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DRAFT RED HERRING PROSPECTUS

100% Book Built Offer

Dated: March 25, 2025

Please read Section 26 and 32 of the Companies Act, 2013

This Draft Red Herring Prospectus will be updated upon filing with the RoC



ELEC STEEL PROCESSING INDUSTRIES LIMITED

ELEC STEEL PROCESSING INDUSTRIES LIMITED

Corporate Identity Number: U31100GJ2022PLC134606

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. 96, POR GIDC, At-POR Village, Taluka -Vadodara, Gujarat - 391243, India.	103, Chandrakala Tower, Opp. Bhavan's School, Shri RJ Marg, Vadodara 390 004, Manjalpur, Gujarat, India.	Mayank Lashkari Company Secretary and Compliance Officer	Email: investors@espi.co.in Tel No: +91 75740 01475	www.espi.co.in

NAME OF THE PROMOTERS OF THE COMPANY

HARSHAD NARBHERAMBHAI BAGADIA, PARASBHAI HARSHADBHAI BAGADIA AND DHYANESH BAGADIA

THE OFFER IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED FROM TIME TO TIME (INITIAL PUBLIC OFFER OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ISSUED AND OFFERED THROUGH THE DRAFT RED HERRING PROSPECTUS ARE PROPOSED TO BE LISTED ON THE EMERGE PLATFORM OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE EMERGE).

TYPE	FRESH ISSUE SIZE	OFS* SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION
Fresh Issue and Offer for Sale	Up to 60,00,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 9,00,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 69,00,000 Equity - Shares aggregating to ₹ [●] Lakhs	The Offer is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 through Book Building Process in accordance with Regulation 229 (2) and 253(1) of the SEBI ICDR Regulations. For further details, see "Other Regulatory and Statutory Disclosures - Eligibility of the Offer" on page 299. For details in relation to share reservation among QIBs, NIIs and RIIs, see "Offer Structure" on page 323.

* Offer For Sale

DETAILS OF OFFER FOR SALE BY THE PROMOTER SELLING SELLERHOLDERS

NAME OF THE PROMOTER SELLING SHAREHOLDERS	TYPE	NUMBER OF SHARES OFFERED / AMOUNT IN ₹	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE IN ₹ *
Harshad Narbherambhai Bagadia	Promoter	Up to 4,00,000 Equity Shares aggregating to ₹[●] Lakhs	0.00
Parasbhai Harshadbhai Bagadia	Promoter	Up to 5,00,000 Equity Shares aggregating to ₹[●] Lakhs	5.00

*As certified by the Statutory Peer Review Auditor pursuant to a certificate dated March 19, 2025

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 per Equity Share. The Floor Price, the Cap Price, and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "Basis for Offer Price" beginning on page 109 of this Draft Red Herring Prospectus, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

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


ISSUER'S AND PROMOTER SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholders, accepts responsibility for, and confirms, that the statements specifically made or confirmed by the Promoter Selling Shareholders in this Prospectus, to the extent that the statements and information specifically pertain to the Promoter Selling Shareholders and the Equity Shares offered by such Promoter Selling Shareholders under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.


LISTINGS

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of the National Stock Exchange of India Limited. In terms of the Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, our Company has received in-principal approval letter dated [●] from Emerge Platform of the National Stock Exchange of India Limited for using its name in this Offer Document for listing our Equity Shares on the Emerge Platform of the National Stock Exchange of India Limited. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER

NAME AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
 UNISTONE CAPITAL PRIVATE LIMITED	Brijesh Parekh	Email: mb@unistonecapital.com Telephone: +91 22 4604 6494

REGISTRAR TO THE OFFER

NAME AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
 KFIN TECHNOLOGIES LIMITED	M. Murli Krishna	Email: elecsteel.ipo@kfintech.com Telephone: +91 - 40-67162222 / 18003094001
BID/OFFER PERIOD		
Anchor Portion Bidding Date*: [●]	Bid/ Offer Opens On: [●]	Bid/ Offer Closes On**: [●] ***

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

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

****The UPI mandate end time and date shall be at 5:00 p.m. (IST) on Bid/Offer Closing Day.*

THIS PAGE HAS BEEN KEPT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.



ELEC STEEL PROCESSING INDUSTRIES LIMITED

Corporate Identity Number: U31100GJ2022PLC134606

Our Company was originally formed as Partnership Firm under the Indian Partnership Act, 1932 in the name and style of 'Elec Steel Processing Industries', pursuant to a Deed of Partnership dated April 1, 1994, 'Elec Steel Processing Industries' was thereafter converted from a Partnership firm to a Private Limited Company in the name and style of 'Elec Steel Processing Industries Private Limited' under the provisions of Companies Act, 2013 vide certificate of incorporation dated August 8, 2022. Subsequently, our Company was converted to a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra-Ordinary General Meeting held on November 16, 2024, and the name of our Company was changed to 'Elec Steel Processing Industries Limited'. A fresh certificate of incorporation was issued on December 30, 2024, by the Assistant Registrar of Companies / Deputy Registrar of Companies / Registrar of Companies, Central Processing Centre. For further details of incorporation, please refer to the section titled "Our History and Certain Other Corporate Matters" beginning on page 186 of this Draft Red Herring Prospectus.

Registered Office: Plot No. 96, POR GIDC, At-POR Village, Taluka -Vadodara, Gujarat - 391243, India.

Telephone: +91 7574001475 | **Email ID:** investors@espi.co.in | **Website:** www.espi.co.in

Contact Person: Mayank Lashkari, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: HARSHAD NARBHERAMBHAI BAGADIA, PARASBHAI HARSHADBHAI BAGADIA AND DHYANESH BAGADIA

INITIAL PUBLIC OFFER IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED FROM TIME TO TIME (INITIAL PUBLIC OFFER OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ISSUED AND OFFERED THROUGH THE DRAFT RED HERRING PROSPECTUS ARE PROPOSED TO BE LISTED ON THE EMERGE PLATFORM OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE"). PUBLIC OFFER OF UP TO 69,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF ELEC STEEL PROCESSING INDUSTRIES LIMITED, THE "ISSUER" FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE), THE "OFFER PRICE" AGGREGATING TO ₹[●] LAKHS ("THE OFFER") COMPRISING OF A FRESH ISSUE OF 60,00,000 EQUITY SHARES AGGREGATING TO ₹[●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 9,00,000 EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDERS ("OFFER FOR SALE") AGGREGATING TO ₹[●] LAKHS OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKHS (THE "NET OFFER"). THE OFFER AND THE NET OFFER WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITIONS OF THE GUJARATI REGIONAL NEWSPAPER [●]. A GUJARATI NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AT LEAST 2 WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. IN CASE OF ANY REVISION IN THE PRICE BAND, THE BID/OFFER PERIOD WILL BE EXTENDED BY AT LEAST 3 ADDITIONAL WORKING DAYS AFTER SUCH REVISION IN THE PRICE BAND, SUBJECT TO THE BID/OFFER PERIOD NOT EXCEEDING 10 WORKING DAYS. IN CASES OF FORCE MAJEURE, BANKING STRIKE OR SIMILAR CIRCUMSTANCES, OUR COMPANY MAY, 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, SHALL BE WIDELY DISSEMINATED BY NOTIFICATION TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED, BY ISSUING A PUBLIC NOTICE, AND ALSO BY INDICATING THE CHANGE ON THE RESPECTIVE WEBSITES OF THE BOOK RUNNING LEAD MANAGER AND AT THE TERMINALS OF THE SYNDICATE MEMBERS AND BY INTIMATION TO DESIGNATED INTERMEDIARIES AND THE SPONSOR BANK, AS APPLICABLE.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors, out of which (a) one third of such portion was reserved for applicants with application size of more than 2 lots and up to such lots equivalent to not more than ₹ 10,00,000 and (b) two-third of such portion was reserved for applicants with application size of more than ₹ 10,00,000 provided that the unsubscribed portion in either of such subcategories could have been 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 Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of IBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 327 of this Draft Red Herring Prospectus. Provided further that for the purpose of public issue by an issuer to be listed /listed on SME exchange made in accordance with Chapter IX of these regulations, the words "Individual individual investors" shall be read as words "individual investors who applies for minimum application size".

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 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Offer Price” beginning on page 109, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India, nor does Securities and Exchange Board of India 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 of this Draft Red Herring Prospectus.

ISSUER'S AND PROMOTER 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 Promoter Selling Shareholder, severally and not jointly, accepts responsibility only for and confirms the statements made or undertaken expressly by it in this Draft Red Herring Prospectus only to the extent of information specifically pertaining to it and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each Promoter Selling Shareholders, severally and not jointly, assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any other statements made by or relating to our Company or its business or any other Promoter Selling Shareholders.

LISTINGS

The Equity Shares offered through the Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of the National Stock Exchange of India Limited. In terms of the Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, as amended from time to time, our Company has received in-principal approval letter dated [●] from Emerge Platform of the National Stock Exchange of India Limited for using its name in this Offer Document for listing our Equity Shares on the Emerge Platform of the National Stock Exchange of India Limited. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER TO THE OFFER



UNISTONE CAPITAL PRIVATE LIMITED

Address: A/305, Dynasty Business Park, Andheri Kurla Road, Andheri - East, Mumbai- 400059, Maharashtra, India.

Telephone Contact: +91 22 4604 6494

Email ID: mb@unistonecapital.com

Investor grievance email: compliance@unistonecapital.com

Website: www.unistonecapital.com

Contact Person: Brijesh Parekh

SEBI Registration Number: INM000012449

CIN: U65999MH2019PTC33085

REGISTRAR TO THE OFFER



KFIN TECHNOLOGIES LIMITED

Address: Selenium Tower B , Plot No-31 & 32 , Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032

Telephone Contact: +91 - 40-67162222 / 18003094001

Fax No.: +(91) - 40-6716 1563

E-mail: elecsteel ipo@kfintech.com

Investor grievance email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M. Murli Krishna

SEBI Registration: INR000000221

CIN: L72400TG2017PLC117649

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE*	BID/OFFER OPENS ON**	BID/OFFER CLOSES ON*(1)
[●]	[●]	[●]

*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, as amended from time to time. The Anchor Investor Bid/ Offer Period shall be 1 Working Day prior to the Bid/Offer Opening Date.

**Our Company in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs 1 Working Day prior to the Bid/ Offer Closing Date in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, as amended from time to time.

(1) UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines, or policies shall be to such legislation, act, regulations, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Possible Tax Benefits”, “Restated Financial Statements”, “Outstanding Litigations and Material Developments”, “Key Industry Regulations and Policies” and section titled “Main Provisions of the Articles of Association” on page 118, 276, 289, 178 and 352 respectively of this Draft Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective sections.

GENERAL TERMS

Term	Description
Elec Steel Processing Industries Limited/ Elec Steel/ ESPIL/ Company	Unless the context otherwise requires, refers to “Elec Steel Processing Industries Limited”, a Company incorporated under the Companies Act, 2013 vide a Certificate of Incorporation issued by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre.
We / us / our	Unless the context otherwise indicates or implies, refers to our Company
you / your / yours	Prospective Bidders in this offer

OFFER RELATED TERMS

Term	Description
Articles of Association / Articles / AoA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The Audit Committee of our Company, constituted on December 30, 2024 in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder, as described in “Our Management” beginning on page 191 of this Draft Red Herring Prospectus.
Statutory Auditors / Auditors	M/s Lalpuria Shah & Associates, Chartered Accountants, bearing Firm Registration Number 136086W and Peer Review Number 018488, having their office at 318/319/320/321, Saffron Tower, Opposite Camp's Corner, Fatehgunj, Vadodara - 390002, Gujarat.
Bankers to our Company	Bank of Baroda Limited
Board of Directors / Directors (s)	The Board of Directors of our Company, including all duly constituted Committees thereof as the context may refer to.
Chief Financial Officer / CFO	The Chief Financial Officer of our Company is Pinal Ronak Shah.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company is Mayank Lashkari.
Corporate Identification Number / CIN	U31100GJ2022PLC134606
Corporate Office	103, Chandrakala Tower, Opp. Bhavan's School, Shri R.J.Marg, Vadodara 390 004, Gujarat, Manjalpur, India.
CSR Committee	The CSR Committee of our Company, constituted on December 30, 2024, in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder,

Term	Description
	as described in “ <i>Our Management</i> ” beginning on page 191 of this Draft Red Herring Prospectus.
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each fully paid-up.
Equity Shareholders/ Shareholders	Persons / entities holding Equity Share of our Company.
Executive Directors	Executive director(s) of our Company. For further details of the Executive Directors, see “ <i>Our Management</i> ” on page 191 of this Draft Red Herring Prospectus
Group Companies	In terms of SEBI (ICDR) Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Companies</i> ” beginning on page 214 of this Draft Red Herring Prospectus
Independent Director(s)	Independent Directors on the Board, and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 191 of this Draft Red Herring Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being INE0WE901018.
Key Management Personnel / KMP	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 191 of this Draft Red Herring Prospectus.
Key Performance Indicators/ KPIs	Key financial and operational performance indicators of our Company, as included in “ <i>Basis for the Offer Price</i> ”, “ <i>Our Business – Key Performance Indicators</i> ” and “ <i>Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators</i> ” on pages 154, 279 and 154 respectively.
Materiality Policy	The policy adopted by our Board on March 17, 2025, for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI (ICDR) Regulations.
Managing Director	The Managing Director of our Company being Parasbhai Harshadbhai Bagadia
Memorandum of Association/ Memorandum / MOA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on December 30, 2024, in accordance with Section 178 of the Companies Act, 2013 and rules made thereunder, the details of which are provided in “ <i>Our Management</i> ” beginning on page 191 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or is an Independent Director.
Peer Reviewed Auditor	M/s Lalpuria Shah & Associates, Chartered Accountants, bearing ICIA Firm Registration Number 136086W and Peer Review Number 018488, have their office at 318/319/320/321, Saffron Tower, Opposite Camp's Corner, Fatehgunj, Vadodara - 390002, Gujarat.
Promoters	The Promoters of our Company are Harshad Narbherambhai Bagadia, Parasbhai Harshadbhai Bagadia and Dhyanesbhai Bagadia.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 208 of this Draft Red Herring Prospectus.
Promoter Selling Shareholders	Harshad Narbherambhai Bagadia and Parasbhai Harshadbhai Bagadia
Registered Office	The Registered Office of our Company situated at 96 GIDC Ind.Plot No. 96, POR GIDC, At-POR Village, Taluka -Vadodara, Gujarat - 391243, India.
Registrar of Companies /s	Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013123, India.

Term	Description
RoC	
Restated Financial Statements	Restated Financial Statements for period ended September 30, 2024 and Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022. (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act 2013, as amended, the SEBI (ICDR) Regulations, as amended and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended) which comprises the restated summary Statement of Assets and Liabilities, the restated summary Statement of Profit and Loss and the restated summary Statement of Cash Flows along with all the schedules, annexures, and notes thereto.
Shareholders	The shareholders of our Company from time to time.
Senior Management Personnel	Senior Management Personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 191 of this Draft Red Herring Prospectus.
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on December 30, 2024, in accordance with Section 178 of the Companies Act, 2013 and rules made thereunder, the details of which are provided in “ <i>Our Management</i> ” beginning on page 191 of this Draft Red Herring Prospectus.
Unit I	The registered office and manufacturing unit located at 96 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India.
Unit II	The manufacturing unit located at 35 & 46 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India.
Unit III	The manufacturing unit located at Unit No. C1/B is situated at 763 GIDC Industrial Estate, Makarpura, Vadodara - 390 010, Gujarat, India.
Unit IV (Proposed Expansion Unit / Facility)	The manufacturing unit located at Sub Plot No. Div. "B", Atmiya-11 Industrial Park, block No.858/A, 990,991 & 1008 in the village of Por, Taluka and District Vadodara - 391 243, Gujarat, India.
You, your or yours	Prospective investors in this Offer.

