Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

**In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement and also by indicating the change on the respective websites of the BRLMs and at 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 of our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of discrepancy in data entered in the electronic book vis-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 shall be taken as the final data for the purpose of Allotment.

**The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period till 5.00 pm on the Bid/ Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.**

**Minimum Subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company, the selling shareholders shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI ICDR Master Circular.

The requirement for minimum subscription is not applicable to the Offer for Sale.

In case of under-subscription in the Offer subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made in the following order (i) in the first instance towards subscription for 90% of the Fresh Issue; (ii) if there remains any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made in the following order: (a) first towards the sale of Offered Shares (in proportion to the Offered Shares being offered by each Selling Shareholder to the aggregate Offered Shares in the Offer for Sale); and (b) once the Equity Shares have been allotted in accordance with (a) above, towards the balance Fresh Issue.

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 Managers, and the Designated Stock Exchange.

Each Selling Shareholder shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to its portion of the Offered Shares.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. 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.

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

**Withdrawal of the Offer**

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders, And shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer 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 filing of the Prospectus with the RoC.

**Restrictions, if any on transfer and transmission of Equity Shares**

Except for lock-in of the pre-Offer share capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 89 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*" on page 436.

**New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

**Arrangements for disposal of odd Lots**

Since the Equity Shares will be treated in dematerialized form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

**Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges

## OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ 5,400 million, comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,400.00 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 1,000 million by the Selling Shareholders, comprising an offer for sale, the details of which are set out below.

| S. No. | Name of the Selling Shareholder | Date of consent letter | Number of Offered Shares |
|---|---|---|---|
| 1. | Shashank Goyal | September 30, 2024 | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million |
| 2. | Rohit Goyal | September 30, 2024 | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million |
| 3. | Kaushlya Goyal | September 30, 2024 | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million |
| 4. | Harsheet Goyal | September 30, 2024 | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 100.00 million |
| 5. | Rinku Goyal | September 30, 2024 | Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 600.00 million |

The Offer includes an Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer.

The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of our Equity Shares is ₹10 each.

Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

The Offer is being made through the Book Building Process.

| Particulars | Eligible Employees# | QIBs(3) | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|---|
| Number of Equity Shares available for Allotment/allocation(1) | Upto [●] Equity Shares | Not more than [●] Equity Shares | Not less than [●] Equity Shares available for allocation or the Net Offer less allocation to QIB Bidders and RIBs | Not less than [●] Equity Shares available for allocation or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders |
| Percentage of Offer Size available for allocation | The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company and up to [●]% of the Offer size | Not more than 50% of the Net Offer being available for allocation to QIB Bidders.<br><br>However, up to 5% of the Net QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds | Not less than 15% of the Net Offer, subject to the following:<br><br>The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares of | Not less than 35% of the Net Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation |

| Particulars | Eligible Employees# | QIBs(3) | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|---|
| | | participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs in the remaining Net QIB Portion. | face value of ₹10 each in the Non-Institutional Portion and the remaining available Equity Shares of face value of ₹10 each, 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 ₹200,000 and up to ₹1,000,000; and (b) two third of such portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, 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 | |
| Basis of Allotment/allocation if respective category is oversubscribed(1) | Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for value exceeding ₹200,000 (net of the Employee Discount), subject to total Allotment to an Eligible Employee not exceeding ₹500,000. | Proportionate as follows (excluding the Anchor Investor Portion):<br><br>Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br><br>Balance [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above<br><br>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 | (a) One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. For further details, see "*Offer Procedure*" on page 413. | The allotment to each RIB 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 further details, see *Offer Procedure* on page 413. |

| Particulars | Eligible Employees# | QIBs(3) | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|---|
| | | Allocation Price. | | |
| Mode of Bidding(2) | Only through the ASBA process (including the UPI Mechanism, as applicable) (except for Anchor Investors)<br><br>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 ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹500,000 shall be required to use the UPI Mechanism | | | |
| Minimum Bid | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Maximum Bid | Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000 | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor Portion) subject to applicable limits to each Bidder | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to applicable limits to Bidder | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |
| Bid Lot | | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | |
| Allotment Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | [●] Equity Shares and in multiples of one Equity Share thereafter | [●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Non-Institutional Portion | [●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion |
| Trading Lot | One Equity Share | | | |
| Mode of Allotment | Compulsory in dematerialized form | | | |
| Who can apply(4) | Eligible Employees | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy | Resident Indian individuals, Eligible NRIs, HUFs (in the name of *karta*), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorized as Category II FPIs and registered with SEBI. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*). |

| Particulars | Eligible Employees# | QIBs(3) | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|---|
| | | or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs. | | |
| 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(5)<br><br>**In case of 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 Banks through the UPI Mechanism (for RIBs or individual investors Bidding under the Non-Institutional Portion for an amount of more than ₹200,000 and up to ₹500,000) that is specified in the ASBA Form at the time of submission of the ASBA Form. | | |

*# Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of the Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. Such portion shall not exceed 5% of the post-Offer Equity Share capital of our Company. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹200,000, can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

*(1) The Bid Amounts blocked.*

*(2) The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

*(3) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, which price shall be determined by our Company in consultation with the BRLMs. 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 further details, see "Offer Procedure" on page 413.*

*(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Offer" on page 402.*

*(5) If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, 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.*

*(6) Anchor Investors are not permitted to use the ASBA process. 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 Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.*

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. 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.

## OFFER 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 BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix)submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) Designated Date; (xiv) disposal of applications; and (xv) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders 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 issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II until March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II 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 issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023.*

*The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. 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 whose application sizes are up to ₹500,000 shall use the UPI Mechanism. 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with the applicable laws. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide the SEBI ICDR Master Circular, has reduced the timelines for refund of Application money to two days. The BRLMs shall be the nodal entity for any issues arising out of public issuance process.*

*Our Company, the Selling Shareholders and the BRLMs, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.*

*Further, our Company, the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.*

**Book Building Procedure**

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price 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 the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000 , provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill over from any other category or categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer 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.

Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹0.5 million. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

**Bidders must ensure that their PAN is linked with Aadhaar ID and are in compliance with CBDT notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023, read with subsequent circulars issued in relation thereto.**

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), 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 rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws**. **Phased implementation of UPI**

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 UPI Bidders 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 until June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has 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 until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification"**). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) 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.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, 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.

Pursuant to the 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/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**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 Streamlining 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 Working 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. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

**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 and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders 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.

(ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

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. UPI Bidders, 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 may submit their ASBA Forms with the SCSBs (except UPI Bidders). 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(s), as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

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 Bidder, 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 Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis | [●] |
| Anchor Investors | [●] |

| Category | Colour of Bid cum Application Form* |
|---|---|
| Eligible Employees Bidding in the Employee Reservation Portion | [●] |

* *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 websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

(3) *Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of the Company.*

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges 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. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the 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 Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds.The Sponsor Bank(s) 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 the UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) 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(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. 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 cut-off time of 5:00 pm IST on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue until further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

**Electronic registration of Bids**

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST for RIBs and Eligible Employees and 4:00 pm IST for Non-Institutional Bidders and QIBs, on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

**Participation by Promoters and Promoter Group of the Company, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, 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 or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension funds sponsored by entities which are associate of the BRLMs nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer 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 or 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 BRLMs, 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 BRLMs. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Except to the extent of participation in the Offer for Sale by our Promoters, the Promoter Group will not participate in the Offer.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which 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 Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 0.5 million (net the Employee Discount, if any).

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 409. However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Such portion shall not exceed 5% of the post-Offer Equity Share capital of our Company.

Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

(iii) In case of joint bids, the Sole Bidder or the First Bidder shall be the Eligible Employee.

(iv) Bids by Eligible Employees may be made at Cut-off Price.

(v) Only those Bids, which are received at or above the Offer Price (net the Employee Discount, if any) would be considered for allocation under this portion.

(vi) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000 (net the Employee Discount, if any).

(vii) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism

(viii) If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(ix) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(x) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Structure*" on page 409.

**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). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External ("**NRE**") accounts, 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 SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is adopted by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 434.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

**Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

**Bids by FPIs**

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 Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the 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 total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA NDI 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 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.

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 and the Selling Shareholders reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall 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 SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 ("**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, are 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 name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to 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 1 FPIs; (vii) Entities registered as Collective Investment Scheme having multiple share classes; (viii) Multiple branches in different jurisdictions of foreign bank registered as FPIs; (ix) Government and Government related investors registered as Category 1 FPIs; and (x) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, 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; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the 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.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer 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*."

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

**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, AIFs, Mutual Funds, NBFC-ND-SI, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the BRLMs 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.

**Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA NDI Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. 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. Pursuant to the repeal of the 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

**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.**

**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 BRLMs reserve the right to reject any Bid without assigning any reason thereof.

**Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserves 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 ("**Banking Regulation Act**") and the Master Direction - Reserve Bank of India (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 banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

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, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), read with the Investments – Master Circular dated October 27, 2022, each 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 ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

**Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 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 BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

**Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**Bids 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 Managers.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. 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 ₹ 100 million.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

5) Our Company in consultation with the BRLMs 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 ₹ 100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million 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 Managers before the Bid/Offer 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 Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9) Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10) Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the 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.

For more information, please read the General Information Document.

**The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to 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 regulations, or as will be specified in the 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, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

The Offer shall be opened after at least three Working Days from the date of filing of the Red Herring Prospectus with the RoC.

**General Instructions**

QIB Bidders and Non-Institutional Bidders are not allowed 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees under Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar ID and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;
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 in the prescribed form;
5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder 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 through the SCSBs and mobile applications 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;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;
8. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;
9. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
10. If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);
11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
12. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;
14. 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;
15. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
16. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the Designated SCSB Branches or the relevant Designated Intermediary, as applicable;
17. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked

UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

18. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

19. 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 Banks, 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 Offer, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

20. 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 no. MRD/DoP/SE/Cir- 8 /2006 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 beneficial 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;

21. Ensure that the Demographic Details are updated, true and correct in all respects;

22. 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;

23. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

24. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

25. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

26. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

27. 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;

28. 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 Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

29. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. IST on the Bid/ Offer Closing Date;

30. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

31. 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;

32. Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the non-institutional category for allocation in the Offer;

33. 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 authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation 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 authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

34. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) 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 www.sebi.gov.in).

35. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.

36. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

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 Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
5. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
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, do not submit more than one ASBA Form from an ASBA Account;
13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders using the UPI Mechanism, in the UPI linked bank account where funds for making the Bid are available;
14. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
15. Anchor Investors should not Bid through the ASBA process;
16. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
17. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. 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 Offer;

20. 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;

21. 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);

22. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

23. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

24. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

25. Do not Bid for Equity Shares more than what is specified for each category;

26. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

27. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer 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;

28. 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. RIBs and Eligible Employees under Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

29. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;

30. If you are an UPI Bidder 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;

31. Do not Bid if you are an OCB;

32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

33. Do not submit the Bid cum Application Forms to any non-SCSB bank;

34. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

35. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders and Eligible Employees under Employee Reservation Portion);

36. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and

37. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

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 are requested to note that Bids maybe rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) 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(s));

(f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

(g) 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;

(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(j) Bids submitted without the signature of the First Bidder or Sole Bidder;

(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(l) 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;

(m) GIR number furnished instead of PAN;

(n) Bids by RIBs with Bid Amount of a value of more than ₹200,000;

(o) Bids by Eligible Employees under Employee Reservation Portion with Bid Amount of a value of more than ₹500,000;

(p) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(q) Bids accompanied by stock invest, money order, postal order, or cash; and

(r) Bids uploaded by QIBs and by Non-Institutional Bidders after 4.00 pm on the Bid/Offer Closing Date and Bids by RIBs and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Further, in case of any pre-Offer or post -Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 81 and 236, respectively.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer 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 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, 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 Anchor Investors shall be on a discretionary basis.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis, which shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 , and (ii) two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹ 1,000,000 , provided that under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category.

**Payment into Anchor Investor Escrow Accounts**

Our Company in consultation with the BRLMs 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 Anchor Investor Escrow Account 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, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**Allotment advertisement**

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, before 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 are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to9.00 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, the BRLMs and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation.

**The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers 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 Filing with the RoC**

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

(b) After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

For more information, see "*General Information*" on page 81.

**Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 402.

**Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer 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 the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within 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;
- Promoters' Contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- Except for the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

**Undertakings by the Selling Shareholders**

Each Selling Shareholder severally and not jointly, in respect of itself as a Selling Shareholder and its portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of itself and its respective portion of the Offered Shares:

- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the respective portion of the Offered Shares;
- it shall deposit its portion of the Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
- it is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances; and
- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

The statements and undertakings provided above, in relation to the Selling Shareholders, are statements which are specifically confirmed or undertaken by the Selling Shareholders in relation to themselves and their respective portion of Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholders, shall be statements made by our Company, even if the same relate to the Selling Shareholders.

**Utilization of Offer Proceeds**

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

The details of all monies utilized out of the Net Proceeds shall be disclosed, and continue to be disclosed until the time any part of the proceeds of the Net Proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilize abd details of all unutilized monies out of the Net Proceeds, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

**Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

*(a)* *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b)* *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c)* *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million 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 ₹1,000,000 or 1% 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 ₹5.00 million or with both.

## 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 Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which is in effect from October 15, 2020, which subsumes and supersedes 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. The FDI Policy will be valid until the DPIIT issues an updated circular. 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. For further details, see "*Key Regulations and Policies*" on page 224.

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 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.

### Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter alia,* the FEMA, the FEMA 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.

In accordance with the FEMA Non-debt Instruments Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Instruments Rules, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100% (sectoral limit); and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA Non-debt Instruments Rules. Further are not permitted to participate in the Offer. As per the existing policy of the Government, OCBs cannot participate in this Offer. For more information on bids by FPIs and Eligible NRIs, see "*Offer Procedure*" on page 413.

In terms of the FEMA Non-debt Instruments Rules and the FDI Policy, a person resident outside India may make investments into India, subject to certain terms and conditions, and further provided that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India, who is situated in or is a citizen of any such country, shall invest only with the approval of the Government of India. 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 above restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government 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 Offer Period.

**The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the United States and may not be offered 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 offered in the Offer are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

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## SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

There are no material clause of our Articles of Association that have been left out from disclosures having bearing on the Issue or this Draft Red Herring Prospectus.

### ARTICLE OF ASSOCIATION OF THE COMPANY

### PRELIMINARY

### I. TABLE 'F' EXCLUDED

The regulations contained in Table 'F' of Schedule I to the Companies Act, 2013, as amended, shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act and the rules thereunder. The Company shall be governed by these Articles.

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 addition, alteration, substitution, modification, repeal and variation thereto in the manner prescribed or permitted by the Companies Act, 2013, as amended, be such as are contained in these Articles.

### DEFINITIONS AND INTERPRETATION

In the interpretation of these Articles, the following words and expressions, unless repugnant to the subject or context, shall mean the following:

"**Act**" means the Companies Act, 2013 and the rules enacted and any statutory modification, amendments 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;

"**Annual General Meeting**" means the annual general meeting of the Company convened and held in accordance with the Act;

"**Articles of Association**" **or** "**Articles**" means these articles of association of the Company, as may be altered from time to time in accordance with the Act;

"**Board**" or "**Board of Directors**" means the board of directors of the Company, as constituted from time to time, in accordance with applicable Laws and the provisions of these Articles;

"**Board Meeting**" means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with applicable Laws and the provisions of these Articles;

"**Beneficial Owner**" means beneficial owner as defined in Section 2(1)(a) of the Depositories Act;

"**Chairman**" or "**Chairperson**" means a Director designated as the Chairman or Chairperson of the Company by the Board of Directors for the time being;

"**Company**" means Sambhv Steel Tubes Limited, a public company incorporated with limited liability under the Laws of India;

"**Debenture**" includes debenture-stock, bonds or any other securities of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not;

"**Depositories Act**" means the Depositories Act, 1996, as amended and the rules framed thereunder;

"**Depository**" means a depository, as defined in Section 2(1)(e) of the Depositories Act and a company formed and registered under the Act and which has been granted a certificate of registration under Section 12(1A) of the Securities and Exchange Board of India Act, 1992;

"**Director**" means any director of the Company, including alternate directors, independent directors and nominee directors appointed, from time to time, in accordance with the Act, other applicable Laws and the provisions of these Articles;

"**Equity Shares**" means the issued, subscribed and fully paid-up equity shares of the Company having the face value set out in the Memorandum;

"**Extraordinary General Meeting**" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

"**General Meeting**" means any duly convened meeting of the Shareholders of the Company and any adjournments thereof;

"**Governmental Authority**" means any governmental, quasi-governmental, statutory, departmental, regulatory or public body constituted by any statute, Law, regulation, ordinance, rule or bye-law or a tribunal or court of competent jurisdiction or other authority in any nation, state, city, locality or other political subdivision thereof;

"**Law(s)**" means any statute, law, regulation, ordinance, rule, bye-law, judgment, order, decrees, ruling, approval, directive, guidelines, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question;

"**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"**Member**" or "**Shareholder**" means the duly registered holder from time to time, of the Shares of the Company and includes the subscribers to the Memorandum of Association and in case of Shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

"**Memorandum**" or "**Memorandum of Association**" means the memorandum of association of the Company, as may be altered from time to time;

"**Office**" means the registered office, for the time being, of the Company;

"**Officer**" shall have the meaning assigned thereto by Section 2(59) of the Act;

"**Ordinary Resolution**" shall have the meaning assigned thereto by Section 114(1) of the Act;

"**Register of Members**" means the register of members to be maintained pursuant to the provisions of Section 88 of the Act and the register of Beneficial Owners pursuant to Section 11 of the Depositories Act, in case of Shares held in a Depository;

"**Relatives**" shall have the meaning assigned thereto by Section 2(77) of the Act;

"**Rules**" means the applicable rules for the time being in force as prescribed under the relevant sections of the Act;

"**Section**" means the section of the Act;

"**Share**" means a share in the share capital of a company;

"**Special Resolution**" shall have the meaning assigned thereto by Section 114(2) of the Act; and

"**Tribunal**" shall have the meaning assigned thereto by Section 2(90) of the Act.

Except where the context requires otherwise, these Articles will be interpreted as follows:

(a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.

(b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

(c) words importing the singular shall include the plural and vice versa;

(d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

(e) the expressions "hereof", "herein" and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

(f) the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, ***include*** and ***including*** will be read without limitation;

(g) any reference to a ***person*** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person's executors, administrators, heirs, legal representatives and permitted successors and assigns;

(h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

(i) references made to any provision of the Act or the Rules shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs, Government of India;

(j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:

(i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and

(ii) any subordinate legislation, rule or regulation made under the relevant statute or statutory provision;

(k) references to writing include any mode of reproducing words in a legible and non-transitory form;

(l) references to ***Rupees, Rs., INR, ₹*** are references to the lawful currency of India; and

(m) save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

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.

**PUBLIC COMPANY**

The Company is a public company limited by Shares within the meaning of sections 2(71) and 3(1)(a) the Act.

## II. SHARE CAPITAL AND VARIATION OF RIGHTS

**AUTHORISED SHARE CAPITAL**

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of Shares in the Company as may, from time to time, be provided in Clause V of the Memorandum of Association, with power to re-classify, consolidate and increase or reduce such capital from time to time, and power to divide the share capital into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these Articles, subject to the provisions of applicable Law for the time being in force.

**NEW CAPITAL PART OF THE EXISTING CAPITAL**

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

**KINDS OF SHARE CAPITAL**

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 Act; and

(b) Preference share capital, non-convertible or convertible into Equity Shares, as permitted and in accordance with the applicable Laws, from time to time

**SHARES AT THE DISPOSAL OF THE BOARD OF DIRECTORS**

Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such person or employees (under an employee stock option scheme passed by a Special Resolution) , in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit, subject to the compliance with the provisions of the Act, and with the sanction of the Company in the General Meeting to give to any person or employees the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board of Directors think fit, and the Board of Directors may issue, and allot or otherwise dispose Shares in the capital of the Company on payment in full or part payment for any property sold or transferred, goods or machinery supplied or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares or partly paid-up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that 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.

**FURTHER ISSUE OF SHARES**

Where the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further Shares by allotment, then such Shares shall be offered, subject to the provisions of Section 62 of the Act, and the relevant Rules thereunder, as applicable:

(A)

   (i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those Shares at that date, subject to the conditions mentioned in (ii) to (iv) below;

   (ii) the offer aforesaid shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen (15) days (or such number of days as may be prescribed under the Act or the Rules made thereunder, or other applicable Law) and not exceeding thirty (30) days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined;

   Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least three (3) days before the opening of the issue, or such other time as may be prescribed under applicable Law;

   (iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) above shall contain a statement of this right;

   (iv) after the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the Rules and such other conditions, as may be prescribed under applicable Law; or

(C) to any persons, if authorized by a special resolution, whether or not those persons include the persons referred to in clause (A) or clause (B), either for cash or for a consideration other than cash, in accordance with applicable Law. Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.

(D)

(i) Nothing in sub-clause (iii) of clause (a)(A) shall be deemed:

(a) To extend the time within which 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 renunciation was first made has declined to take the Shares compromised in the renunciation.

(c) 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 Debentures or loans into Shares in the Company or to subscribe for shares in the Company.

Provided that the terms of the issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a special resolution passed by the Members of the Company in a general meeting.

(d) Notwithstanding anything contained in clause (c), where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and Government pass such order as it deems fit.

(e) 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.

(f) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, other applicable provisions of the Act and the Rules and to the extent applicable, any SEBI regulations or guidelines.

**ISSUE OF FURTHER SHARES NOT TO AFFECT RIGHTS OF EXISTING MEMBERS**

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.

## ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES

Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

## RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT

The Board shall observe the restrictions as regards allotment of Shares to the public contained in the Act and other applicable Law, and as regards return on allotments, the Board shall comply with applicable provisions of the Act and other applicable Law.

## MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS

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 these Articles require or fix for the payment thereof.

## APPLICATION OF PREMIUM RECEIVED ON ISSUE OF SHARES

(a) Where the Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those Shares shall be transferred to a "securities premium account" and the provisions of the Act, relating to reduction of Share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up capital of the Company.

(b) Notwithstanding anything contained in clause (a) above, the securities premium account may be applied by the Company in accordance with the provisions of the Act.

## VARIATION OF SHAREHOLDERS' RIGHTS

(a) If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to the Shares of any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 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.