OFFER RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI (ICDR) Regulations and appended to the Bid cum Application Forms.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allot / Allotment / Allotted/ Allotment of Equity shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Offer to the successful Bidders, including transfer of the Equity Shares pursuant to the Offer to the successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made.
Allottees	The successful Bidder to whom the Equity Shares are being / have been allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Offer Period	The day, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which

Term	Description
	the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the Book Running Lead Manager.
Ancho Investor Pay-in Date	With respect to 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, not later than two Working Days after the Bid/ Offer Closing Date.
Anchor Investor Portion	Up to [●] of the QIB Portion which may be allocated by our Company and the Investor Promoter Selling Shareholders, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations One- third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it will be the Anchor Investor Bidding Date.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	All Bidders except Anchor Investors.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidders and which will be considered as an application for allotment in terms of the Red Herring Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank and in this case being [●].
Banker(s) to the Offer and Sponsor Bank Agreement	Agreement dated [●], entered into between our Company, Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Bid Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, and which is described in the chapter titled “ <i>Offer Procedure</i> ” beginning on page 327 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.

Term	Description
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●], an English daily newspaper, all editions of [●], the Hindi national daily newspaper and [●] editions of the Gujarati regional newspaper [●], a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our registered office is located) each with wide circulation. Our Company, in consultation with the Book Running Lead Manager may, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI (ICDR) Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), 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 the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], the Hindi national daily newspaper and [●] editions of the Gujarati regional newspaper [●], a Gujarati newspaper, Gujarati being the regional language of Gujarat, 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, provided that such period shall be kept open for a minimum of three working days. Our Company in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI (ICDR) Regulations.
Bidder/ Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an 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	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 Manager / BRLM	The Book Running Lead Manager to the Offer, namely, Unistone Capital Private Limited.
Broker Centres	Broker Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange (www.nseindia.com).
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Offer Period.
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank,

Term	Description
	and the Refund Bank(s) for, among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time.
Cut-off Price	The Offer Price finalized by our Company in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Individual Bidders Bidding in the Individual Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable), etc.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.nseindia.com .
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, 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 following which Equity Shares will be Allotted in the Offer.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange (www.nseindia.com).
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	NSE Emerge.
Draft Red Herring Prospectus / DRHP / Offer Document	This Draft Red Herring Prospectus dated March 25, 2025 prepared 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 FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it was not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constituted an invitation to subscribe or purchase for the Equity Shares.

Term	Description
Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an Offer under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being, [●].
First Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares 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 60,00,000 Equity Shares aggregating to ₹[●] Lakhs by our Company.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document / 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 is available on the websites of the Stock Exchange and the BRLM.
Gross Proceeds	Gross proceeds of the Offer that will be available to our Company.
Infomerics	Infomerics Analytics and Research Private Limited
Infomerics Report	Report titled “ <i>Industry Report on Electrical Equipment & Component</i> ” dated March 19, 2025 issued by Infomerics Analytics & Research, which has been commissioned and paid for by our Company.
Individual Investors	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹ 2,00,000 (Indian Rupees Two Lakhs Only) in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs.
Key Performance Indicators	Key factors that determine the performance of our Company
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE.
Market Maker Reservation Portion	The Reserved portion of up to [●] Equity Shares at an Offer Price of ₹[●] aggregating to ₹[●] Lakhs for Designated Market Maker in the Public Offer of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Book Running Lead Manager and us Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which was used by UPI Bidders to submit Bids using the UPI Mechanism.
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●], entered between our Company and the Monitoring Agency.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI (ICDR) Regulations.
Net Offer	The Net Offer Less Market maker portion of up to [●] Equity Shares of ₹10/- each at price of ₹ [●] per Equity Shares aggregating to ₹ [●] Lakhs.

Term	Description
Net Proceeds	The Offer Proceeds less the offer related expenses. For further details regarding the use of the Net Proceeds and the offer expenses, see “ <i>Objects of the offer</i> ” beginning on page 99 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non - Institutional Bidders / Non-Institutional Investors / NIIs	All Bidders that are not QIBs, RIBs and who have Bid for Equity Shares, for an amount of more than ₹ 2,00,000/- (Indian Rupees Two Lakhs Only) (but not including NRIs other than Eligible NRIs).
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all Individual payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising of up to [●] Equity Shares which shall be available for allocation to NIIs in accordance with the SEBI (ICDR) Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price.
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI.
NSE Emerge	SME Platform of NSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
Offer	The Initial Public Offer of up to 69,00,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs, comprising of Fresh Issue and Offer for Sale.
Offer Agreement	The agreement dated March 19, 2025, entered amongst our Company, the Promoter Selling Shareholders, and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 9,00,000 Equity Shares aggregating up to ₹[●] Lakhs by Harshad Narbherambhai Bagadia and Parasbhai Harshadbhai Bagadia.
Offer Price	<p>The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company and the Promoter Selling Shareholders in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and the Draft Red Herring Prospectus.</p>
Offer Proceeds	The proceeds of the Fresh Offer which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholders. For further information about use of the Offer Proceeds, see “Objects of the Offer” on page 99.
Offered Shares	Up to 9,00,000 Equity Shares aggregating up to ₹[●] Lakhs being offered for sale by the Promoter Selling Shareholders in the Offer.
Price Band	The price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Gujarati regional newspaper [●], a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our registered office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be available to the Stock Exchange for the purpose of uploading on their respective website.

Term	Description
Pricing Date	The date on which our Company in consultation with the Book Running Lead Manager, will finalize the Offer Price.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 and 28 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	Bank account opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Offer Bank	The banks which are a clearing member and registered with SEBI as a banker to an offer, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Account and ASBA Accounts will be opened, in this case being [●].
Qualified Institutional Buyers / QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising up to [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI (ICDR) Regulations, which will not have complete details of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids.
Registrar / Registrar to the Offer	Registrar to the Offer being Kfin Technologies Limited.
Registrar Agreement	The agreement dated March 19, 2025 among our Company, the Promoter 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.
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com .
Resident Indian	A person resident in India, as defined under FEMA.
Individual Portion	The portion of the Offer being not less than 35% of the Net Offer comprising of up to [●] Equity Shares, which 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.
Revision Form	The Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Individual Bidders can revise their Bid during the Offer Period or withdraw their Bids until Bid / Offer Closing Date.

Term	Description
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI.
Self-Certified Syndicate Bank(s) / SCSBs	<p>The banks registered with SEBI, offering services, (i) in relation to ASBA (other than through 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=34 or such other website as updated from time to time, and (ii) in relation to ASBA through the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 respectively, as updated from time to time.</p>
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●].
Share Escrow Agreement	The share escrow agreement to be entered into amongst our Company, the Promoter Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	The Bidding Centre's where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI.
Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public offer in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI Bidders as per the UPI Mechanism, in this case being [●].
Syndicate Agreement	Syndicate agreement to be entered into between our Company, the Registrar, and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate Member.
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications, and place order with respect to the Offer, namely [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Manager and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the Book Running Lead Manager and the Syndicate Members.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI (ICDR) Regulations.

Term	Description
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application.
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications, and place order with respect to the Offer, namely [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Manager and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the Book Running Lead Manager and the Syndicate Members.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI (ICDR) Regulations.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application
Underwriter(s)	The Underwriters in this case are [●].
Underwriting Agreement	The Agreement among the Underwriters and our Company dated [●].
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India.
UPI Bidders	Collectively, individual investors applying as (i) Individual Bidders in the Portion and (ii) Non-Institutional Bidders with an application size of up to ₹5.00 lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI 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.

Term	Description
UPI mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Willful Defaulter or Fraudulent Borrower	Willful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Bid / Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) 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, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars.

TECHNICAL AND INDUSTRY RELATED TERMS

Abbreviation	Description
AC	Alternating Current
AI	Artificial Intelligence
BEE	Bureau of Energy Efficiency
BESS	Battery Energy Storage Systems
BIS	Bureau of Indian Standards
CDM	Clean Development Mechanism
CPI	Consumer Price Index
CRGO	Cold Rolled Grain Oriented
CRNGO	Cold Rolled Non-Grain Oriented
CT	Current Transformer
DER	Distributed Energy Resources
DC	Direct Current
DSM	Demand-Side Management
E&I	Electrical & Instrumentation
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EMS	Environmental Management Systems Standard
ESG	Environmental, Social, and Governance
FDI	Foreign Direct Investment
FYP	Five-Year Plan
GCC	Global Capability Centers
GFCF	Gross Fixed Capital Formation
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GST	Goods and Services Tax
IEC	International Electrotechnical Commission
IEA	International Energy Agency
IEEE	Institute of Electrical and Electronics Engineers
EEMA	Indian Electrical & Electronics Manufacturers’ Association
ISO	International Organization for Standardization
ISO 9001	Quality Management Systems Standard
ISO 14001	Environmental Management Systems Standard
LCOE	Levelized Cost of Electricity
LED	Light Emitting Diode

Abbreviation	Description
LCOE	Levelized Cost of Electricity
ML	Machine Learning
M-SIPS	Modified Special Incentive Package Scheme
MEPS	Minimum Energy Performance Standards
MSP	Minimum Support Price
NABARD	National Bank for Agriculture and Rural Development
NSP	National Steel Policy
OBICUS	Order Books, Inventories, and Capacity Utilization Survey
OEM	Original Equipment Manufacturer
PDS	Public Distribution System
PAT	Profit After Tax
PLI	Production Linked Incentive
PPA	Power Purchase Agreement
PFCE	Private Final Consumption Expenditure
PPI	Producer Price Index
RECs	Renewable Energy Certificates
REZ	Renewable Energy Zone
R&D	Research and Development
RoHS	Restriction of Hazardous Substances
ROE	Return on Equity
ROCE	Return on Capital Employed
SCM	Supply Chain Management
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
T&D	Transmission & Distribution
TPM	Total Productive Maintenance
UPS	Uninterruptible Power Supply
VPP	Virtual Power Plant
WPI	Wholesale Price Index

CONVENTIONAL TERMS / ABBREVIATION

Term	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
BN	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2020, as amended
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations

Term	Description
CBS	Core Banking Solution
CDSL	Central Depository Services (India) Limited
CFPI	Consumer Food Price Index
CFO	Chief Financial Officer
CGST Act	Central Goods and Services Tax Act, 2017
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013, and applicable to the extent notified by MCA till date
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CPI	Consumer Price Index
CY	Calendar Year
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, CDSL and NSDL
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM/ EoGM	Extra-ordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017) registered with SEBI under

Term	Description
	applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FTP	Foreign Trade Policy
Fugitive Economic Offender	Eco An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended on March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	Government of India
GST	Goods & Services Tax
HNIs	High Net worth Individuals
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST Act	Integrated Goods and Services Tax Act, 2017
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IPO	Initial Public Offering
IRDAI Investment Regulations	Inv Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISO	International Organization for Standardization
IST	Indian Standard Time
KMP	Key Managerial Personnel
Ltd	Limited
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NECS	National Electronic Clearing Service
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OPC	One Person Company as defined under section 2(62) of The Companies Act, 2013

Term	Description
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SGST Act	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UGST Act	Union Territory Goods and Services Tax Act, 2017
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America

Term	Description
VAT	Value Added Tax
VC	Venture Capital
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WIP	Work in process
Wilful Defaulter(s) or a Fraudulent Borrower	Wilful defaulter or a Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI SEBI (ICDR) Regulations
WHO	World Health Organization
WEO	World Economic Outlook
YoY	Year on Year

PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

CERTAIN CONVENTIONS

All references in this Draft Red Herring Prospectus to ‘India’ 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 GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. In this Draft Red Herring Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

FINANCIAL DATA

Unless stated otherwise, the financial statements in this Draft Red Herring Prospectus are derived from our Restated Financial Statements. The Restated Financial Statements comprises of the restated statement of assets and liabilities for the period ended September 30, 2024 and for the Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022 and the restated statement of profit and loss and the restated statement of cash flows for the period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the summary of significant accounting policies and explanatory notes, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended; the SEBI (ICDR) Regulations, as amended 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 please refer section titled “Restated Financial Statements” beginning on page 216 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, the Companies Act, Ind AS, and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 33, 154 and 279 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the “Restated Financial statements” of our Company as beginning on page 216 of this Draft Red Herring Prospectus.

CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America, EUR or “€” are Euro currency.

All references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “Million” means “Ten Lakhs” and the word “Crore” means “Ten Million” and the word “Billion” means “One thousand Million”. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

EXCHANGE RATES

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between (i) the Rupee and the USD (in Rupees per USD); and (ii) the Rupee and the CNY (in Rupees per CNY):

Currency	For the period ended September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
1 USD	83.79	83.37	82.22	75.81

Source: www.fbil.org.in, www.cbic.gov.in

Numbers above have been rounded off to their nearest two decimal places.

Note: If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed

DEFINITIONS

For definitions, please refer the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Draft Red Herring Prospectus. In the section titled “Main Provisions of the Articles of Association” beginning on page 352 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus, including in the sections titled “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33, 122, 154 and 279, respectively, has been obtained or derived from the report titled “Industry Report on Electrical Equipment & Component” dated March 19, 2025 and issued by Infomerics Analytics & Research Private Limited, commissioned and paid for by our Company, exclusively in connection with the Offer is available on the website of our Company at <https://www.espi.co.in/investor-relations/>. Infomerics Analytics & Research Private Limited (“Infomerics”) has, pursuant to their consent letter dated March 19, 2025 (the “Letter”) accorded their no objection and consent to use the Infomerics Report in connection with the Offer. Further, Infomerics has, pursuant to the Letter also confirmed that it is an independent agency and has no conflict of interest while issuing the Infomerics Report, and that it does not have any direct/ indirect interest in or relationship with our Company, our Promoters (including Promoter Selling Shareholders), our Directors or Key Managerial Personnel or Senior Management or the BRLM. Infomerics was appointed by our Company pursuant to the engagement letter dated February 17, 2025. The Infomerics Analytics & Research Report is subject to the following disclaimer:

“This report is prepared by Infomerics Analytics & Research Private Limited. Infomerics Analytics & Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in Infomerics Analytics & Research’s proprietary database, and other sources considered by Infomerics Analytics & Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of Infomerics Analytics & Research to buy or invest in this industry,

sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by Infomerics Analytics & Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or Infomerics Analytics & Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. Infomerics Analytics & Research is also not responsible for any errors in transmission and specifically states that it, or its directors, employees, parent company – Infomerics Valuation & Rating, or its directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of Infomerics Analytics & Research Private Limited

Infomerics Analytics & Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.”

Except for the Infomerics Report we have not commissioned any report for purposes of this Draft Red Herring Prospectus and any market and industry related data, other than that extracted or obtained from the Infomerics Report, used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The excerpts of the Infomerics Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information, data (which may be relevant and material for the proposed Offer), left out or changed in any manner. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors-Risk factor 35 - This Draft Red Herring Prospectus contains information from an industry report prepared by Infomerics Analytics & Research, commissioned by us for the purpose of the Issue for an agreed fee*” on page 33. Accordingly, investment decisions should not be based solely on such information.