(b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

## PREFERENCE SHARES

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 in such manner as determined by the Board in accordance with the Act.

## ISSUE OF SWEAT SHARES AND ESOPs

(a) The Company may issue Shares at discounted price by way of sweat Equity Shares or in any other manner in accordance with the provisions of the Act or any other applicable Law.

(b) The Company may issue Shares to employees including its Directors other than independent directors and such other persons as may be permitted under applicable Law, under any employee stock option scheme, employee stock purchase scheme or any other scheme, if authorized by the Members in general meeting subject to the provisions of the Act, the Rules and other applicable Laws for the time being in force.

## ISSUE OF BONUS SHARES

The Company may issue bonus shares by way of capitalisation of profits or out of securities premium or otherwise in accordance with the Act and the Rules and other applicable provisions for the time being in force.

## PAYMENTS OF INTEREST OUT OF CAPITAL

The Company shall have the power to pay interest out of its capital on so much of the Shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for the Company in accordance with the Act and other applicable Laws.

## AMALGAMATION

Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject to the provisions of the Act and other applicable Laws.

## REDUCTION OF CAPITAL

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act:

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserves as may be available.

# III. DEBENTURES

## TERMS OF ISSUE OF DEBENTURES OR OTHER SECURITIES

Any bonds, Debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise by the Company and may be issued and shall with the consent of the Board be issued 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, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of Shares, attending (but not voting) in the General Meeting or postal ballot, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

# IV. SHARE WARRANTS

## ISSUE OF SHARE WARRANTS

Subject to the provisions of the Act, the Company may issue with respect to any fully paid Shares, a warrant stating that the bearer of the warrants is entitled to the Shares specified therein and may provide coupons or otherwise, for payment of future dividends on the Shares specified in the warrants and may provide conditions for registering Membership. Subject to the provisions of the Act, the Company may from time to time issue warrants naked or otherwise or issue coupons or other instruments and any combination of Equity Shares, Debentures, preference Shares or any other instruments to such class of persons as the Board of Directors may deem fit with a right attached to the holder of such warrants or coupons or other instruments to subscribe to the Equity Shares or other instruments within such time and at such price as the Board of Directors may decide as per the Rules applicable from time to time.

## PRIVILEGES AND DISABILITIES OF THE HOLDERS OF SHARE WARRANT

Subject as herein otherwise expressly provided, no person shall as bearer of a 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.

**THE BOARD TO MAKE RULES**

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## V. SHARE CERTIFICATES

**LIMITATION OF TIME FOR ISSUE OF CERTIFICATES**

Subject to provisions of the Act, every Member shall be entitled, without payment of any charges, to one (1) or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board so determines) to several certificates, each for one (1) or more of such Shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of Law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month from the date of receipt by the Company of the application for registration of transfer, transmission, sub - division, consolidation or renewal of any of its Shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of Debenture or within such other period as any other Law for the time being in force may provide. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all such holders.

Every certificate shall specify the number and distinctive numbers of Shares to which it relates and the amount paid-up thereon and shall be signed by two (2) Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary and the common seal, if any, shall be affixed in compliance of the Article 75.

**RULES TO ISSUE SHARE CERTIFICATES**

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the Act.

**DEMATERIALISATION**

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise, pursuant to the provisions of the Depositories Act, its Shares, Debentures and other securities, and offer securities for subscription in dematerialised form 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, and the regulations issued thereunder and other applicable Law. No Share certificate(s) shall be issued for the Shares held in a dematerialised form.

(b) Notwithstanding anything contained in these Articles, the Company shall be entitled to rematerialise its Shares, Debentures and other securities held in dematerialised form pursuant to the Depositories Act and other applicable Law.

(c) Subject to the Company offering issuance of securities in dematerialised form, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold securities with a Depository. Such person who is the Beneficial Owner of the securities may at any time opt out of a Depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities. If a person opts to hold his security with a Depository, the Company shall intimate such Depository of details of allotment of security and on the receipt of the information, the Depository shall enter in its record, the name of the allottee as the Beneficial Owner of the security.

(d) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of security on behalf of the Beneficial Owner. Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository. Except as ordered by a court of competent jurisdiction or by applicable Law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the Beneficial Owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only if these Articles expressly otherwise provide) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two (2) or more persons or the survivor or survivors of them.

(e) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(f) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the dematerialised mode.

(g) The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, with details of securities held in physical and dematerialised forms in any media as may be permitted by Law including any form of electronic media. The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the register and index of Members and security holders. The Company shall have the power to keep in any state or country outside India, a register of Members, resident in that state or country.

(h) Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares held in physical form subject to the provisions of the Depositories Act.

**ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED**

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed the maximum amount permitted under applicable Law). 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.

The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulation or requirements of any stock exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

## VI. UNDERWRITING & BROKERAGE

**COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.**

(a) Subject to the provisions of the Act and other applicable Laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any Shares or Debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares or Debentures of the Company, 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.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.

(c) The Company may also, in any issue, pay such brokerage as may be lawful.

(d) 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 in accordance with applicable Law.

## VII. LIEN

### COMPANY'S LIEN ON SHARES / DEBENTURES

The Company shall, subject to applicable Law, have a first and paramount lien on every Share / Debenture (not being a fully paid Share / Debenture) registered in the name of each Member (whether solely or jointly with others) 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 / Debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of Shares / Debentures shall operate as a waiver of the Company's lien, if any, on such Shares / Debentures.

Provided that the Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

The` fully paid up Shares shall be free from all lien and in the case of partly paid up Shares the Company's lien shall be restricted to money called or payable at a fixed time in respect of such Shares.

### LIEN TO EXTEND TO DIVIDENDS, ETC.

The Company's lien, if any, on a Share shall extend to all dividends, bonuses or interest, as the case may be, payable and bonuses declared from time to time in respect of such Shares / Debentures.

### ENFORCING LIEN BY SALE

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 (14) 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.

No Member shall exercise any voting right in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### VALIDITY OF SALE

To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer for the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. 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, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Upon any such sale as aforesaid, the existing certificate(s) in respect of the Shares sold shall stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate(s) in lieu thereof to the purchaser or purchasers concerned.

### VALIDITY OF COMPANY'S RECEIPT

The receipt by the Company of the consideration (if any) given for the Share on the sale thereof shall (if necessary, subject to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the Share and the purchaser shall be registered as the holder of the Share.

### APPLICATION OF SALE PROCEEDS

The proceeds of any such 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 and 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.

**OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN**

In exercising its lien, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by Law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including Debentures, of the Company, to the extent applicable.

## VIII. CALLS ON SHARES

**BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES**

The Board may subject to the provisions of the Act and any other applicable Law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares (whether on account of the nominal value of the Shares or by 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 (1) month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on Shares shall not be delegated to any other person except with the approval of the Shareholders' in a General Meeting.

**NOTICE FOR CALL**

Each Member shall, subject to receiving at least fourteen (14) 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.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one (1) or more Members as the Board may deem appropriate in any circumstances.

**CALL WHEN MADE**

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorising such call was passed at the meeting of the Board and may be required to be paid in installments.

**LIABILITY OF JOINT HOLDERS FOR A CALL**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**CALLS TO CARRY INTEREST**

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at ten (10) per cent per annum or at such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

**DUES DEEMED TO BE CALLS**

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.

**EFFECT OF NON-PAYMENT OF SUMS**

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.

**PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

The Board:

(a) may, subject to the provisions of the Act, if it thinks fit, 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 beyond the sums actually called for; and

(b) upon all or any of the monies so paid or satisfied in advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve (12) per cent per annum, as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) 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 Board may, at any time, repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable.

**MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY**

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 inscription of the name of 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.

**MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS**

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 remains 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 these Articles require or fix for the payment thereof.

**PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including Debentures, of the Company, to the extent applicable.

## IX. TRANSFER AND TRANSMISSION OF SHARES

**TRANSFERS AND REGISTER OF TRANSFERS**

(a) Shares or other securities of any Member shall be freely transferable, provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.

(b) The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any Shares. The Company shall also use a common form of transfer.

(c) Notwithstanding anything contained in the Act or these Articles, where the Shares or other securities are held by a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or any such other means.

(d) The Company shall not be required to maintain register of transfers for entering particulars of transfers and transmissions of Shares or other securities in dematerialised form.

### ENDORSEMENT OF TRANSFER

In respect of any transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorise any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

## X. TRANSFER AND TRANSMISSION OF SHARES

### TRANSFERS AND REGISTER OF TRANSFERS

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(d) The Company shall not be required to maintain register of transfers for entering particulars of transfers and transmissions of Shares or other securities in dematerialised form.

### ENDORSEMENT OF TRANSFER

In respect of any transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorise any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

### INSTRUMENT OF TRANSFER

(a) The instrument of transfer of any Share shall be in writing and all the provisions of the Act shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialised form, the provisions of the Depositories Act shall apply.

(b) The Board may decline to recognise any instrument of transfer unless:

   (i) 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;

   (ii) the instrument of transfer is accompanied by the certificate of 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

   (iii) the instrument of transfer is in respect of only one class of Shares.

(c) 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.

### EXECUTION OF TRANSFER INSTRUMENT

Every such instrument of transfer shall be executed, by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the Shares until the name of the transferee is entered in the Register of Members in respect thereof.

### CLOSING REGISTER OF TRANSFERS AND OF MEMBERS

Subject to compliance with the Act and other applicable Laws, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of Debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may deem expedient.

### DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the provisions of these Articles and Sections 58 and 59 of the Act or any other Law for the time being in force, the Board may (at its own absolute discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of Law of the right to, any securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty (30) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. The Company shall within one 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, 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 the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.

### TRANSFER OF PARTLY PAID SHARES

Where in the case of partly paid Shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

### TITLE TO SHARES OF DECEASED MEMBERS

In case of death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representative(s) where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares.

### TRANSFERS NOT PERMITTED

No Share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid Shares through a legal guardian.

## XI. TRANSMISSION OF SHARES

### TRANSMISSION OF SHARES

Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. 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. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the Shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer 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.

**RIGHTS ON TRANSMISSION**

A person becoming entitled to a Share by, reason of death or insolvency of the holder shall, subject to the Board's right to retain such dividends or money, 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 bymembership in relation to meetings of the Company.

Provided that the Board may at any time give a 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 (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such Share, until the requirements of notice have been complied with.

**SHARE CERTIFICATES TO BE SURRENDERED**

Before the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

**COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS**

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

**TRANSFER AND TRANSMISSION OF DEBENTURES**

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by Law of the right to any securities including, Debentures of the Company.

## XII. FORFEITURE OF SHARES

**BOARD TO HAVE A RIGHT TO FORFEIT SHARES**

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on or before the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment 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 installment 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.

**NOTICE FOR FORFEITURE OF SHARES**

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid, 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.

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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

**RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable Law.

**FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY**

Any Share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

**2. ENTRY OF FORFEITURE IN REGISTER OF MEMBERS**

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

**MEMBER TO BE LIABLE EVEN AFTER FORFEITURE**

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. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the Shares at the time of forfeiture or waive payment in whole or in part. 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.

**EFFECT OF FORFEITURE**

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, except only such of those rights as by these Articles are expressly saved.

**CERTIFICATE OF FORFEITURE**

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 and such declaration and the receipt of the Company for the consideration, if any given for the Shares on any sale, re-allotment or disposition thereof shall constitute a good title to such Shares; and the person to whom any such Share is sold shall be registered as the member in respect of such Share and shall not be bound to see to the application of the purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

**TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES**

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 favor of the person to whom the Share is sold or disposed of. The transferee shall thereupon be registered as the holder of the Share, and 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.

**VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in purported 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.

**CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

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.

**BOARD ENTITLED TO CANCEL FORFEITURE**

The Board may at any time before any Share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

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 The company may receive the consideration if any given for the share on any sale 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 The transferee shall thereupon be registered as the holder of the share and 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 or disposal of the share.

**SUMS DEEMED TO BE CALLS**

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.

**PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to forfeiture of Shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

## XIII. ALTERATION OF SHARE CAPITAL

The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution.

Subject to the provisions of Section 61 of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

a. increase the authorised share capital by such sum, to be divided into Shares of such amount as it thinks expedient;

b. sub-divide its existing Shares, or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, and the resolution whereby any share is sub-divided, may determine that as between the holders of the Shares resulting from such sub-division, one (1) or more of such Shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

c. cancel any Shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled;

d. consolidate and divide all or any of its share capital into Shares of larger or smaller 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; and

e. convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination.

The cancellation of Shares under point (c) above shall not be deemed to be a reduction of the authorised share capital.

**SHARES MAY BE CONVERTED INTO STOCK AND RECONVERTED INTO SHARES**

The Company in general meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place.

The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination.

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. 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 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 may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law it share capital any capital redemption reserve account or any share premium account.

## XIV. CAPITALISATION OF PROFITS

**CAPITALISATION OF PROFITS**

(a) The Company in General Meeting, may, upon the recommendation of the Board, resolve:

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in sub-clause (b) below amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause

(c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on Shares held by such Members respectively;

(ii) paying up in full, unissued Share 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;

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii);

(iv) a securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied as permitted under the Act in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares; and

(v) wthe Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

**POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares or other securities, if any; and

(ii) generally, do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates/coupons or by payments in cash or otherwise as it thinks fit, in the case of Shares or Debentures becoming distributable in fractions; and

(ii) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

(c) Any agreement made under such authority shall be effective and binding on such Members.

**BUY-BACK OF SHARES**

Notwithstanding anything contained in these Articles, but subject to the provisions of Sections 68 to 70 of the Act or any other Law for the time being in force, the Company may with the sanction of a Special Resolution, purchase its own Shares or other specified securities.

## XV. GENERAL MEETINGS

### ANNUAL GENERAL MEETINGS

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act and other applicable Laws.

### EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

### EXTRAORDINARY MEETINGS ON REQUISITION

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

### NOTICE FOR GENERAL MEETINGS

Save as permitted under the Act, a General Meeting of the Company may be called by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act. The Members may participate in General Meetings through such modes as permitted by applicable Laws.

### SHORTER NOTICE ADMISSIBLE

Upon compliance with the relevant provisions of the Act, any General Meeting may be convened by giving a shorter notice than twenty-one (21) days.

### CIRCULATION OF MEMBERS' RESOLUTION

The Company shall comply with the provisions of the Act as to giving notice of resolutions and circulating statements on the requisition of Members.

### SPECIAL AND ORDINARY BUSINESS

(a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration or confirmation of any dividend, the consideration of financial statements and reports of the Board and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.

(b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

### QUORUM FOR GENERAL MEETING

The quorum for the General Meetings shall be as provided in Section 103 of the Act, and no business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

### TIME FOR QUORUM AND ADJOURNMENT

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon at the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week (not being a national holiday) at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

## XVI. PROCEEDS AT GENERAL MEETING

### CHAIRMAN OF GENERAL MEETING

The Chairman of the Board of Directors shall preside as chairman at every General Meeting of the Company.