The sections titled “Summary of Offer Document”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 23, 122, 154 and 279, respectively, of this Draft Red Herring Prospectus contain data and statistics from the Infomerics Report which has been commissioned and paid for by our Company for an agreed fee and is available on the website of our Company at www.espi.co.in/investors

In accordance with the SEBI ICDR Regulations, the section titled “Basis for Offer Price” on page 109 includes information relating to our listed industry peers. Such information has been derived from publicly available sources believed to be reliable and verified by M/s Lalpuria Shah and Associates, Chartered Accountant, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based solely on such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans, and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward-looking statements (whether made by us or any third party) are predictions 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.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the 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 industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

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

1. The company is highly dependent on our top ten customers, who contribute 76.49% and 74.23%, 66.41% and 55.49% of our revenue from operations for the period ended September 30, 2024 and for the financial year ended March 31, 2024, 2023 and 2022, respectively and the loss of any of these customers or a substantial reduction in their purchasing activity would have a significant negative impact on our business.
2. We do not have any long-term agreements with our customers. If our customers choose not to source their requirements from us or manufacture such products in-house, our business and results of operations may be adversely affected.
3. Our business and profitability are substantially dependent on the availability and cost of our raw materials and any disruption to the timely and adequate supply or volatility in the prices of raw materials may adversely impact on our business, results of operations, cash flows and financial condition.
4. We do not have any long-term agreements with our raw material suppliers. If we face difficulties in obtaining the necessary quality and quantity of raw materials in timely manner and at fair prices, or if we fail to secure them altogether, it could detrimentally affect our business, financial performance, and cash flow.
5. Our four existing manufacturing units are located in Gujarat. Any localized social unrest, natural disaster, service disruption, or other unforeseen events in or around Gujarat could lead to production interruptions or shutdowns at our facilities. Such disruptions could have a material adverse effect on our business and financial condition

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 33, 154, and 279 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what

actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views 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. Neither our Company, our Directors, our Promoters, the Promoter Selling Shareholder, the Book Running Lead Manager, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In this regard, the Promoter Selling Shareholders shall, severally and not jointly, ensure that our Company and Book Running Lead Manager are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by the Promoter Selling Shareholder with respect to the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the National Stock Exchange of India Limited for this Offer.

SECTION II – SUMMARY OF OFFER DOCUMENTS

Summary of our Business

Our company is engaged in the business of manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils using Cold Rolled Grain Oriented (“CRGO”) and Cold Rolled Non-Grain Oriented (“CRNGO”) steel. We cater to domestic and international markets. These products serve as essential transformer components that enhance transformer efficiency by reducing energy losses through low hysteresis and eddy currents. They ensure optimal performance in various transformers used for power transmission and distribution. We provide customised solutions to our clients based on their specific design requirements for transformers. Over the past three decades, we have continuously improved our processes to deliver quality components that support efficient transformer performance.

For more details, please refer chapter titled “Our Business” beginning on page 154 of this Draft Red Herring Prospectus.

Summary of our Industry

Transformer changes voltage levels and facilitates transmission, distribution and utilization of electrical power in the most efficient and economic manner. The health of transformer industry depends largely on the power generation and transmission system programme. The major users of this product are the State Electricity Boards, Power Grid Corporation of India Limited and other industries. Some special types of transformers are also manufactured, which are used for the purpose of welding, traction, electrical furnaces etc. The Transformer Industry in India has developed for over 55 years and has a well matured technology base. Transformers are vital and costly elements of the grid, serving a pivotal function in maintaining uninterrupted electricity transmission over extensive distances. The rising demand for transformers is being propelled predominantly by the expansion of the transmission and distribution sector. It plays a crucial role in the power transmission and distribution sector, enabling efficient voltage regulation and minimizing energy losses. With rapid industrialization, urbanization, and the shift towards renewable energy sources, the demand for transformers and their components is growing globally. The power transformer market in India is expected to reach a projected revenue of US\$ 3.4 billion by 2030. A compound annual growth rate of 8% is expected of India power transformer market from 2023 to 2030. The global transformers market size accounted for USD 63.13 billion in 2024 and is expected to reach around USD 124.19 billion by 2034, expanding at a CAGR of 7% from 2024 to 2034.

For more details, please refer chapter titled “Industry Overview” beginning on page 122 of this Draft Red Herring Prospectus.

Our Promoters

The promoters of our company are Harshad Narbherambhai Bagadia, Parasbhai Harshadbhai Bagadia and Dhyanesh Bagadia.

For further details, please see section titled “Our Promoter and Promoter Group” on page 208

Offer Size

The following table summarizes the details of the Offer. For further details, see “*The Offer*” and “*Offer Structure*” beginning on pages 314 of this Draft Red Herring Prospectus.

Present Offer of Equity Shares by our Company*	Up to 69,00,000 Equity Shares for cash at a price of ₹[●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹[●] Lakhs
The Offer consist of:	
Fresh Offer	Up to 60,00,000 Equity Shares for cash at a price of ₹[●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹[●] Lakhs
Offer for Sale	Up to 9,00,000 Equity Shares for cash at a price of ₹[●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹[●] Lakhs
Of which	
Market Maker Reservation Portion	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹[●] Lakhs

Net Offer	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹[●] Lakhs
------------------	--

**This Offer has been authorized by our Board pursuant to resolution passed on March 17, 2025 and by our Shareholders Resolution pursuant to a resolution passed on March 18, 2025.*

***Our Board has taken the consent received from the Promoter Selling Shareholder's dated March 17, 2025 to participate in the Offer for Sale. The Equity Shares being offered by the Promoter Selling Shareholders have been held by it for a period of at least 1 year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI (ICDR) Regulations. For detail of consent received from the Promoter Selling Shareholders for the Offer for Sale, see "Other Regulatory and Statutory Disclosures – Authority for the Offer – Consent by the Promoter Selling Shareholders"*

Objects of the Offer

This Offer comprises of Fresh Issue of up to 60,00,000 Equity Shares by our Company aggregating to ₹[●] Lakhs and an Offer for Sale of up to 9,00,000 Equity Shares aggregating to ₹[●] Lakhs by the Promoter Selling Shareholders.

Our Company intends to utilize the Net Proceeds from the Fresh Issue for the following objects:

Sr No.	Particulars	Amounts (₹ in Lakhs)
1.	Funding working capital requirements of the company	3,200.00
2.	Funding capital expenditure requirements towards purchase of slitting and cut-to-length machines at Unit IV	1,412.97
3.	Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company	1,437.94
4.	General Corporate Purposes ⁽¹⁾	[●]
	Net Proceeds	[●]

To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Fresh Issue or ₹ 1,000 lakhs, whichever is less in accordance with the SEBI ICDR Regulations.

Our Company will not receive any proceeds received from the Offer for Sale by the Promoter Selling Shareholders. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Promoter Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares offered and allotted by our Company in the Fresh Offer and the offered shares sold by the Promoter Selling Shareholder in the Offer for Sale. The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholders to his respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Promoter Selling Shareholders as part of the Offer for Sale and will not form part of the Net Proceeds.

For further details, please refer to chapter titled "Objects of the Offer" beginning on page 99 of this Draft Red Herring Prospectus.

Aggregate Pre-Offer Shareholding of our Promoters, our Promoter Group, the Promoter Selling Shareholders, and additional top 10 shareholders as a percentage of the Pre-Offer and post-offer Paid Up Share Capital of our Company

Set forth is the Pre-Offer shareholding of our Promoters, Promoter group and Promoter selling shareholders as a percentage of the paid-up share capital of the Company:

Sr. No.	Pre-Offer shareholding as at the date of Advertisement			Post-Issue shareholding as at Allotment			
	Shareholders	Number of Equity Shares	Percentage of holdings	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares	Percentage of holdings	Number of Equity Shares	Percentage of holdings
Promoters/Promoter Selling Shareholders							
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12%	[●]	[●]	[●]	[●]
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%	[●]	[●]	[●]	[●]
3.	Dhyanesh Bagadia	Nil	Nil	[●]	[●]		
Total (A)		1,48,99,400	93.12%	[●]	[●]	[●]	[●]
Promoter Group							
4.	Ranjan Bagadia	100	Negligible	[●]	[●]	[●]	[●]
5.	Poonam Bagadia	100	Negligible	[●]	[●]		
Total (B)		200	Negligible	[●]	[●]	[●]	[●]
Additional top 10 shareholders							
6.	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	11,00,000	6.88%	[●]	[●]	[●]	[●]
7.	Jaydeep Mahendrabhai Patel	100	Negligible	[●]	[●]	[●]	[●]
8.	Vaibhavi Kandarp Desai	100	Negligible	[●]	[●]	[●]	[●]
9.	Joshi Mukeshchandra Gajanan	100	Negligible	[●]	[●]	[●]	[●]
10.	Manishkumar Ramanlal Patel	100	Negligible	[●]	[●]	[●]	[●]
Total (C)		11,00,400	6.88%	[●]	[●]	[●]	[●]
Total (A+B+C)		1,60,00,000	100.00%	[●]	[●]	[●]	[●]

Notes:

1. The Promoter Group shareholders are Ranjan Harshad Bagadia and Poonam P Bagadia.
2. Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing shareholders after the date of the pre-Offer and price band advertisement until date of prospectus.
3. Based on the Offer price of ₹ [●] and subject to finalization of the basis of allotment.

Summary of Restated Financial Statements

(₹ in lakhs other than share data)

Particular	For the Period ended on September 30, 2024	For the year ended March 31		
		2024	2023	2022
Share Capital	800.00	800.00	800.00	1,332.72
Net worth [#]	2,573.15	1,642.04	1,144.60	1,332.72
Total Revenue ^{\$}	10,698.34	16,472.63	14,906.14	7,961.61
Profit after Tax	931.11	497.44	650.08	192.63
Earnings per share (Basic & diluted) (Post Bonus & Split) (₹) [@]	5.82	3.11	4.06	1.20
Net Asset Value per Equity Share (Post Bonus & Split) (₹) [*]	16.08	10.26	7.15	8.33
Total borrowings [^]	6,766.87	5,967.37	3,243.65	2,560.37

[#] Net worth = Paid up share capital plus reserves and surplus

^{\$} Total Revenue = Restated Revenue from operations plus Restated Other Income

[@] Earnings per share (Basic & diluted) = Restated profit after tax for the period divided by Restated weighted average number of Equity Shares outstanding during the period. Adjusted for equity shares allotted under bonus issue in the ratio of 1:1 post September 30, 2024.

^{*} Net Asset Value per Equity Share = Restated Net worth / No. of equity shares. Adjusted for equity shares allotted under bonus issue in the ratio of 1:1 post September 30, 2024.

[^] Total Borrowings = Restated Long-Term Borrowings Plus Restated Short-Term Borrowings

Auditor Qualifications which have not been given effect to in the Restated Financial Statements

Our Statutory Auditors have not made any qualifications in the Financial Year 2023-2024 and Financial Year 2021-2022 that have not been given effect to in the Restated Financial Statements. Statutory Auditor had qualified the audit report for the Financial Year 2022-2023. Please note the below points of examination report.

Gratuity provision was done till the date of the Balance Sheet on Notional Basis. However, as per AS 15, the provision of Gratuity should be determined through actuarial valuation using Projected Unit Cost Method and the quantum of the difference in provision could not be ascertained as sufficient appropriate evidence could not be obtained

For further information please refer to Risk Factor no.: 10-Our Statutory Auditors have included modified and included matter(s) giving rise to modifications on the financial statements as at and for the year ended March 31, 2023 in our Audited Financial Statements- on page 40.

Summary of Outstanding Litigations & Material Developments

A summary of pending legal proceedings and other material litigations involving our Company, our Promoters, our Directors, and our Group Companies as on the date of this Draft Red Herring Prospectus is provided below:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	1	Nil	Nil	Nil	Nil	2.27
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors excluding Promoters						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our KMPs and SMPs						
By our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Against our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our Group Companies which may have a material impact on our Company						
Outstanding litigation which may have a material impact on our Company	NA	NA	NA	NA	NA	NA

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Company, the outcome of which could have a material impact on our Company. Further, as on the date of this Draft Red Herring Prospectus, there are no criminal proceedings involving any of our Key Managerial Personnel and members of Senior Management or actions by regulatory authorities and statutory authorities against any of our Key Managerial Personnel and members of Senior Management.

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 289 of this Draft Red Herring Prospectus.

Risk Factors

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 33 of this Draft Red Herring Prospectus.

Summary of Related Party Transactions

As required under Accounting Standard 18 “*Related Party Disclosures*” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties where Control exists and Relationships:

Sr No.	Name of related party	Relationship
1.	Mr. Harshad Narbherambhai Bagadia	Wholetime Director
2.	Mr. Parasbhai Harshadbhai Bagadia	Managing Director
3.	Mr. Dhyanesh Bagadia	Non-Executive Director (w.e.f. 15.11.2024)
4.	Mrs. Pinal Ronak Shah	Chief Financial Officer (w.e.f. 30/12/2024)
5.	Mr. Mayank P. Lashkari	Company Secretary (w.e.f. 20/01/2025)

Sr No.	Name of related party	Relationship
6.	Paras Trans Elec Stamping (Partnership Firm)	Entity owned by Key Management Personnel
7.	Paras Resources (Proprietorship of Mr. Harshad Bagadia)	Entity owned by Key Management Personnel
8.	Convolt Technologies (Partnership Firm)	Entity owned by Key Management Personnel
9.	iGlobal Software (Partnership Firm)	Entity owned by Key Management Personnel
10.	Kiritbhai N. Bagadia (HUF)	Entity owned by relatives of Key Management Personnel
11.	Magnetic Metal Industries (Partnership Firm)	Entity owned by relatives of Key Management Personnel
12.	Fibro Lamination (Partnership Firm)	Entity owned by relatives of Key Management Personnel
13.	Ankit Sales Corporation (Proprietorship of Mr. Jaykant Bagadia)	Entity owned by relatives of Key Management Personnel
14.	Mrs. Ranjan H. Bagadia	Relatives of Key Management Personnel / Promoter
15.	Mr. Jaykant Narbherambhai Bagadia	Relatives of Key Management Personnel / Promoter
16.	Mrs. Poonam Paras Bagadia	Relatives of Key Management Personnel / Promoter
17.	Mrs. Sweta D. Bagadia	Relatives of Key Management Personnel / Promoter
18.	Mr. Harshad Narbherambhai Bagadia (Partner)	Relatives of Key Management Personnel / Promoter
19.	Mr. Parasbhai Harshadbhai Bagadia (Partner)	Relatives of Key Management Personnel / Promoter
20.	Mr. Nishit Jaykant Bagadia (Partner)	Relatives of Key Management Personnel / Promoter
21.	Mr. Vikram Kiritbhai Bagadia (Partner)	Relatives of Key Management Personnel / Promoter

(₹ in lakhs)

Transaction during the year	For the Period ended on September 30, 2024	For the year ended March 31		
		2024	2023	2022
Remuneration				
Mr. Harshad Narbherambhai Bagadia	40.00	120.00	28.00	-
Mr. Parasbhai Harshadbhai Bagadia	45.01	180.02	70.01	-
Mrs. Poonam Paras Bagadia	9.01	14.42	7.01	-
Mr. Harshad Narbherambhai Bagadia (Partner)	-	-	-	4.50
Mr. Parasbhai Harshadbhai Bagadia (Partner)	-	-	-	4.50
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	4.50
Mr. Vikram Kiritbhai Bagadia (Partner)	-	-	-	4.50
Interest on Capital				
Mr. Harshad Narbherambhai Bagadia (Partner)	-	-	-	6.50
Mr. Parasbhai Harshadbhai Bagadia (Partner)	-	-	-	3.58
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	3.15
Mr. Vikram Kiritbhai Bagadia (Partner)	-	-	-	5.16