### ELECTION OF CHAIRMAN

Subject to the provisions of the Act, if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman thereof on a show of hands.

### BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR IS VACANT

No business shall be discussed at any General Meeting except the election of the Chairman whilst the chair is vacant. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands under Article 93 shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.

### VOTING AT MEETING

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

### DECISION BY POLL

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

### CASTING VOTE OF CHAIRMAN

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

### PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

(c) If a resolution is assented to by the requisite majority of the Shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

(d) 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 applicable Law and kept by making within thirty (30) 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. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:

(i) is, or could reasonably be regarded, as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; and

(iii) is detrimental to the interests of the Company.

## XVII. ADJOURNMENT OF MEETING

### ADJOURNMENT OF MEETING

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

## XVIII. VOTING RIGHTS

### VOTING RIGHTS OF MEMBERS

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 holding Equity Shares and present in person shall have one (1) vote.

(b) On a poll, every Member holding Equity Shares shall have voting rights in proportion to his share in the paid-up equity share capital of the Company.

A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

### VOTING BY JOINT-HOLDERS

In case of joint holders, the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted as if he/she were solely entitled thereto, to the exclusion of the votes of other joint holders.

### VOTING BY MEMBER OF UNSOUND MIND

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 legal guardian may, on a poll, vote by proxy.

### VOTES IN RESPECT OF SHARES OF DECEASED OR INSOLVENT MEMBERS, ETC.

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause, as specified in Article 77, to any Shares may vote at any General Meeting in respect thereof as if he was the registered holder of such Shares, provided that at least forty eight (48) hours before the timing of holding the meeting or adjourned meeting, as the case may be, at which he/she proposes to vote, he/she shall duly satisfy the Board of his/her right to such Shares unless the Board shall have previously admitted his/her right to vote at such meeting in respect thereof.

Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of this Article be deemed to be Members registered jointly in respect thereof.

**NO RIGHT TO VOTE UNLESS CALLS ARE PAID**

No Member shall be entitled to vote at any General Meeting, either personally or by proxy, unless all calls or other sums presently payable by such Member have been paid, or in regard to which the Company has lien and has exercised any right of lien.

**EQUAL RIGHTS OF MEMBERS**

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.

## XIX. PROXY

**PROXY**

Subject to the provisions of the Act, and these Articles, 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.

**INSTRUMENT OF PROXY**

An instrument appointing a proxy shall be in the form as prescribed under Section 105 of the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a body corporate either under its common seal, if any, or under the hand of its officer or attorney duly authorised in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power-of-attorney or other authority, (if any), under which it is signed or a notarised copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

**VALIDITY OF PROXY**

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 Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**CUSTODY OF THE INSTRUMENT**

Any instrument of appointment of proxy deposited as aforesaid shall remain permanently or for such time as the Board may determine in the custody of the Company.

**CORPORATE MEMBERS**

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he/she represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

## BOARD OF DIRECTORS

Unless otherwise determined by General Meeting by Special Resolution, the number of Directors shall not be less than three and not more than 15, including all kinds of Directors. The Company shall appoint such number of women and independent directors, as may be required by the applicable laws to the Company.

## SHARE QUALIFICATION NOT NECESSARY

Subject to applicable Law, any person whether a Member of the Company or not may be appointed as Director and a Director shall not be required to hold any qualification Shares in the Company.

## ADDITIONAL DIRECTORS

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 Act.

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.

The Company shall ensure that approval of the Members for appointment of a person on the Board of Directors is taken in accordance with applicable Law.

## ALTERNATE DIRECTORS

(a) The Board may appoint an alternate director to act for a director, provided that such person proposed to be appointed as an alternate director is not a person who fails to get appointed as a director in a General Meeting (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 and other applicable Laws.

(b) 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. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring director in default of another appointment shall apply to the Original Director and not to the alternate director.

## APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

Subject to the provisions of the Act and these Articles, if the office of any Director appointed by the Company in General Meeting is vacated before his/her 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 which shall be subsequently approved by Members in accordance with applicable Law. The person so appointed shall hold office only up to the date which the Director in whose place he/she is appointed would have held office if it had not been vacated.

## REMUNERATION OF DIRECTORS

(a) A Director may receive a sitting fee not exceeding such sum as may be prescribed by the Act from time to time for each meeting of the Board of Directors or any committee thereof attended by him/her in addition to his traveling, boarding and lodging and other expenses incurred. The remuneration of Directors including managing director and/or whole-time Director may be paid in accordance with and subject to the applicable provisions of the Act.

(b) The Board of Directors may allow and pay or reimburse any Director who is not a bonafide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses (including hotel expenses) and if any Director be called upon to go or reside out of the ordinary place of his/her residence on the Company's business he/she shall be entitled to be reimbursed any travelling or other expenses (including hotel expenses) incurred in connection with the business of the Company.

(c) The managing director/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company subject to the applicable provisions of the Act.

(d) The Board may pay all expenses incurred in setting up and registering the Company.

**REMUNERATION FOR EXTRA SERVICES**

Subject to the Act, remuneration for services rendered by a Director which are of a professional nature shall not be included as part of the remuneration paid to him as a Director.

**CONTINUING DIRECTOR MAY ACT**

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the minimum number prescribed under applicable Law, the continuing Directors or Director may act for the purpose of increasing the number of Directors to such minimum number prescribed under applicable Law or for summoning a General Meeting of the Company, but for no other purpose.

**VACATION OF OFFICE OF DIRECTOR**

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

**ROTATION AND RETIREMENT OF DIRECTOR**

Save as otherwise expressly provided in the said Act and these Articles, not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation; and be appointed by the Company in General Meeting. For the purposes of this Article "total number of Directors" shall not include independent directors appointed on the Board of the Company.

**ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

Subject to Article 59, at the Annual General Meeting of the Company to be held every year, one-third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three (3) or a multiple of three (3) then the number nearest to one-third shall retire from office, and they will be eligible for re-election.

**RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION**

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

**WHICH DIRECTOR TO RETIRE**

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

**REMOVAL OF DIRECTORS**

Removal of any Director before the expiration of his/her period of office shall be in accordance with the provisions of the Act, the Listing Regulations (to the extent applicable) and other applicable Laws.

**DIRECTORS NOT LIABLE FOR RETIREMENT**

The Company in General Meeting may, when appointing a person as a Director declare that his/her continued presence on the Board of Directors is of advantage to the Company and that his/her office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

### DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY

Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company, subject to compliance with applicable provisions of the Act.

## XX. PROCEEDINGS OF BOARD

### MEETINGS OF THE BOARD

(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit in accordance with applicable Law.

(b) The Chairman may, at any time, and the company secretary appointed by the Board of Directors or such other officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of the meeting of the Board shall be given in accordance with applicable Law and shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting, as applicable; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(c) To the extent permissible by applicable Law, the Directors may participate in a meeting of the Board or any committee thereof, in person or through electronic mode, that is, by way of video conferencing or other audio visual means, as may be prescribed under applicable Law. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing or other audio visual means.

### QUESTIONS AT BOARD MEETING HOW DECIDED

Subject to provisions of the Act, questions arising at any time at a meeting of the Board shall be decided by majority of votes.

### QUORUM

Subject to the provisions of Section 174 of the Act and other applicable Law, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two (2) Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two (2), shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

### ADJOURNED MEETING

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine.

### ELECTION OF CHAIRMAN OF BOARD

The Board may elect a chairman of its meeting and determine the period for which he is to hold office. If no such chairman is elected or at any meeting the Chairman is not present within five (5) minutes after the time appointed for holding the meeting, the Directors present may choose one among themselves to be the chairman of the meeting.