Transaction during the year	For the Period ended on September 30, 2024	For the year ended March 31		
		2024	2023	2022
<u>Advertisement Exp. (Net of GST)</u>				
iGlobal Software (Partnership Firm)	-	0.20	3.35	-
<u>Exhibition Exp. (Net of GST)</u>				
iGlobal Software (Partnership Firm)	-	-	5.35	-
<u>Printing & Stationery (Net of GST)</u>				
iGlobal Software (Partnership Firm)	-	0.13	0.28	-
<u>Factory / Office Rent</u>				
Paras Trans Elec Stamping	4.90	8.91	4.73	7.72
Paras Resources	3.63	6.60	4.00	1.50
<u>Interest on Unsecured Loan</u>				
Mrs. Ranjan H. Bagadia	-	2.64	1.97	-
Poonam Paras Bagadia	-	0.85	0.51	2.08
Mr. Dhyanesh Bagadia	-	4.86	2.23	9.32
Paras Resources	-	-	-	7.01
Kiritbhai N. Bagadia (HUF)	-	-	-	0.30
<u>Sales (Net of GST)</u>				
Convolt Technologies	41.61	50.66	-	-
Fibro Lamination	0.41	6.03	32.09	4.13
Ankit Sales Corporation	-	-	0.04	0.62
<u>Purchase (Net of GST)</u>				
Convolt Technologies	20.01	-	-	-
Fibro Lamination	-	13.61	37.08	-
Magnetic Metal Industries	-	-	1.24	-
<u>Purchase Labour Charges (Net of GST)</u>				
Fibro Lamination	4.62	8.12	5.13	-
Magnetic Metal Industries	-	-	0.44	0.41
<u>Sales Labour Charges (Net of GST)</u>				
Fibro Lamination	-	0.41	-	-
<u>Fixed Assets Purchase (Net of GST)</u>				
Ankit Sales Corporation	-	-	-	0.38
<u>Finance Taken</u>				
Mr. Harshad Narbherambhai Bagadia (Loan)	10.85	63.00	7.25	-
Mr. Parasbhai Harshadbhai Bagadia (Loan)	110.00	117.15	28.70	-
Mr. Dhyanesh Bagadia (Loan)	-	30.00	-	7.50
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	15.00
Paras Resources	-	-	-	34.11
<u>Repayment of finance Taken</u>				
Mr. Harshad Narbherambhai Bagadia (Loan)	37.24	289.39	83.81	-

Transaction during the year	For the Period ended on September 30, 2024	For the year ended March 31		
		2024	2023	2022
Mr. Parasbhai Harshadbhai Bagadia (Loan)	209.72	303.55	91.01	-
Mrs. Poonam Paras Bagadia (Loan)	7.47	0.60	3.10	11.18
Mr. Dhyanesh Bagadia (Loan)	42.39	33.15	0.50	2.47
Mrs. Ranjan H. Bagadia (Loan)	24.62	-	-	-
Mr. Nishit Jayakant Bagadia (Loan)	-	-	-	55.00
Paras Resources (Loan)	-	-	-	13.41

Closing Balances	For the Period ended on September 30, 2024	For the year ended March 31		
		2024	2023	2022
Loan Payable				
Mr. Harshad Narbherambhai Bagadia	252.33	278.72	505.11	-
Mr. Parasbhai Harshadbhai Bagadia	4.11	103.83	290.24	-
Mrs. Ranjan H. Bagadia (Loan)	-	24.62	21.97	-
Mrs. Poonam Paras Bagadia (Loan)	-	7.47	7.30	9.94
Mr. Dhyanesh Bagadia (Loan)	-	42.39	42.20	84.84
Paras Resources (Loan)	-	-	-	59.83
Kiritbhai N. Bagadia (HUF) (Loan)	-	-	-	2.80
Sweta D. Bagadia (Loan)	-	-	-	0.27
Advance				
Mr. Jaykant Narbherambhai Bagadia	5.00	5.00	5.00	5.00
Remuneration Payable				
Mr. Harshad Narbherambhai Bagadia	6.30	-	3.47	-
Mr. Parasbhai Harshadbhai Bagadia	2.26	2.46	6.29	-
Mrs. Poonam Paras Bagadia	1.55	1.20	1.05	-
Rent Payable				
Paras Trans Elec Stamping	13.66	10.70	13.48	7.63
Paras Resources	-	0.05	-	-
Sales				
Convolt Technologies	19.17	0.18	-	-
Fibro Lamination	36.84	38.93	47.23	43.96
Magnetic Metal Industries	44.03	44.03	44.03	44.03
Ankit Sales Coporation	0.05	0.05	0.05	-
Purchase				
Convolt Technologies	7.71	-	-	-
Magnetic Metal Industries	-	-	-	0.45
Partners Capital				
Mr. Harshad Narbherambhai Bagadia	-	-	-	351.87
Mr. Parasbhai Harshadbhai Bagadia	-	-	-	448.51
Mr. Nishit Jayakant Bagadia	-	-	-	194.39
Mr. Vikram Kiritbhai Bagadia	-	-	-	277.61

For details of the related party transactions, please see Statement of Related Party and Transactions - Restated Financial Statements” on page 216 of this Draft Red Herring Prospectus.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter group, Promoter Selling Shareholders, our Directors, and their relatives have financed the purchase by any other person of securities of our Company during a period of 6 months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted Average Price of Equity Shares acquired by our Promoters and the Promoter Selling Shareholders in the last 1 year

The weighted average cost of acquisition of Equity Shares by our Promoters and the Promoter Selling Shareholders in the last one (1) year preceding the date of this Draft Red Herring Prospectus set forth in the table below:

Sr No	Name of the Promoters/ Promoter Selling Shareholders	No of Equity Shares acquired in last 1 year	Weighted Average cost of Acquisition (in ₹)*
1.	Harshad Narbherambhai Bagadia	32,99,400	NIL
2.	Parasbhai Harshadbhai Bagadia	36,00,000	NIL
3.	Dhyanesh Bagadia	NIL	NIL

**As certified by M/s Lalpuria Shah and Associates, Chartered Accountants, by way of their certificate dated March 19, 2025.*

The weighted average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire shares and Shares allotted to them divided by number of shares acquired in last 1 year.

Average Cost of Acquisition of Promoters and the Promoter Selling Shareholders

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

Sr No	Name of the Promoters/ Promoter Selling Shareholders	No of Equity held	Average cost of Acquisition (in ₹)*
1.	Harshad Narbherambhai Bagadia	76,99,400	0.00
2.	Parasbhai Harshadbhai Bagadia	72,00,000	5.00
3.	Dhyanesh Bagadia	NIL	NIL

**As certified by M/s Lalpuria Shah and Associates, Chartered Accountants, by way of their certificate dated March 19, 2025.*

The average cost of acquisition of Equity Shares by our Promoters and Promoter Selling Shareholders have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

Issue of Equity Shares for Consideration other than cash in the last 1 Year

Except for the Bonus Issue of 80,00,000 Equity Shares, our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Draft Red Herring Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Offer Price (₹)	Reasons for Allotment	Allottees	No. of Shares Allotted
January 30, 2025	80,00,000	10	Not Applicable	Bonus Issue in the ratio of 1 (One) Equity shares for every 1 (One) Equity Shares	Harshad Narbherambhai Bagadia	38,49,700
					Parasbhai Harshadbhai Bagadia	36,00,000
					Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit	5,50,000

Date of Allotment	Number of Equity Shares	Face Value (₹)	Offer Price (₹)	Reasons for Allotment	Allottees	No. of Shares Allotted
					Sheth in the capacity of partners of M/s. Orbit Financial Capital	
					Ranjan Bagadia	50
					Poonam Paras Bagadia	50
					Jaydeep Mahendrabhai Patel	50
					Vaibhavi Kandarp Desai	50
					Joshi Mukeshchandra Gajanan	50
					Manishkumar Ramanlal Patel	50

Split / Consolidation of Equity Shares in the last 1 Year

Our company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

Exemption from Complying with any provisions of Securities Laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, there are no the company has not filed for any exemption under Regulation 300(1)(c) of the SEBI (ICDR).

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. Potential 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 the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate, or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows, and financial condition. If any 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, cash flows, and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. 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”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 122, 154, 276 and 279 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. 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.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in this Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries, if any.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates, and uncertainties. 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 further information, see “Forward-Looking Statements” on page 21 in this Draft Red Herring Prospectus. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Information” on page 216 in this Draft Red Herring Prospectus. Unless the context otherwise requires, in this section, references to “we”, “us”, or “our”, “the Company” or “our Company” refers to Elec Steel Processing Industries Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Industry Report on Electrical Equipment & Component” dated March 19, 2025 (the “Infomerics Report”) prepared and issued by Infomerics Analytics & Research Private Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Infomerics Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Internal Risk Factors

- The company is highly dependent on our top ten customers, who contribute 76.49% and 74.23%, 66.41% and 55.49% of our revenue from operations for the period ended September 30, 2024 and for the financial year ended March 31, 2024, 2023 and 2022, respectively and the loss of any of these customers or a substantial reduction in their purchasing activity would have a significant negative impact on our business.***

We are engaged in manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils using Cold Rolled Grain Oriented (“CRGO”) and Cold Rolled Non-Grain Oriented (“CRNGO”) steel. Although our customer base may vary each year, we are heavily reliant on the contributions of our top ten customers. As a result, our business performance and financial condition in any given fiscal year are closely tied to the revenue generated from these top ten customers.

The table set forth below provides top ten Customers, for the period ended September 30, 2024, and for the Year ended March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in Lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
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	Revenue from Operation	% of total Revenue from Operations	Revenue from Operation	% of total Revenue from Operations	Revenue from Operation	% of total Revenue from Operations	Revenue from Operation	% of total Revenue from Operations
Customer 1	2,382.99	22.42%	3,911.12	23.92%	1,968.08	13.29%	1,497.29	18.87%
Customer 2	1,762.50	16.58%	1,891.87	11.57%	1,663.63	11.24%	853.27	10.75%
Customer 3	839.92	7.90%	1,635.66	10.00%	1,429.52	9.66%	416.47	5.25%
Customer 4	752.85	7.08%	1,463.83	8.95%	923.71	6.24%	315.20	3.97%
Customer 5	714.41	6.72%	650.92	3.98%	853.30	5.76%	249.76	3.15%
Customer 6	527.98	4.97%	607.63	3.72%	695.72	4.70%	235.59	2.97%
Customer 7	314.08	2.96%	498.13	3.05%	638.12	4.31%	234.04	2.95%
Customer 8	308.51	2.90%	493.85	3.02%	621.38	4.20%	203.06	2.56%
Customer 9	268.06	2.52%	488.58	2.99%	557.47	3.77%	199.96	2.52%
Customer 10	257.21	2.42%	495.45	3.03%	481.33	3.25%	198.23	2.50%
Total	8,128.51	76.49%	12,137.04	74.23%	9,832.26	66.41%	4,402.87	55.49%

Further, the volume and timing of sales to our long-term customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. Thus, any decrease in the demand for our offerings from our long-term customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow. These customers may change their outsourcing strategy by moving more work in-house, replace our Company with our competitors, or replace their existing products with alternative products which we do not procure and supply. Also, these customers may demand price reductions and there is no assurance that we will be able to offset any reduction of prices to these customers with reductions in our costs or by acquiring new customers. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business or that we will be able to significantly reduce customer concentration in the future. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three financial years and for the period ended September 30, 2024.

There is no assurance that our customers will continue to source products from our company at volumes or rates consistent with, to, the amount of business received from them historically, or at all. Any decrease in the demand for our products from our top ten customers of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three financial years and for the period ended September 30, 2024.

2. *We do not have any long-term agreements with our customers. If our customers choose not to source their requirements from us or manufacture such products in-house, our business and results of operations may be adversely affected.*

We do not have firm commitment long-term supply agreements with our customers and instead rely on short term purchase orders to govern terms of our sales of products, from our customers. Many of the purchase orders specify a price per unit delivery schedule, and the quantities to be delivered. Yet, if the quantities are to be determined closer to the date of delivery, then there may be a possibility for such orders to be amended or cancelled prior to finalization, and should such an amendment or cancellation take place, it may adversely impact our revenue and production schedules. As of the date of this Draft Red Herring Prospectus, there have been no instances of any amendments or cancellations.

We are dependent on certain of our key customers and the details of contribution of our top one, top three, top five and top ten customers to our total revenue from operations for the for the period ended September 30, 2024, and Fiscals 2024, 2023 and 2022, have been set out below:

Particulars	For the period ended September 30, 2024	For the fiscal year ended March 31		
		2024	2023	2022

	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation
Top 1	2,382.99	22.42%	3,911.12	23.92%	1,968.08	13.29%	1,497.29	18.87%
Top 3	4,985.41	46.91%	7,438.65	45.50%	5,061.22	34.18%	2,767.04	34.87%
Top 5	6,452.67	60.72%	9,553.40	58.43%	6,838.24	46.19%	3,332.00	41.99%
Top 10	8,128.51	76.49%	12,137.04	74.23%	9,832.26	66.41%	4,402.87	55.49%

Additionally, certain customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in reworking on the order specifications to correct the inaccuracy. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand, among others, price reductions, setoff any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition. While, such instances have not occurred in the past three financial years and for the period ended September 30, 2024, However occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

Accordingly, we face the risk that our customers might not place any order or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Cancellations, reductions, or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We do not find customers or purchasers for the surplus or excess capacity; in which case we would be forced to incur a loss. While such instances have not occurred in the past three financial years and for the period ended September 30, 2024, However, occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

Further, in the event our major customers face any form of adverse effect due to exigent circumstances, resulting in a sustained decline in the demand for their products, could prompt them to reduce their production volumes, in turn affecting their demand for our products. The volume and timing of sales to our major customers may also adversely vary due to variation in: (i) delay in or cancellation; (ii) demand or requirements; (iii) manufacturing strategy; and (iv) growth strategy. As we do not have firm commitment in the form of long-term supply agreements with our customers, there is no commitment on the part of our major customers to continue to place new purchase orders with us and as a result, our cash flow and consequent revenue may fluctuate significantly from time to time. Further, we may not find any other customers for the surplus or excess capacity, in which case we may be forced to incur a loss.

3. *Our business and profitability are substantially dependent on the availability and cost of our raw materials and any disruption to the timely and adequate supply may adversely impact our business, results of operations, cash flows and financial condition.*

We are engaged in manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils using Cold Rolled Grain Oriented ("CRGO") and Cold Rolled Non-Grain Oriented ("CRNGO") steel. The tables below provide components consumed as a percentage of our total purchase in the years indicated:

Particulars	For the period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of Purchases of Raw Materials	Amount (₹ in lakhs)	% of Purchases of Raw Materials	Amount (₹ in lakhs)	% of Purchases of Raw Materials	Amount (₹ in lakhs)	% of Purchases of Raw Materials
Cold Rolled Grain Oriented steel	9,920.60	99.64%	13,480.95	99.26%	11,011.76	99.44%	6,918.22	99.20%
Cold Rolled Non-Grain Oriented steel	35.62	0.36%	100.94	0.74%	62.24	0.56%	55.58	0.80%
Total Purchases	9,956.22	100%	13,581.89	100%	11,074.00	100%	6,973.80	100%

We may experience volatility in the cost or availability of raw materials due to changes in commodity prices. A major portion of raw materials comprises of CRGO and CRNGO steel coils. The prices of such raw materials are volatile and are dependent on a number of factors, such as, their availability, fluctuations in domestic and international demand and supply, international production and capacity, transportation costs, protective trade measures and various social and political factors, in the economies in which the metal producers sell their products.

During the Middle east conflict, commodity prices surged significantly. While our arrangements with customers allow us to seek upward price revisions, our cash flows may still be adversely affected due to the time gap between procuring raw materials and adjusting customer prices to reflect these cost increases, if there is any type of global crises. Our ability to pass on these increased costs could impact our business negatively. Additionally, commodity prices may occasionally fall rapidly. When this happens, suppliers might withdraw capacity from the market until prices improve, potentially causing supply irregularities. These irregularities could increase our raw material costs, adversely affecting our business, cash flows, and results of operations. Other than mentioned above there were no past instances in previous three financial years and for the period ended September 30, 2024.