## POWERS OF DIRECTORS

(a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable Law, or by the Memorandum or by these Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable Law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(b) 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.

## DELEGATION OF POWERS

(a) 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.

(b) Any committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may be imposed on it by the Board.

## ELECTION OF CHAIRMAN OF COMMITTEE\

(a) A committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within five (5) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.

(b) The quorum of a committee may be fixed by the Board of Directors.

## QUESTIONS HOW DETERMINED

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, as the case may be.

## VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE

All acts done by any meeting of the Board, 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 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 has been duly appointed and was qualified to be a Director.

## RESOLUTION BY CIRCULATION

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

## MAINTENANCE OF FOREIGN REGISTER

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit in respect of keeping of any such register.

**BORROWING POWERS**

(a) Subject to the provisions of Sections 73 and 179 of the Act, these Articles and other applicable Laws, the Board may from time to time, at its own discretion, raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, Debentures, perpetual or otherwise, including Debentures convertible into Shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on Debentures to a committee of Directors or managing director or to any other person permitted by applicable Law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Board shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interest of the Company.

**REGISTERS**

The Company shall keep and maintain at its registered office or at any other place in India as may be permitted by the Act and Rules, all statutory registers including, 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.

**MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

Subject to the provisions of the Act and these Articles (including Article 58.1):

(a) the Board shall have power to appoint from time to time one or more of their body to be managing directors or whole-time directors of the Company for such term and subject to such remuneration as they may think fit. Provided that if permitted under applicable Law, an individual can be appointed or reappointed or continue as Chairman of the Company as well as managing director or chief executive officer of the Company at the same time;

(b) the Board may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors;

(c) in the event of any vacancy arising in the office of a managing director and/or whole-time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members as required under applicable Law;

(d) if a managing director and/or whole-time director ceases to hold office as Director, he shall *ipso facto* and immediately cease to be managing director/whole-time director;

(e) the managing director shall not be liable to retirement by rotation as long as he holds office as managing director.

**POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR**

The managing director/whole-time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing directors/ whole-time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act:

(a) 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 or dismissed by means of a resolution of the Board. Further, the Board may appoint one or more chief executive officers for its multiple businesses, as may be required.

(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(c) A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## XXI. COMMON SEAL

**SEAL HOW AFFIXED**

The Board shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf and in the presence of at least one Director and of the company secretary or such other person duly authorised by the Board of Directors or a committee of Directors, who shall sign every instrument to which the seal is so affixed in his presence.

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Board or any other person duly authorised for the purpose.

## XXII. DIVIDEND AND RESERVE

**COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

The Company in General Meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of the Act, fix the time for payment. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

## INTERIM DIVIDENDS

Subject to the provisions of Section 123 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 appear to it to be justified by the profits of the Company.

## RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND

(a) Where any amount is paid in advance of calls, such capital, whilst carrying interest, shall not in respect thereof confer a right to dividend or to participate in the profits.

(b) 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 within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank. No unpaid dividend shall bear interest as against the Company.

(c) 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 fund known as Investor Education and Protection Fund established under Section 125 of the Act subject to the provisions of the Act and the Rules. 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.

(d) The Company shall, within a period of ninety (90) days of making any transfer of an amount, as stated above to the unpaid dividend account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed. If any default is made in transferring the total amount referred to in sub-article (b) or any part thereof to the unpaid dividend account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve (12) per cent per annum and the interest accruing on such amount shall inure to the benefit of the members of the Company in proportion to the amount remaining unpaid to them.

(e) All Shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investor Education and Protection Fund subject to the provisions of the Act and the Rules.

(f) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by applicable Laws.

(g) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

## DIVISION OF PROFITS

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.

## DIVIDENDS TO BE APPORTIONED

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

### RESERVE FUNDS

The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be 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.

The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

### DEDUCTION OF ARREARS

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares whilst any money may be due or owing from him to the Company in respect of such Share or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the Shares of the Company.

### RECEIPT OF JOINT HOLDER

Any one of two (2) or more joint holders of a share may give effective receipt for any dividends, bonuses or other monies payable in respect of such Shares.

### DIVIDEND HOW REMITTED

Any dividend, interest 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. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable for any cheque or warrant lost in transmission or for any dividend lost to the Member or person entitled thereof, by the forged endorsement of a cheque or warrant or the fraudulent recovery thereof by any other means.

### DIVIDENDS NOT TO BEAR INTEREST

No dividends shall bear interest against the Company.

### TRANSFER OF SHARES AND DIVIDENDS

Subject to the provisions of the Act, any transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

## XXIII. ACCOUNTS

### WHERE BOOKS OF ACCOUNTS TO BE KEPT

The books of account shall be kept at the Office or at such other place in India as the Board thinks fit in accordance with the applicable provisions of the Act.

### INSPECTION BY DIRECTORS

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.

### INSPECTION BY MEMBERS

The Board of Directors or any committee thereof, shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books and documents and registers of the Company or any of them shall be open to the inspection of the Members, and no Member (not being a Director) shall have any right of inspecting any account or books or documents or registers of the Company except as conferred by statute or authorised by the Board or by the resolution of the Company in General Meeting.

**AUDITORS**

Appointment, re-appointment, rotation, removal, resignation, eligibility, qualification, disqualification, remuneration, powers and duties etc. of the auditors whether statutory or internal Auditor, shall be in accordance with the provisions of the Act and the Rules.

## XXIV. SERVICE OF DOCUMENTS AND NOTICE

**MEMBERS TO NOTIFY ADDRESS IN INDIA**

Each registered holder of Shares from time to time shall notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

**SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

**SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

**PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

(a) To the Members of the Company as provided by these Articles.

(b) To the persons entitled to a Share in consequence of the death or insolvency of a Member.

(c) To the Directors of the Company.

(d) To the auditors for the time being of the Company.

Provided that, in case of Members who are joint holders, notice shall be given to the joint holder who is first named on the Register of Members.

**NOTICE BY ADVERTISEMENT**

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

**NOTICE BY ELECTRONIC MEANS**

Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a Member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each

Member an opportunity to register his email address and change therein from time to time with the Company or the concerned Depository.

**MEMBERS BOUND BY DOCUMENT SERVED TO PERSON FROM WHOM TITLE IS DERIVED**

Every person, who by the operation of Law, transfer or other means whatsoever, shall become entitled to any Shares, shall be bound by every document in respect of such Share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he/she derived his/her title to such Share.

Any notice to be given by the Company shall be signed by the managing director or by such Director or Secretary (if any) or officer as the Board may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

**WINDING UP**

Winding up when necessary will be done in accordance with the provisions of Chapter XX of the Act and other applicable Law.

**APPLICATION OF ASSETS**

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

## XXV. INDEMNITY

**DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY**

Subject to the provisions of the Act and other applicable Law, every Director, manager, company secretary and officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses against any liability incurred by him/her in his/her capacity as Director, manager, company secretary or officer of the Company including in relation to defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour or in which he/she is acquitted or in which relief is granted to him/her by the court or the tribunal.

**NOT RESPONSIBLE FOR ACTS OF OTHERS**

Subject to the provisions the Act, no Director, manager, company secretary or officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office, shall be paid and borne by the Company.

**INSURANCE**

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.