Any increase in prices of raw materials could have an impact on our working capital as we would require additional funds to procure the necessary steel at the higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase can potentially strain our working capital availability. While, such instances have not occurred in the past three financial years and for the period ended September 30, 2024, However occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

4. ***We do not have any long-term agreements with our raw material suppliers. If we face difficulties in obtaining the necessary quality and quantity of raw materials in timely manner and at fair prices, or if we fail to secure them altogether, it could detrimentally affect our business, financial performance, and cash flow.***

Our results of operations depend upon our ability to obtain raw materials required for our products and other inputs regularly, at low prices and favourable terms. For the timely supply of raw materials, we have to depend on certain third-party suppliers with whom we do not have any exclusive arrangements. Our inability to procure these raw materials on terms more favourable, or at all, may constrain our raw material supply, resulting in an adverse effect on our business, financial condition, and results of operations. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. As a result, we are susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins.

Further, our operations and performance are directly related to and affected by the cost of various inputs including raw materials such as CRGO and CRNGO steel coils, packing materials such as Parmali wood, Medium Density Fibreboard, Silica gel pack, anti-corrosion paper or polyethylene sheets, foam inserts or reinforced supports, Protective wraps, cushioning material. If we cannot fully offset increases in raw material prices such as MS Steel prices with increases in the prices for our assembled cores, we will experience lower margins, which will have a material adverse effect on our results of operations, financial condition, and cash flows. In the absence of such contracts, we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner or at all.

The table below sets forth share in our cost of raw materials from our top 5 and top 10 suppliers in the periods/years indicated:

Particulars	For the period ended		For the fiscal year ended March 31					
	September 30, 2024		2024		2023		2022	
	Amount (₹ in lakhs)	% of Purchase of Raw Materials	Amount (₹ in lakhs)	% of Purchase of Raw Materials	Amount (₹ in lakhs)	% of Purchase of Raw Materials	Amount (₹ in lakhs)	% of Purchase of Raw Materials
Top 5	6,391.86	64.20%	9343.95	68.80%	8,191.91	73.97%	5,113.93	73.33%
Top 10	8,134.31	81.70%	11901.42	87.63%	9,933.19	89.70%	6,118.55	87.74%

The table below sets forth our cost of raw materials and change in stock of finished goods and work in progress as a percentage of our revenue from operations in the periods/years indicated:

Particulars	For the fiscal year ended March 31							
	September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation
Cost of raw materials and change in stock of finished goods and work in progress	8,369.82	78.76%	13,559.71	82.93%	12,235.11	82.64%	6,438.16	81.13 %

There can be no assurance that a particular supplier will continue to supply us with raw materials in the future. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. While such instances have not occurred in the past three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations

- Our four existing manufacturing units are located in Gujarat. Any localized social unrest, natural disaster, service disruption, or other unforeseen events in or around Gujarat could lead to production interruptions or shutdowns at our facilities. Such disruptions could have a material adverse effect on our business and financial condition***

We currently operate all manufacturing units with commercial production of transformer laminations, assembled cores, toroidal cores and slit coils with applications in transformers. Any disruption in our

manufacturing operations involving the shutdown of our plant in any of our manufacturing facilities resulting from any factors beyond our control, including socio-economic, regulatory, policy or political developments, force majeure, natural calamities, or civil disruption, could result in a material adverse impact on our business operations and financial performance, particularly due to the long period of time required for rebuilding to resume production. Further, there can be no assurance that equipment in our manufacturing facilities will not malfunction, resulting in discontinuation of production. Any malfunction or shutdown of any of the plant would adversely impact production and could result in us incurring significant losses from shutdown of operations, capital expenditure to replace any malfunctioning furnace or other equipment, and thereby materially and adversely affecting our business, results of operations, financial condition, and cash flows.

In the past, we have faced certain disruptions in our manufacturing facilities located. For example, as a result of the COVID-19 pandemic lockdown and other related restrictions, our business operations experienced disruption for the Fiscal 2021. In the Fiscal 2021 we experienced utilization issues in units of production primarily on account of delayed supply of raw materials due to the COVID-19 lockdown there, which impacted and delayed our production, capacity utilization, all of which ultimately affected the sales, and delayed its respective payment from the clienteles. except mentioned above details we have not faced any disruption in last financial year 2024, 2023 and 2022.

Our business is therefore dependent on our ability to ensure continued operations and production at optimal levels, which may be impacted by various operating risks, including industrial accidents, severe weather conditions as CRGO steel is sensitive to water and moisture, natural disasters, workforce productivity, regulatory developments and compliance, adequate and timely supply of raw materials, management of continuous operations, quality of products manufactured. Any significant malfunction or breakdown of our equipment may also entail significant repair and maintenance costs and cause delays in our operations. However, as on date of this Draft Red Herring Prospectus, there has been no instance of significant malfunction or breakdown of our equipment in the past. Further, we depend on third party suppliers of raw materials as well as equipment and services required for continuing operations. Our inability to effectively rectify any disruption, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle and an inability to comply with our clients' requirements, thereby adversely impacting our business operations and future financial performance. While such instances have not occurred in the past three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations.

6. *Our Company is dependent on a domestic market for its revenue and any downturn in it could reduce our revenue.*

We have historically derived majority of our revenues from the domestic market. Our Company is majorly dependent on domestic sales while our products are also sold in international market like Bulgaria, Oman, Canada, UAE, etc. Thus, the sales of our Company are widely dispersed throughout the domestic and any failure to maintain such dispersion may impact sales, revenues, and consequently, the financial performance of the Company. Details for the revenue generated from domestic market and through export as per restated financials are as follow:

Particulars	For the period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹ in lakhs)	(%)	(₹ in Lakhs)	(%)	(₹ in Lakhs)	(%)	(₹ in Lakhs)	(%)
Domestic Sales	9,179.57	86.38%	11,745.55	71.84%	10,270.35	69.37%	6,952.36	87.61%
Export Sales	1,447.60	13.62%	4,604.53	28.16%	4,535.37	30.63%	982.81	12.39%
Revenue from operations	10627.17	100.00%	16350.07	100.00%	14,805.72	100.00%	7,935.16	100.00%

Our company relies heavily on the domestic market for its sales. Any economic downturn or adverse changes within this market could significantly impact on our sales performance. Consequently, fluctuations in the domestic economy pose a considerable risk to our financial stability and growth prospects. Furthermore, changes in consumer preferences, increased competition, or regulatory shifts within the

domestic market can also adversely affect our sales. While such instances have not occurred in the past three financial years and for the period ended September 30, 2024, however occurrence of such instances in the future may have an adverse effect on our financial condition and results of operations. Our heavy dependence on this single market means that we are particularly vulnerable to its economic conditions. Diversifying our market presence and reducing reliance on the domestic market could be crucial strategies to mitigate these risks and ensure sustained growth.

7. *Our proposed plans with respect to funding the capital expenditure requirements as per our Objects of the Offer are subject to the risk of unanticipated delays in obtaining approvals and implementation.*

We intend to use part of the Net Proceeds to fund the capital expenditure requirements for the Proposed Expansion of our Unit IV to be at Vadodara, Gujarat. As disclosed in the chapter titled “Objects of the Offer” on page 99, out of the Net Proceeds, our Company proposes to utilise ₹ 1,412.97 Lakhs. Such Proposed Expansion would be undertaken on the Unit IV situated at Sub Plot No Div. “B”, Atmiya-11 Industrial Park, Block No.858/A, 990, 991 & 1008 at village Por taluka and dist. Vadodara - 391 243, Gujarat which is owned and occupied by our Company. There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

8. *Demand for our products is related to growth and trends of our end user industry. Decline in sales of our customers may adversely affect the demand for our products which in turn would adversely impact our business, financial condition, results of operations and prospects.*

Demand for our products are directly related to the production and sales of our end user industry i.e Transformer Industry. The production and sales to Transformer Industry for which we supply products are affected by a variety of other factors that are beyond our control, including currency fluctuations, government procurement schemes for customers’ products, changes in government policies, changes in consumer demand, product mix shifts favouring economic conditions, demographic trends, disruptions in these industries’ supply chain, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions. However, there are no similar instances in past three financial years and the period ended on September 30, 2024.

It is difficult to forecast events which affect the profitability and liquidity of our customers, or the success or sustainability of any strategies undertaken by any of our customers in response to ongoing economic or industry trends. Reduced demand in the industries we currently supply to, continued uncertainty and other unexpected fluctuations or change in regulations, customs, taxes or other barriers or restrictions adversely affecting the market, particularly those impacting our customers could have a material adverse impact on our business, results of operations, cash flows and financial condition. However, there are no similar instances in past three financial years and the period ended on September 30, 2024.

For further information on our key customers, see section entitled “Our Business” on page 154 of this Draft Red Herring Prospectus.

9. *If our customers dispute or default on their payment obligations to us, we may be subject to adverse cash flows and may be required to spend significant amounts in recovering amounts due, in turn adversely impacting our cash flows, results of operations and future prospects:*

We are subject to counterparty credit risk and a significant delay in receiving payments or non-receipt of large payments from our customers may adversely impact our business, financial condition, cash flows and results of operations. Due to the inherent nature of our industry, we are required to extend credit terms to our customers and in the event of defaults or disputes with our customers, we may be subject to adverse cash flows or acute working capital mismatches. The following table sets forth below details of our credit cycle, as well as our trade receivables, in the corresponding periods:

Particulars	For the period ended September 30, 2024	for the Financial Year ended March 31		
		2024	2023	2022
Trade Receivables	2,555.38	2,521.70	2,112.83	1,376.01

Particulars	For the period ended September 30, 2024	for the Financial Year ended March 31		
		2024	2023	2022
Trade receivables turnover ratio	4.19	7.06	8.49	5.77
Trade receivables days	44	52	43	63
Outstanding for less than 6 months	2,236.54	2,289.56	1,912.16	1,107.78
Outstanding for more than 6 months	318.84	232.14	200.67	268.23

In the Fiscal Years 2023, and 2022, our Company has written-off of debtors amounting to ₹ 91.56 Lakhs and ₹ 113.41 Lakhs respectively.

If a significant customer defaults on or delays payment on any order to which we have devoted significant resources, it may affect our profitability and liquidity and decrease capital resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders as well as our ability to fund payables to our suppliers, which may further result in reduced availability of raw materials and/or increased raw material costs. If we are unable to finance our working capital needs or to secure other financing, when needed, on acceptable commercial terms, it may adversely affect our business, financial condition, results of operations and prospects.

10. Our Statutory Auditors have included modified and included matter(s) giving rise to modifications on the financial statements as at and for the year ended March 31, 2023 in our Audited Financial Statements:

Our Statutory Auditors have included matter(s) giving rise to modifications on the financial statements as at and for the year ended March 31, 2023:

“Gratuity provision was done till the date of the Balance Sheet on Notional Basis. However, as per AS 15, the provision of Gratuity should be determined through actuarial valuation using Projected Unit Cost Method and The quantum of the difference in provision could not be ascertained as sufficient appropriate evidence could not be obtained”

During the financial year 2023-24, the Company initiated the process of obtaining a group gratuity policy from the Life Insurance Corporation of India (LIC). The final provision for gratuity as per AS-15 has been determined based on the policy taken, and the premium payments commenced in May 2024. Subsequently, the Company's gratuity liability is now 100% insured and regularized under the LIC Group Gratuity Scheme, ensuring full compliance with AS-15 and eliminating any future uncertainties in provisioning.

11. We rely on third-party transportation providers for both procurement of raw materials and distribution of our products, and the disruption of such services could adversely impact our business operations and financial performance.

Our success depends on the supply of various raw materials required for our manufacturing facilities and transport of our finished products from our manufacturing facilities to our clients', which are subject to various uncertainties and risks. We depend on various forms of transportation to either receive raw materials for our manufacturing purposes or to deliver the products to our clients, including for certain export sales. For these purposes, we typically rely on third-party transportation and logistics providers. We do not enter into agreements with transportation providers for the delivery of our products and are therefore dependent on transportation and logistics companies that we engage with. Although we have not encountered any significant disruption to the supply and transportation of raw materials and products in the past, the operating restrictions/ lockdown consequent to the outbreak of the COVID-19 pandemic temporarily affected our ability to procure raw materials and supply and transport of our finished products in the Fiscal 2021. There can be no assurance that any such disruption will not occur in the future as a result of these factors and that such disruptions will not be material.

The table below sets forth our freight charges on sales as a percentage of our revenue from operations in the periods indicated:

Particulars	For the fiscal year ended March 31							
	For the period ended September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation
Freight Exp.	19.39	0.18%	11.92	0.07%	24.86	0.17%	21.39	0.27%
Transportation Charges	88.48	0.83%	186.81	1.14%	116.46	0.79%	78.54	0.99%
Total	107.87	1.01%	198.73	1.21%	141.32	0.96%	99.93	1.26%

The disruption of transportation services due to natural factors such as weather conditions particularly during monsoon or flood seasons, or man-made factors such as strikes, accidents, or other inadequacies in the transportation infrastructure, or any other factor that could impair the ability of our suppliers to deliver raw materials to us and our ability to deliver our products to our business associates and their ability to deliver products to the end Individualer in a timely manner, which may adversely affect the sale of our products. Such raw materials and our products may get damaged, deteriorated, due to improper handling, negligence, transport strike or accidents, or any other force majeure events which may not be within our control. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed, or lost goods. Additionally, if we lose one or more of our third-party transportation providers, there can be no assurance that we will be able to find new or alternative third-party transportation providers at all, or at terms as favourable as those which we have been in force with our current third-party transportation providers.

Further, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our insurance policy, or marine insurance policy. There can be no assurance that we will receive compensation for any such claims in full amount in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, and results of operations. In addition, transportation costs have been steadily increasing. Any significant disruption in the distribution network could have an impact on our business and the results of operations. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024.

12. A significant portion of our domestic sales are derived from the West zone and South zone, any adverse developments in this market could adversely affect our business.

Set forth below is certain information on our geography-wise domestic revenue from operations is on restated financial statement for the periods indicated:

Particulars	For the period ended September 30, 2024		For the fiscal year ended March 31					
			2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from domestic sales	Amount (₹ in Lakhs)	% of Revenue from domestic sales	Amount (₹ in Lakhs)	% of Revenue from domestic sales	Amount (₹ in Lakhs)	% of Revenue from domestic sales
South	2,912.27	31.73%	5,551.56	47.27%	2,214.44	21.56%	957.00	13.77%
West	5,415.61	59.00%	5,287.79	45.02%	7,246.05	70.55%	5,277.72	75.91%
North	728.77	7.94%	754.08	6.42%	765.57	7.45%	679.13	9.77%
East	117.81	1.28%	127.69	1.09%	25.76	0.25%	3.06	0.04%
Central	5.11	0.06%	24.41	0.21%	18.53	0.18%	35.45	0.51%

Particulars	For the period ended September 30, 2024		For the fiscal year ended March 31					
			2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from domestic sales	Amount (₹ in Lakhs)	% of Revenue from domestic sales	Amount (₹ in Lakhs)	% of Revenue from domestic sales	Amount (₹ in Lakhs)	% of Revenue from domestic sales
Grand Total	9,179.57	100.00%	11,745.55	100.00%	10,270.35	100.00%	6,952.36	100.00%

We have historically derived a significant portion of our revenue from sales in the Western and Southern zone. For the period ended September 30, 2024 and For the Fiscal 2024, 2023 and 2022 the revenue generated from sales in west and south zone cumulatively represented 90.72%, 92.28%, 92.11% and 89.68%, of our revenue from domestic sales. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the state or local government in this region could adversely affect our manufacturing and distribution activities, result in modification of our business strategy or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations, financial condition, and cash flows. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024.

13. Restrictions in import of raw materials may adversely impact our business and results of operations.

We currently import our raw materials, CRGO and CRNGO steel coils from China, Belgium, Japan, and UAE, etc., to manufacture our products. Raw material imports are regulated by certain specific laws and regulations that permit concerned authorities to stop any import if it is deemed that the products proposed to be imported may cause major accidents or similar adverse incidents. While the raw materials we import are not restricted currently, we cannot assure you that such regulations will not be made applicable to us, or that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials.

The table below sets forth details of Imports as a percentage of total raw material purchased during the year:

Particulars	For the period ended		For the fiscal year ended March 31					
			2024		2023		2022	
	September 30, 2024		Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased
China	1,994.53	20.03%	2,424.50	17.85%	175.72	1.59%	-	-
Belgium	1,372.73	13.79%	1,816.90	13.38%	84.20	0.76%	-	-
UAE	388.19	3.90%	1,677.86	12.35%	1,166.86	10.54%	368.44	5.28%
Japan	56.61	0.57%	319.16	2.35%	1,072.93	9.69%	285.14	4.09%
Singapore	-	-	155.87	1.15%	132.28	1.19%	-	-
Australia	3.96	0.04%	-	-	-	-	-	-
Germany	221.00	2.22%	-	-	-	-	-	-
Korea	214.30	2.15%	-	-	-	-	-	-
USA	-	-	-	-	-	-	148.37	2.13%

Particulars	For the period ended		For the fiscal year ended March 31					
	September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased
Total	4,251.32	42.70%	6,394.29	47.08%	2,631.99	23.77%	801.95	11.50%

In addition, a portion of our purchase of raw materials is derived from China. There are growing concerns about a potential slowdown in the Chinese economy, along with strained relations between China and India. These factors could negatively impact trade relations between the two countries, potentially affecting our business, particularly in terms of exports to China. Consequently, this may adversely impact our business, results of operations, and future prospects. According to Press Release issued by Ministry of Steel on “Dumping Substandard Steel in India” in order to enable consumption of quality steel by the end users, Bureau of Indian Standards (BIS) formulated standards for different grade of steel. Ministry of Steel accordingly issued steel Quality Control Order (QCO) which mandates that the only quality steel conforming to the relevant BIS standard notified under QCO are allowed and sub-standard steel products are not allowed to ensure that only quality steel is made available to the end users & the public at large. The QCO is applicable to both the domestic steel producers as well as on the steel imported into the country. The QCO is a measure to ensure availability of quality steel to the end users, not to control steel imports. However, some steel grades, which are not covered by BIS standards, can be imported with a No Objection Certificate (NOC) from Ministry of Steel. Consequently, this may adversely impact our business, results of operations, and future prospects. We also experienced delays in receiving raw materials from China during the month of September 2024.

In the event we are unable to import these materials, there can be no assurance that we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner or at all.

14. *Some of our properties, including our Registered Office and Manufacturing Facilities, are located on leased premises. There may or may not be assurance that we will be able to retain or renew such leases on the same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all.*

We operate our Registered Office and Manufacturing Facility from the same unit, which is held by us on a leasehold basis. In addition, our Corporate Office is located at a separate unit, also held on a leasehold basis. Furthermore, we own one of our Manufacturing Facilities, while the other two are held by us on a leasehold basis. details whereof are as under:

Particulars	Address	Description	Land area sq mtrs	Built-up area Sq. mtrs	Relationship with Licensor
Unit I	96 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India.	The Lease Deed, executed on December 18, 1995, is for a duration of 99 (ninety) years, set to expire on November 31, 2094, and covers the Company's registered office and manufacturing facility.	1850 sq mtrs	914.31 Sq mtrs	On a leasehold arrangement with the Gujarat Industrial Development Corporation (GIDC).
Unit II	35 & 46 GIDC Industrial Estate,	The Lease Deed, executed on	2000 sq mtrs	2118.05 Sq. mtrs	On a leasehold

Particulars	Address	Description	Land area sq mtrs	Built-up area Sq. mtrs	Relationship with Licensor
	Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India.	August 25, 1999, is for a duration of 99 (ninety) years, set to expire on June 31, 2094, and covers the Company's and manufacturing facility.			arrangement with the Gujarat Industrial Development Corporation (GIDC).
Unit III	763 GIDC Industrial Estate, Makarpura, Vadodara - 390 010, Gujarat, India.	The Rent Agreement, executed on August 01, 2022, is for a duration of 44 (forty-four) years, set to expire on March 31, 2027, covers the Company's manufacturing unit.	705.51 sq mtrs	352.75 Sq. mtrs	On a leasehold arrangement with the Paras Trans Elec Stamping.
Unit IV	Sub Plot No. Div. "B", Atmiya-11 Industrial Park, block No.858/A, 990,991 & 1008 in the village of Por, Taluka and District Vadodara - 391 243, Gujarat, India.	The Agreement of Sale, dated September 11, 2023, pertains to both the company-owned unit and the proposed unit for expansion.	10223.59 sq mtrs	3436.29 Sq. mtrs	The property is owned by Elec Steel Processing Industries Limited.
Corporate office	103, Chandrakala Tower, Opp. Bhavan's School, Shri R.J.Marg, Vadodara 390 004, Manjalpur, Gujarat, India.	The Lease Deed, executed on March 15, 2025, is for a tenor of 11 months, set to expire on November 30, 2025, covers the Company's Corporate Office	148.65 Sq. mtrs	148.65 Sq. mtrs	On a leasehold arrangement with Paras Resources.

Except for Unit I, II, and IV these leases are subject to several conditions, some of which could be onerous. Failure to adhere to or comply with these conditions may lead to termination, revocation, or suspension of the relevant lease. We cannot assure you that we will not default on the terms and conditions of the lease.

We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing licenses at favourable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the lease rental rates. We cannot assure you that we may be able to do so in a timely manner. If we lose our rights on leased properties or are required to negotiate terms or to relocate our business operations or shut down our leased office unit and manufacturing unit facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our

business, prospects, results of operations, cash flows and financial condition. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024.

15. ***We have witnessed negative cash flow from operating activities in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and our financial condition.***

We have in the three preceding Fiscal Years, and may in future, experience negative cash flows from Operating activities. Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following periods as indicated in the table below:

(₹ in lakhs)

Particulars	Year ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Net cash (used in)/ Generated from operating activities	166.77	(357.06)	514.46	(101.67)

We cannot assure you that our net cash flows will be positive in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. For further details, see “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 216 and 279, respectively.

16. ***Information relating to capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates. Under-utilization of capacity of our manufacturing facilities and an inability to effectively utilize our manufacturing facilities may have an adverse effect on our business and future financial performance:***

Information relating to our capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and independent chartered engineer, namely, M/s D.M. Vaidya & Associates, including proposed operations, assumptions relating to availability and quality of raw materials, potential utilization levels and operational efficiencies. For further information regarding our manufacturing facilities, including our historical installed capacity, see “*Our Business - Description of our Business and Operations – Capacity Utilization*” on page 154 of this Draft Red Herring Prospectus. Actual manufacturing volumes and capacity utilization rates may differ significantly from the estimated production capacities of our manufacturing facilities. Undue reliance should therefore not be placed on the information relating to our installed capacities or historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus.

Our overall capacity utilization for the period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

Particulars	Period	Installed Capacity (in MT)	Actual Production (in MT)	% Utilization
Transformer Laminations, Assembled Cores, Torodial Cores, Slit Coils	April 2024 to September 2024	9,825.00*	7,606.82	77.42
	FY 2023-24	19,650.00	10,668.98	54.30
	FY 2022-23	19,650.00	8,929.07	45.44
	FY 2021-22	15,900.00	6,190.43	38.93

*Annualized Production capacity as on September 2024 was 19,650 MT. However, considering six months only installed capacity is reduced to half.

Further, there is no guarantee that our future production or capacity utilization levels will match or exceed our historical levels. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term could increase our cost of production and our operating costs and adversely impact our business, growth prospects and future financial performance. As of the date of this Draft Red Herring Prospectus, there have been no such instances of under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term in the past. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently. However, as of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024

17. Our Company has unsecured loans with a total outstanding amount of ₹ 203.61 Lakhs as of March 18, 2025, that may be recalled by the lenders at any time

Our Company has currently availed certain unsecured loans. The total outstanding amount of the unsecured loan as of March 18, 2025, was ₹ 203.61 Lakhs. These loans may be recalled by the lenders at any time. In the event that the lender seeks repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and this may affect our Company's liquidity. Any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. However, as of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024. For further details of these unsecured loans, please refer to Chapter titled "Restated Financial Statements" beginning on page 216 and "Financial Indebtedness" on page 269 of this Draft Red Herring Prospectus.

18. Our business is working capital intensive. Our net working capital requirements for the period ended September 30, 2024, and Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022, were ₹ 5,450.73 Lakhs, ₹ 4,522.77 Lakhs, ₹ 3,297.27 Lakhs, and ₹ 2,904.65 Lakhs, respectively. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations:

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and collection of receivables post sales to customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements as well as extend credit period to customers as per the industry practice, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, 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 and the effect of events such as the COVID-19 pandemic, 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.

The table below sets forth details of our working capital September 30, 2024, and Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022, and the source of funding:

Particulars	For the period ended September 30, 2024 (Restated)	For the year ended March 31, 2024 (Restated)	For the year ended March 31, 2023 (Restated)	For the year ended March 31, 2022 (Restated)
Current Assets				
Trade Receivables	2,555.38	2,521.70	2,112.83	1,376.01
Work-in Process and Inventories	4,154.57	2,214.42	1,575.46	1,927.50
Loans and Advances	928.03	537.68	358.37	434.24
Total Current Assets (A)	7,637.98	5,273.80	4,046.66	3,737.75
Current Liabilities				
Trade payables	1,735.42	614.96	537.93	768.77

Particulars	For the period ended September 30, 2024 (Restated)	For the year ended March 31, 2024 (Restated)	For the year ended March 31, 2023 (Restated)	For the year ended March 31, 2022 (Restated)
Other current liabilities	61.90	45.51	129.62	24.44
Short-term Provisions	389.93	90.54	81.83	39.90
Total Current Liabilities (B)	2,187.25	751.03	749.39	833.10
Net Working Capital Requirements (A-B)	5,450.73	4,522.77	3,297.27	2,904.65
<i>Source of funds</i>				
Borrowings	4,668.71	3,830.95	2152.67	1,746.25
Internal Accruals	782.02	691.82	1144.60	1,158.40

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on 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. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cashflows. However, as of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024. For further information on the working capital facilities currently availed of by us, see “*Financial Indebtedness*” beginning on page 269 of this Draft Red Herring Prospectus.

- 19. *The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders’ approval.***

We intend to use the Net Proceeds of the Offer for the purposes described in “*Object of the Offer*” on page 99. The objects of the Offer and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. Whilst a Monitoring Agency will be appointed for monitoring utilization of the Gross Proceeds, the proposed utilization of Gross Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Gross Proceeds. Further, pending utilization of Gross Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Gross Proceeds and to deposit the Gross Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. Accordingly, prospective investors will need to rely upon our management’s judgment with respect to the use of Gross Proceeds.

- 20. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further, we have not identified any alternate source of financing the ‘Objects of the Offer’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Offer*” beginning on page 99 of this Draft Red Herring Prospectus.

21. *If there are delays or if the costs of setting up and the possible time or cost overruns related to the purchase of plant and machinery for the said Unit-IV are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*

We are currently in the process of expanding our existing premise at Unit-IV, which involves investing in infrastructure development, acquiring new machineries. The expansion aims to have the structural work completed by September 2025, with the installation of the new machinery scheduled thereafter. Following the completion, Unit-IV is projected to commence commercial operations by the February 2026. Utilizing the same premises for this expansion is anticipated to boost production and sales, leading to improve per-unit costs and the realization of economies of scale, thereby enhancing profit margins.

At present, the PEB shed and building construction is underway. However, we cannot guarantee that the performance of these external agencies will meet the required specifications or performance parameters. Furthermore, the timely identification of suitable replacement external agencies may pose challenges. In the event of inadequate performance by these agencies, there could be additional costs and delays. Securing necessary financing within the expected timeframe also remains uncertain.

Additionally, some of the plant, machinery, and equipment required for the expansion may need to be imported, adding complexity to procurement and logistics processes. Any delay in the transportation of such assets or damage to the assets acquired due to inter alia defaults by transportation agencies may further result in cost and time overruns. The estimated costs for setting up the plant, machinery and equipment are based on the management’s estimates and current conditions which are subject to change, owing to prospective changes in external circumstances, costs and other financial conditions.

There could be delays in expansion of existing manufacturing unit as a result of, amongst other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors’ or external agencies’ failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labor costs, incremental preoperative expenses, taxes and duties, interest and finance charges, cost escalation and/ or force majeure events (including the continuing impact of the COVID-19 pandemic, geopolitical tensions, etc.), any of which could give rise to cost overruns and delays in our implementation schedules. If the actual capital expenditures on expansion of existing manufacturing unit significantly exceed our budgets, we may not be able to achieve the intended economic benefits of the proposed factory unit, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For further information, please see the chapter titled “*Objects of the Offer - Government Approvals*” in relation to expansion in existing manufacturing unit on page 99 of this Draft Red Herring Prospectus.

22. *There have been some instances of delays in filing of statutory forms and regulatory dues in the past with the various government authorities.*

In the past, there have been some instances of delays in filing statutory forms and regulatory dues with government authorities such as ESIC, PT, GST returns and TDS dues. Accordingly, we have been subjected to penalty and charged with interest for delayed deposit of tax on those instances as well. Such delays were

mainly on account of technical glitches of server on the regulatory website and higher data collation timelines etc. While our Company has already regularized the aforesaid delays, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed, or penalty imposed by regulators on us may adversely affect our business and the results of operations. However, as of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024

INSTANCES OF DELAY IN FILING ESIC RETURN

INSTANCES OF DELAY IN FILING ESIC RETURN							
Sr. No.	F.Y.	Month	Amount (in Rs. Lakhs)	Due Date	Payment Date	No. of Days Delay	Reason
1	2021-22	October, 2021	0.61	November 15, 2021	November 18, 2021	3	Due to Covid Restrictions
2	2023-24	February, 2024	0.08	March 15, 2024	March 16, 2024	1	Due to technical glitches
3	2024-25	September, 2024	0.06	October 15, 2024	October 17, 2024	2	

INSTANCES OF DELAY IN FILING PT RETURN

INSTANCES OF DELAY IN FILING PT RETURN							
Professional Tax (Vadodara)							
Sr. No.	F.Y.	Period	Amount (in lakhs)	Due Date	Payment Date	No. of Days Delay	Reason
1	2021-22	October to December	0.10	January 15, 2022	January 24, 2022	9	Due to operational , data collation and internal reconciliati on between the department s
2		January 2022 to March 2022	0.10	April 15, 2022	April 16, 2022	1	
3	2022-23	April to June	0.08	July 15, 2022	July 21, 2022	6	
4		July to September	0.09	October 15, 2022	February 21, 2023	129	
5		October to December	0.08	January 15, 2023	February 21, 2023	37	
6	2023-24	April to June	0.18	July 15, 2023	November 30, 2023	138	
7		July to September		October 15, 2023	November 30, 2023	46	
8		January to March	0.10	April 15, 2024	May 29, 2024	44	
9	2024-25	April to June	0.06	July 15, 2024	October 22, 2024	99	
10		July to September	0.14	October 15, 2024	October 22, 2024	7	
Professional Tax (Por)							
Sr. No.	F.Y.	Month	Amount (in lakhs)	Due Date	Payment Date	No. of Days Delay	Reason
1	2021-22	October to December	0.62	15-01-2022	24-01-2022	9	Due to operational data collation
2		January to March	0.68	15-04-2022	16-04-2022	1	

INSTANCES OF DELAY IN FILING PT RETURN							
Professional Tax (Vadodara)							
3	2022-23	April to June	0.45	15-07-2022	21-07-2022	6	and internal reconciliations between the departments
4		July to September	0.49	15-10-2022	21-02-2023	129	
5		October to December	0.47	15-01-2023	21-02-2023	37	
6	2023-24	April to June	0.51	15-07-2023	08-12-2023	146	
7		July to September	0.58	15-10-2023	08-12-2023	54	
8		January to March	0.59	15-04-2024	31-05-2024	46	
9	2024-25	April to June	0.36	15-07-2024	11-11-2024	119	
10		July to September	0.81	15-10-2024	11-11-2024	27	

INSTANCES OF DELAY IN FILING GSTR3B RETURN

Sr. No.	Financial Year	Month	Due date	Amount (In Lakhs)	Payment date	No. of days delay	Reason
1	2021-2022	April, 2021	May 20, 2021	0.13	May 25, 2021	5	Due to COVID-19 restrictions.
2		May, 2021	June 20, 2021	0.30	June 30, 2021	10	
3	2022-2023	August, 2022	September 20, 2022	0.75	September 21, 2022	1	Due to technical glitches and server issues.
4	2023-24	October, 2024	November 20, 2024	1.78	November 21, 2024	1	

INSTANCES OF DEFAULT IN PAYMENT OF TDS

INSTANCES OF DEFAULT IN PAYMENT OF TDS					
Sr. No.	F.Y.	No. of Instances of Delay	Amount (in lakhs)	No. of Months Delay	Reason
1	2021-22	7	2.98	1 to 3	Due to operational challenges and internal reconciliation there has been a delay in filing of TDS returns.
2	2022-23	7	1.21	1	
3	2023-24	17	2.07	1 to 14	

The Board of Directors of our company has taken note of these delays in fulfilling our statutory and regulatory obligations. Our company has appointed designated employees responsible for monitoring statutory requirements and ensuring timely compliance of the same. A compliance calendar has been established to track deadlines for filings, approvals, and submissions to regulatory bodies. There can be no assurance that delays or default with respect to payment of statutory and regulatory dues will not occur in the future which in turn may affect our reputation and financial results.