**XXVI. SECRECY CLAUSE**

**SECRECY**

No Member or other person (not being a Director) shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process, or of any matter whatsoever, which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

Every Director, managing director, manager, secretary, auditor, trustee, Members of committee, Officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

**GENERAL POWER**

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 authorised by its articles, then and in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry 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 these Articles are or become contrary to the provisions of the Act, the Rules, the Listing Regulations and any other applicable Laws, the provisions of the Act, the Rules, the Listing Regulations and other applicable Laws shall prevail over these Articles to such extent and the Company shall, at all times, discharge all of its obligations as prescribed under applicable Laws, from time to time.

**OTHERS**

Subject to the Provisions of the Companies Act rules there under the payment to any sum or sums of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by property present or future or of uncalled capital of the Company or part there of both present or future including the uncalled capital of the Company or part thereof both present or future including the uncalled capital for the time being the creation of any mortgage or charge on the undertaking of the whole or any part of the undertaking.

## 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 which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available on the website of our Company at www.sambhv.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for the CRISIL Report which is available from the date of this Draft Red Herring Prospectus).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

**A. Material Contracts for the Offer**

1. Offer Agreement dated September 30, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated September 30, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Banker to the Offer and the Registrar to the Offer.

4. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

5. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent.

6. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

***B.*** **Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, each as amended from time to time.

2. Certificate of incorporation dated April 25, 2017 issued to our Company by the Registrar of Companies, Central Registration Centre, in the name of Sambhv Sponge Power Private Limited.

3. Fresh certificate of incorporation dated February 22, 2024 consequent upon change of name issued to our Company by the Registrar of Companies, Central Processing Centre from Sambhv Sponge Power Private Limited to Sambhv Steel Tubes Private Limited.

4. Fresh certificate of incorporation dated July 9, 2024 consequent upon conversion into a public limited company issued to our Company by the Registrar of Companies, Central Processing Centre.

5. Resolution of our Board dated September 5, 2024 authorizing the Offer and other related matters.

6. Resolution of our Shareholders dated September 12, 2024 approving the Fresh Issue and other related matters.

7. Resolution of the Board dated September 30, 2024, taking on record the participation of the Selling Shareholders in the Offer for Sale.

8. Resolution of our Board dated September 30, 2024 approving the Draft Red Herring Prospectus.

9. Consent letters from the Selling Shareholders for participation in the Offer for Sale, as detailed in "*The Offer*" on page 75.

10. Copies of the annual reports of our Company as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

11. Resolution of Audit Committee dated September 30, 2024 approving the key performance indicators of the Company.

12. Board and Shareholders' resolutions dated September 5, 2024 and September 12, 2024 fixing the remuneration of the Managing Director and Chief Executive Officer, Vikas Kumar Goyal, Chairman and Executive Director, Suresh Kumar Goyal, and Executive Director and Chief Operating Officer, Bhavesh Khetan, respectively.

13. Share purchase agreement dated September 13, 2024, entered into among our Company, Suresh Kumar Goyal, Manoj Kumar Goyal and Sambhv Tubes Private Limited.

14. Valuation report dated September 12, 2024 by Vishal Gupta, a registered valuer, commissioned by our Subsidiary, Sambhv Tubes Private Limited to determine the fair market value of the equity shares of our Subsidiary, as of March 31, 2024.

15. Resolution of our Board dated February 23, 2024 approving the divestment of our Company's entire shareholding in Sambhv Green Steel Private Limited.

16. The share purchase agreement dated September 20, 2024 entered into among our Company, CleanMax Enviro Energy Solutions Private Limited and Clean Max Opia Private Limited read with the energy supply agreement dated September 20, 2024 entered into between our Company and Clean Max Opia Private Limited.

17. Valuation report dated March 31, 2024 by CA Siddhi Mutha and Associates, a registered valuer, to determine the fair market value of the equity shares of Clean Max Opia Private Limited.

18. Trademark license letter dated September 25, 2024 from our Company to our Subsidiary, Sambhv Tubes Private Limited.

19. Agreement of guarantee dated August 29, 2024 between Shashank Goyal and Punjab National Bank.

20. Technical proposal dated June, 2024 with CRISIL MI&A.

21. Report titled "*The steel pipes value chain*" dated September, 2024 issued by CRISIL MI&A and consent dated September 30, 2024 issued by CRISIL Limited with respect to the report.

22. Consents of our Directors, the BRLMs, the Legal Advisors to our Company as to Indian Law, the Registrar to the Offer, the Bankers to our Company, the Company Secretary and Compliance Officer, the Syndicate Members and the Banker to the Offer in their respective capacities.

23. Consent of the Statutory Auditors, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the examination report dated September 28, 2024 of the Statutory Auditors on the Restated Financial Information included in this Draft Red Herring Prospectus, and the statement of possible special tax benefits dated September 30, 2024

24. Consent dated September 30, 2024 from Independent Chartered Accountant to include their name as an independent chartered accountant as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

25. Consent from September 30, 2024, to include their name as the independent practicing company secretary as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

26. Consent dated September 30, 2024 from Independent Chartered Engineer to include their name as a chartered engineer as required under Section 26(1) of the Companies Act read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

27. The examination report dated September 28, 2024 of the Statutory Auditors on the Restated Financial Information.

28. The report dated September 30, 2024 of the Statutory Auditors, on the statement of special tax benefits available to our Company, its Shareholders.

29. Certificate dated September 30, 2024 issued by Statutory Auditors, certifying the key performance indicators of the Company.

30. Tripartite agreement dated August 22, 2024 among our Company, NSDL and the Registrar to the Offer.

31. Tripartite agreement dated September 12, 2024 among our Company, CDSL and the Registrar to the Offer.

32. Due diligence certificate dated September 30, 2024 addressed to the SEBI from the BRLMs.

33. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

34. Final observation letter bearing number [●] dated [●] addressed to the BRLMs from the SEBI.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Suresh Kumar Goyal
*Chairman and Executive Director*

**Place**: Raipur

**Date**: September 30, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

____________________________________

Vikas Kumar Goyal
*Managing Director and Chief Executive Officer*

**Place**: Raipur

**Date**: September 30, 2024

**DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________________________

Bhavesh Khetan
*Executive Director and Chief Operating Officer*

**Place**: Raipur

**Date**: September 30, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________________________

Nidhi Thakkar
*Independent Director*

**Place**: Raipur

**Date**: September 30, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Manoj Khetan
*Independent Director*

**Place**: Mumbai

**Date**: September 30, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

_______________________________

Kishore Kumar Singh
*Independent Director*

**Place**: Bhopal

**Date**: September 30, 2024

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or regulations, or guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

________________________________________

Anu Garg
*Chief Financial Officer*

**Place**: Raipur

**Date**: September 30, 2024

## DECLARATION

I, Shashank Goyal, in my capacity as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures or undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY SHASHANK GOYAL**

____________________________________

Shashank Goyal

**Place**: London

**Date**: September 30, 2024

## DECLARATION

I, Rohit Goyal, in my capacity as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures or undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY ROHIT GOYAL**

____________________________________

Rohit Goyal

**Place**: Mumbai

**Date**: September 30, 2024

**DECLARATION**

I, Kaushlya Goyal, in my capacity as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures or undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY KAUSHLYA GOYAL**

________________________________________

Kaushlya Goyal

**Place**: Raipur

**Date**: September 30, 2024

## DECLARATION

I, Harsheet Goyal, in my capacity as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures or undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY HARSHEET GOYAL**

Harsheet Goyal

**Place**: Raipur

**Date**: September 30, 2024

**DECLARATION**

I, Rinku Goyal, in my capacity as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures or undertakings including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY RINKU GOYAL**

____________________________________

Rinku Goyal

**Place**: Raipur

**Date**: September 30, 2024