23. *Our company has an in-house testing laboratory to conduct CRGO and CRNGO steel coils raw material sample testing. If we fail to test the quality of raw material as required, our business, financial condition, cash flows and operations will be adversely affected.*

Our company has an in-house testing laboratory to conduct raw material like CRGO and CRNGO steel coils sample testing. After receipt of raw material coils at our premises, inspection is carried out for the order lot received. Sample of each coil is subject to physical checks as well as testing of important electrical and mechanical properties of the material. If a raw material coil passes inspection, it goes into Company inventory, otherwise a complaint is raised to the supplier and accordingly take necessary action like raise debit note etc. If for any reason, the supplier denies registering the complaint and does not take any action on it to replace the defect in material, this will hamper and delay our production and the quality of the product, and our revenue and results of operations may be adversely affected.

We cannot assure that our laboratory will be in accordance with any inspection standards in future due to any unavoidable reasons thereof due to which production of our product will be hampered and delay and thus our revenue and results of operations may be adversely affected. We also cannot assure that we will be able to test and check the quality of raw material in an efficient manner on a continuous basis in future, if we fail to test the same, our revenue and results of operations may be adversely affected.

- 24. *Portion of our Offer Proceeds are proposed to be utilized for general corporate purposes which constitute [●]% of the Offer Proceeds. As on the date of this Draft Red Herring Prospectus, the Company has not identified the general corporate purposes for which these funds may be utilized.***

As on date we have not identified the use of such funds. Portion of our Offer Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Net Proceeds. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details, please refer the chapter titled “Objects of the Offer” beginning on 99 of this Draft Red Herring Prospectus.

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

We propose to utilize the Net Proceeds towards repayment/prepayment of certain borrowings availed by our Company and general corporate purposes in the manner specified in “Objects of the Offer” on page 99 of this Draft Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions, or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations. In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

- 26. *Our Company is yet to place orders for the plant and machinery for the expansion of existing manufacturing unit. Any delay in placing orders or procurement of such plant and machinery may delay the schedule of implementation and possibly increase the cost of commissioning the manufacturing unit.***

We intend to utilize a portion of the Net Proceeds for funding capital expenditure requirements towards expansion of our existing manufacturing facility (Unit IV) at Sub Plot No Div. “B”, Atmiya-11 Industrial Park, Block No.858/A, 990, 991 & 1008 at village Por taluka and dist. Vadodara - 391 243, Gujarat (Proposed Expansion). Accordingly, orders worth ₹ 1,412.97 Lakhs, which constitute 100% of the total estimated costs of the machinery and equipment in relation to Proposed Expansion are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for these objects of the Offer and have relied on the quotations received from third parties for estimation of the cost.

While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For further details, please see “Objects of the Offer” on page 99 of this Draft Red Herring Prospectus.

The objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates, estimates received from the third-party agencies and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, at such price and in such manner in accordance with applicable law.

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of RBI Act as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 242 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

27. ***Our manufacturing facilities are dependent on adequate and uninterrupted supply of electricity, water, gas, and fuel. Any shortage or disruption in electricity, water, or fuel supply may lead to disruption in operations, higher operating cost, and consequent decline in our operating margins.***

Adequate and cost-effective supply of electrical power, water, and fuel is critical to operations at our manufacturing facilities. We primarily rely on the state electricity boards through a power grid for the supply of electricity.

The table below provides details of our power and fuel costs as a percentage of our revenue from operations for the periods indicated:

Particulars	For the Period ended September 30, 2024		For the fiscal year ended March 31					
			2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation
Power and Electricity Cost	20.43	0.19%	40.92	0.25%	29.20	0.20%	21.14	0.27%

Since there may be power cuts in the supply provided by the state electricity board from time to time, we have stand-by diesel generator sets for our operations to ensure that there is no stoppage in our production. Power costs represent a portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers and the end user, which may adversely affect our profit margins.

Our operations and facilities are also dependent on a steady and stable supply of water. An irregular or interrupted supply of water could adversely affect our daily operations. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit our manufacturing facilities, which could adversely affect our business, financial condition, and results of operations. We cannot assure you that we will always have access to sufficient supplies of water in the future to accommodate our manufacturing requirements and planned growth.

In addition to the manufacturing losses that we would incur in the absence of a supply of electrical power or water, we would not be able to immediately return to full manufacturing volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production. While there have not been any material disruptions in the supply of electricity, water, gas, and fuel faced by our Company in the September 30, 2024 and last three Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022, there can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition.

- 28. *We enter into certain related party transactions in the ordinary course of our business, and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.***

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the ordinary course of business. These transactions include sale(s), purchase(s), rentals, interest expenses, short term borrowings, long term borrowings, remuneration paid to KMPs and Directors, sitting fees payable to Directors, reimbursement of expenses. While all such related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI (LODR) Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company, and we cannot assure you they will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

- 29. *Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows, and results of operations.***

Our Company is currently involved in legal proceedings in India which are pending at different levels of adjudication before the concerned authority. While we do not expect them to have any material impact on our business and financial condition, we cannot assure you that these proceedings will be decided in favour of our Company. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company, and its Promoters and/or Directors, which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property, etc.

The summary of outstanding legal proceedings involving our Company, as on the date of this Draft Red Herring Prospectus is set out below:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	1	Nil	Nil	Nil	Nil	2.27
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors excluding Promoters						

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our KMPs and SMPs						
By our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Against our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Litigation involving our Group Companies which may have a material impact on our Company						
Outstanding litigation which may have a material impact on our Company	NA	NA	NA	NA	NA	NA

30. *Certain of our corporate filings and records, while certain corporate records have errors or non-compliances have been noted. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard:*

We have obtained the search report on RoC filing from the M/s Niraj Trivedi, Practising Company Secretary, vide their report dated March 25, 2025. According to that report, following are the details of delays/discrepancy in filing statutory forms:

Sl.	Form Details	Particulars	SRN	Date of event	Date of Submission	Filing Fees	Remarks (Discrepancy, error, etc)
1.	CHG-1	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company. Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by	AA0073783	August 8, 2022	September 24, 2022	600	Form filed post 30 days of creation date due to technical error witnessed on MCA portal during change of version (V2 to V3) and extension was given for filing forms.

Sl.	Form Details	Particulars	SRN	Date of event	Date of Submission	Filing Fees	Remarks (Discrepancy, error, etc)
		Asset Reconstruction Company. Charge Facility of Rs. 20,66,00,000 availed from Bank of Baroda vide CHG ID: 100608403.					
2.	DPT-3	Return of deposits for FY 2022-23	AA3839188	March 31, 2023	August 1, 2023	600	Due date for filing DPT-3 of FY 2022-23 was extended by MCA vide General Circular no.06/2023 dated 21st June 2023 till 31st July 2023 and form was uploaded on MCA within time on 29th July 2023.
3.	CHG-1	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company. Charge Facility of Rs. 64,88,00,000 availed from Bank of Baroda.	AA6419273	October 25, 2023	January 2, 2024	Normal: 600; Additional: 3600; Ad Valorem: 324400; TOTAL: 328600	Additional fees paid as filed after due date.
4.	INC-27	Conversion of Private Company into Public Company	AB2168631	November 16, 2024	December 16, 2024	Normal: 600; Additional: 1200; TOTAL: 1800	Additional fees paid as filed after due date.

As on the date of this Draft Red Herring Prospectus, there has been no penalties imposed on our Company; however, we cannot assure that there will be no penalties in the future. In the event of any cognizance being taken by the concerned authorities in respect of the above, actions may be taken against our Company and its directors, in which event the financials of our Company, Directors, Key Managerial Personnel, and if any officer in default may be affected.

31. *Improper storage and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows:*

Our inventory primarily consists of raw materials including, in particular, are highly sensitive steel variants. Exposure to stresses, bends, jolts, moisture, chemicals, or other liquids can lead to deterioration in their mechanical and electrical properties, resulting in the depreciation of inventory value. Likewise, both raw materials and finished goods are vulnerable to transit damages caused by adverse weather conditions or rough handling.

Hence, raw materials, manufacturing processes and finished products if not appropriately stored, handled, and processed may affect the quality of the finished product, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory due to adverse weather conditions or longer than usual storage periods, which may result in cultivation of our inventory consisting of our products and may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins. As of the date of this Draft Red Herring Prospectus, there have been no such instances in the previous three financial years and for the period ended September 30, 2024.

32. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.*

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected. However, as on the date of this Draft Red Herring Prospectus, there have been no such instances in the previous three financial years.

33. *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions, and failures of manufacturing equipment, fire, riots, strikes, explosions, accidents, and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. Although we have not experienced any loss or damage in the past three financial years, there can be no assurance that we will not experience any such disruption in the future. For further information on our insurance arrangements, see “Our Business – Insurance” on page 175 of this Draft Red Herring Prospectus.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, or in part, or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost, or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage, or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

34. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.*

We have experienced considerable growth over the past three years, and we have expanded our operations and product portfolio. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many

factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

35. *This Draft Red Herring Prospectus contains information from an industry report prepared by Infomerics Analytics & Research, commissioned by us for the purpose of the Issue for an agreed fee.*

This Draft Red Herring Prospectus contains information from an industry report prepared by Infomerics Analytics & Research which we have commissioned and paid for. This Draft Red Herring Prospectus includes information that is derived from the Infomerics Report, prepared by Infomerics Analytics & Research, a research house, pursuant to an engagement with our Company. Infomerics Analytics & Research has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (Information), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. Infomerics Analytics & Research also highlights certain industry and market data, which may be subject to estimates and/or assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such estimates and / or assumptions may change based on various factors. We cannot assure you that Infomerics Analytics & Research's estimates and / or assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Additionally, some of the data and information in the Infomerics Report are also based on discussions / conversations with industry sources, and may not, have been nor be capable of being, independently verified. Further, the Infomerics Analytics & Research Report is not a recommendation to invest or disinvest in our Company. Infomerics Analytics & Research has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the Infomerics Report.

36. *If we are unable to establish and maintain an effective system of internal controls and compliances, our businesses and reputation could be adversely affected.*

We manage our internal compliance by monitoring and evaluating internal controls and taking reasonable steps to maintain appropriate procedures for relevant statutory and regulatory compliances. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining internal controls requires human diligence and is therefore subject to lapses in judgment and failures that result from human error. Any such errors can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of the Equity Shares. While we have not faced any such instances during for the period ended September 30, 2024 and for the Financial Years 2024, 2023 and 2022, we cannot assure you that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all, which may have an adverse effect on our business operations and financial condition.

37. *Changes in technology may affect our business by making our manufacturing facilities or equipment less competitive.*

Our profitability and competitiveness are to a certain extent dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities. Our inability to continue to invest in new and more advanced technologies and equipment, may result in our inability to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other manufacturing companies. The development and implementation of such technology entails technical and business risks. However, as of the date of this Draft Red Herring Prospectus, there have been no such instances in the past three years and for the period ended September 30, 2024, We cannot assure you that we will be able to successfully implement new technologies or adapt

our processing systems to emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions or technological changes, our business and financial performance could be adversely affected.

38. *Our business may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.*

The success of our operations depends on the availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in manufacturing operations. As of January 31, 2025, we employed 218 full-time employees and 75 labours/workman. Although we have not experienced any major interruption to our operations as a result of labour disputes or labour unrest in the past three financial years, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our permanent and contractual workforce, which may adversely affect our ability to continue our business operations. Further, a significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

We cannot assure you that we will be able to find or hire personnel with requisite experience or expertise to operate our machinery at our existing manufacturing facilities. In case we are unable to hire such personnel with necessary experience or expertise, our business operations, financial condition, and results of operations may be adversely affected.

Further, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionized. However, in the event that our employees seek to unionize, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business.

39. *Any defects or deficiency in our products could lead to product liability claims and lawsuits being filed against us. An adverse order/decreed in any of these lawsuits could have a material adverse effect on our operations.*

Our product portfolio caters to transformer industry. If our products contain defects that adversely affect our end user, we may incur additional costs in rectifying such defects. In addition, any defect in our products could lead to claims or lawsuits against us. We could be asked to pay compensatory costs and punitive damages if such claims or lawsuits are determined against us which may also result in adverse publicity and impact our brand and customer goodwill. While we have not faced any instances of product liability claims in the past three Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 or during the period ended September 30, 2024, we cannot assure you that we will not face any such product liability claims in the future.

40. *We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security, and suspension of further drawdowns, which may adversely affect our business operations and financial performance.*

As of March 18, 2025, we had total outstanding borrowings of ₹ 6011.73 Lakhs which comprise of Long term borrowing of ₹ 1925.87 and short term borrowings of ₹ 4085.86. Certain financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. These covenants vary depending on the requirements of the financial institution extending such loans and the conditions negotiated under each financing agreement.

Terms and conditions relating outstanding loans take from lenders viz. Bank of Baroda Limited and ICICI Bank Limited:

1. listing of the shares of the Company on any of the stock exchange;
2. changing capital structure and / or control or alteration of the shareholding pattern of the Company, including changes in the shareholding of the promoter of the Company below the thresholds prescribed under the Financing Agreements;
3. changing the composition of its board of directors, including any reconstitution of the board of directors of the Company;
4. change in the remuneration provided to the directors of the Company;
5. changing the management set-up of the Company;
6. modification of the memorandum of association and the articles of association of the Company to inter-alia ensure compliance with the requirements of the stock exchanges and the Securities and Exchange Board of India, including any amendments to the rights that you may have under the memorandum of association and articles of association of the Company;
7. repayment or prepayment of all or a portion of the loans availed by the Company or undertaking any future expansions or projects (utilizing the proceeds of the Issue);
8. reducing or diluting or permitting sale, transfer or disposal of the shareholding of the promoter and/or promoter group in the Company.

We have received NOC from our secured lenders from Bank of Baroda Limited and ICICI Limited. The restrictive covenants may affect some of the rights of our Shareholders.

In addition, our Company has in the past not been or may not have been in compliance with certain financial covenants under certain of its financing agreement on annual testing, including breach of certain accounting ratios specified under such arrangements.

As of the date of this Draft Red Herring Prospectus, none of our lenders have issued any notice of default or required us to repay any part of our borrowings on account of any non-compliance. However, there can be no assurance that our lenders will not, in the future, seek to enforce their rights in respect of any past, present, or future breaches or that we will be able to obtain waivers from any or all lenders. In the absence of waivers for any non-compliance of the covenants, we may continue to be in default of the covenants and our lenders have the right to, among others, declare all amounts outstanding under the relevant loan agreements immediately due and payable together with accrued and unpaid interest (which could result in up to all our outstanding borrowings becoming due and payable) or to convert the loan into equity shares.

An inability to comply with the covenants under our financing arrangements or to obtain necessary consents/ waivers may lead to acceleration of amounts due under such facilities and triggering of cross-default provisions. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are not compliant with any of the covenants under our financing agreements, we may be unable to raise or face difficulties raising further financing.

Such non-compliances with loan covenants by the Company would constitute an event of default under the relevant financing agreements which could further trigger cross-defaults under other loan agreements, and would entitle the respective lenders to declare a default against our Company and enforce remedies under the terms of the financing documents, that include, among others, acceleration in repayment of the amounts outstanding under the financing documents, the right to convert the loan into equity, enforcement of any security interest created under the financing documents, and taking possession of the assets given as security in respect of the financing documents. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due.

41. *The personal guarantees and property provided by the Promoters and Directors of a company for loans obtained by the business can be a significant risk for both the individuals involved and the company itself. If the company fails to repay its loans as agreed, the personal guarantees could trigger repayment obligations on the Promoter and Directors. This could have a range of adverse effects on the business and its leadership.*

Our Promoters (namely Harshad Narbherambhai Bagadia, Parasbhai Harshadbhai Bagadia, Dhyanesh Bagadia) and certain members of our Promoter Group (namely Paras Trans Elec Stamping and Pravina Dilipbhai Bagadia) have extended personal guarantees and extended their personal properties as collateral for securing the loans by our Company in favour of The Bank of Baroda Limited. In the event any of these

guarantees are revoked, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to our company. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If the properties are withdrawn, the ability of our Company to continue its business operations could be adversely affected. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations.

42. *Our Company benefits from certain export benefits and other local state government incentives which are subject to the policies and decisions of the Government. Any reduction in or termination of incentives/subsidies/schemes we enjoy or change in other favorable government policies resulting in reduction or termination of incentives/subsidies/schemes may affect our business, financial condition, cash flows and results of operations.*

We have availed of benefits in relation to our operations under certain export promotion schemes such as the Duty Drawback Scheme, Remission of Duties and Taxes on Exported Products (**RoDTEP**) and Export Promotion Capital Goods (**EPCG**). In accordance with the licensing requirements outlined in the EPCG scheme, we are permitted to import capital goods in India required for export production without the payment of custom duty, provided we export goods from India worth a defined amount within a certain period of time. In the event that we fail to fulfill these export obligations in full and within the stipulated time period, we may have to pay the Government of India a sum equivalent to the duty enjoyed by us under the scheme that is proportionate to the unfulfilled obligations, along with interest.

As of the date of this Draft Red Herring Prospectus, our Company has a pending average export obligation of ₹1032.20 Lakhs under the EPCG Scheme, which we are expected to fulfil by the year-end. Additionally, a liability ₹59.30 Lakhs may arise concerning customs duty under the EPCG Scheme, representing the duty saved in case of non-fulfilment of export obligations.

Annual Overview Average Export Performance and Obligation Fulfilment:

Financial Year	Average 'Export Obligation' Amount (₹ in Lakhs)	Shortfall of Last Year (₹ in Lakhs)	Opening Export Obligation (₹ in Lakhs)	Export Fulfilled (Fob Value) Amount (₹ in Lakhs)	Shortfall at end of Year Amount (₹ in Lakhs)
2022-23	791.54	-	791.54	1,030.87	-
2023-24	791.54	-	791.54	819.46	-
2024-25	3,088.23	-	3,088.23	2056.03	1032.20

Performance Review of Export Fulfilment and Compliance with EPCG Guidelines:

EPCG License No.	Date	Duty Saved Amount (₹ in Lakhs)	Required Export Obligation Amount (₹ in Lakhs)	Export Sales fulfilled till March 31, 2024 Amount (₹ in Lakhs)	Pending Export Obligation Amount (₹ in Lakhs)
3431003409	February 22, 2023	52.30	313.83	323.06	-
3431003410	February 22, 2023	27.98	167.86	187.41	-
3431005238	July 31, 2024	18.89	113.35	-	113.35
3431005518	October 09, 2024	40.41	242.44	-	242.44

To avail of these benefits, we are required to comply with specific conditions set by the respective authorities. For instance, under the **RoDTEP**, all manufacturer exporters are eligible to avail of the benefits subject to the condition that the exported products should have India as their country of origin. We are exposed to the risk of failure to meet the underlying conditions of such benefit schemes.

Any newly introduced or revised policies in relation to the benefits availed of by us issued by relevant authorities, may deprive us of our existing benefits. We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy the mentioned subsidies and incentives. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. If there is a failure to adhere to any criteria while availing of benefit, it could also result in the reversal of benefits, potentially leading to the imposition of interest and penalties as outlined in the pertinent scheme. Further, any failure to meet the obligations under such schemes may result in an adverse effect on our business operations and our financial condition. In the FY 2024-25 we have not fulfilled export obligation as we have mentioned in above table. While we have not faced any instances of failures to meet such conditions or breached any terms of the government schemes in Fiscals 2024, 2023 and 2022, there can be no assurance that such instances will not occur in the future.

43. ***We do not own any trade names or trademarks. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights. Any litigation related to our intellectual property could be time consuming and costly.***



We are operating under the name and logo, “Elec Steel” and “ ” respectively which is not registered with the company name. Our company has made 3 applications for logo and name. We cannot assure you that our applications for registration of our logo will be granted by the relevant authorities in a timely manner or at all. Our name and logo are significant to our business and operations. The use of our brand name and logo by third parties could adversely affect our reputation which could, in turn, adversely affect our business and results of operations. In the event our application is rejected by trademarks registry, our business, financial condition results of operation and cash flows would be adversely affected. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive and may require our company to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Further, while we endeavour to ensure that we comply with the intellectual property rights of others, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties that may require our company to introduce changes to our operations. Any claims of infringement, regardless of merit or resolution of such claims, could force our company to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management and personnel away from our business. We could be required to pay third party infringement claims. In such cases, our financial conditions and business operations may be adversely impacted.

44. ***The Offer Price, market capitalization to total turnover and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter.***

The Offer Price, market capitalization to total turnover and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market value of the Equity Shares on listing or thereafter. Our total turnover and restated profit after tax for the financial year ended March 31, 2024 was ₹ 16,472.63 Lakhs and ₹ 497.44 Lakhs respectively, and our price to earnings for the Financial Year ending March 31, 2024 multiple is [●] times at the upper end of the Price Band. Our market capitalization to total turnover for Financial Year ending March 31, 2024, multiple is [●] times at the upper end of the Price Band. The table below provides details of our price to earnings ratio and market value to total turnover:

Particulars	Price to Earnings Ratio	Market Value to Total Turnover
Financial year ended March 31, 2024	[●]	[●]

The Offer Price of our Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section titled “Basis for Offer Price” beginning on page 109 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter. Prior to the Offer, there has been no public market for

our Equity Shares, and active trading market on the Stock Exchange may not develop or be sustained after the Offer. Listing and quotations do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company, in consultation with the BRLM, would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

45. *If we are unable to raise additional capital, our business prospects could be adversely affected.*

We intend to fund our expansion plans through our cash in hand, cash flow from operations, raising additional capital through equity issuances and by infusing capital for the ongoing capital expansion plans at our manufacturing facility at Vadodara, Gujarat. For details, see “*Risk Factors- Risk Factor 20- If there are delays or if the costs of setting up and the possible time or cost overruns related to the purchase of plant and machinery for the said Unit-IV are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*” on page 48 of this Draft Red Herring Prospectus.

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

While we expect our cash in hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, investor confidence, the continued success of our operations and other laws that are conducive to raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. In addition, in the event there is a delay in sanctioning of amounts from lenders for our working capital requirements, we may have to use cash from our internal accruals which would adversely impact our ability to fulfil our expansion plans and thereby our business operations. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected

46. *We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.*

Due to the nature of, and the inherent risks in, the informal arrangements with our clients’, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our clients in respect of the sale of our products and consequently, we face the risk of uncertainty regarding the receipt of these outstanding amounts. For the period ended September 30, 2024, and for the Fiscals 2024, 2023, and 2022, our trade receivables were ₹ 2,555.38 Lakhs, ₹2,521.70 Lakhs, ₹2,112.83 Lakhs, and ₹1,376.01 Lakhs, respectively. The table below provides details of amount written off by us in relation to non-collection of payment from business associates as a percentage of total sales of our products:

Particulars	For the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Amount written-off in relation to non-collection of payment from clients’ (₹ Lakhs)	-	-	91.56	113.41

Particulars	For the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
As a percentage of total sales of our products (%)	-	-	0.64%	1.47%

There is no assurance that we will accurately assess the creditworthiness of our clients'. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our business associates, including limited access to the credit markets, insolvency, or bankruptcy. Such conditions could cause our business associates to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from business associates also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

47. ***Our Company will not receive any proceeds from the Offer for Sale portion, and the Promoter Selling Shareholders shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by him in the Offer for Sale. Our Promoter is therefore interested in the Offer in connection with the Equity Shares offered by them in the Offer for Sale.***

The Offer includes an offer for sale of such number of Equity Shares aggregating up to 9,00,000 by the Promoter Selling Shareholders, which is the Promoters of our Company. The Promoters are therefore interested in the Offer Proceeds to the extent of the Equity Shares offered by her in the Offer for Sale. The entire proceeds (net of offer expenses) from the Offer for Sale will be paid to the Promoter Selling Shareholders pursuant to the Offer for Sale, and our Company will not receive any such proceeds. Further, except for listing fees of the Offer, which will be borne by our Company, all cost, fees and expenses (including all applicable taxes) in respect of the Offer will be shared amongst our Company and the Promoter Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Promoter Selling Shareholders in the Offer for Sale, upon successful completion of the Offer. See “Capital Structure” and “Objects of the Offer” on pages 85 and 99, respectively of this Draft Red Herring Prospectus.

48. ***A downgrade in our credit rating could adversely affect our ability to raise capital in the future.***

Our Company has received “ACUITE BBB-; Stable for long term bank facilities” and “ACUITE A3; for short term bank facilities” credit rating from Acuité Ratings & Research Ratings Limited and “CARE BB; Stable for long term bank facilities” and “CARE A4; for short term bank facilities” credit rating from Care Ratings Limited. However, CARE BB and CARE A4, “Issuer not Cooperating” was withdrawn at later, refer below tables for more details:

Particulars	February 15, 2024		March 11, 2019		June 28, 2019	
	Long term instruments	Short term instruments	Long term instruments	Short term instruments	Long term instruments	Short term instruments
Ratings	ACUITE BBB-	ACUITE A3	CARE BB; Stable; ISSUER NOT COOPERATING	CARE A4; ISSUER NOT COOPERATING	Withdrawn of CARE BB; Stable; ISSUER NOT COOPERATING	Withdrawn of CARE A4; ISSUER NOT COOPERATING
Rating agency	Acuité Ratings & Research Limited		CARE Ratings Limited		CARE Ratings Limited	

Our Company is under the process of taking credit rating from the Infomerics Valuation and Ratings Private Limited, for bank loan which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely

affect our business, results of operations, financial condition, cash flows and future prospects. Except mentioned above there were no instances in the past.

49. *Certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition:*

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate/External Benchmark Rate/ External Benchmark Lending Rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating it may adversely affect our results of operations and financial condition. Also see "*Financial Indebtedness*" on page 269 of this Draft Red Herring Prospectus for a description of interest payable under our financing agreements. Further, in recent years, the Government of India has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

50. *Our inability to accurately manage our inventory may have an adverse effect on our business, results of operations, financial condition, and cash flows.*

We maintain a reasonable level of inventory of raw materials, work in progress and finished goods. However, if we have inadequate capacity due to which we are unable to meet the demand for our products, it could result in the loss of business. Our clients' also have the right to return or reject the product in the event that the products do not conform to the specified parameters. There have been certain instances where products have been returned, however, such returns have not been material. Further, we typically recycle the rejected and returned products and use them to manufacture products for customers, by downgrading their materiality, which results in losing of its value. Our inability to accurately manage our inventory may have an adverse effect on our business, results of operations, and financial condition.

51. *The company acknowledges that the success of the business heavily depends on the leadership and expertise of Our Promoters and Directors and on senior Management. The risk arises if the company faces challenges in attracting, retaining, or replacing key personnel (including executive Director) and senior management.*

Our business and the implementation of our strategy is dependent upon our Promoters and Directors and our Senior Management Personnel, who oversee our day-to-day operations, strategy and growth of our business. If key individuals leave, especially the company's Promoters and Directors, or managers, there could be a leadership vacuum. This can lead to confusion, lack of direction, and uncertainty among employees, potentially affecting the company's ability to execute its business strategy effectively. Key management personnel often hold crucial knowledge of the company's operations, supply chains, customer relationships, and growth strategies. The company benefits from its relationship with its Promoters and the success of the company depends upon the continuing services of Promoters who have been responsible for the growth of business and are closely involved in the overall strategy, direction, and management of business.

52. *Our manufacturing activities are dependent upon availability of skilled and unskilled labour.*

Our manufacturing activities are dependent on the availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects. However, in past three financial year and for the period ended September 30, 2024, we have not experienced any such instances. For further details about the business of our Company,

please refer to the chapter titled “Our Business” beginning on page 154 of this Draft Red Herring Prospectus.

53. *We operate in a competitive and fragmented industry with low barriers to entry and may be unable to compete with a range of organized and unorganized sector.*

We operate in the business of manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils, which is competitive and fragmented and we compete with a range of organized and unorganized players, at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key core employees, associates or clients to such competitors. Additionally, our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry and the extent of our competitors’ responsiveness to their client’s needs. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential entry of new competitors, given the low entry barriers in the industry where we operate, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various product and service segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, which could have material adverse effect on our business, results of operations and financial condition.

54. *Our operations are subject to labour laws and other government regulations which could result in increased liabilities and increased capital expenditures.*

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. In India, these include the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970 and Payment of Wages Act, 1936. A failure by us or our contractors to comply with the relevant labour regulations, could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

We may be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to labour matters, the costs of which may be significant.

55. *We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our results to fluctuate significantly.*

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees.

Our revenues from exports and cost of imported raw materials for the relevant periods was as below:

Particulars	For the period ended September 30, 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from exports	1,447.60	4,604.53	4,535.37	982.81
Cost of raw materials imported	4,251.32	6,394.29	2,631.99	801.95

Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We face foreign exchange rate risk

as certain portion of our revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition. Our net foreign exchange gain/(loss) for the period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 as per our Restated Financial Statements was ₹ 55.08 Lakhs, ₹ 104.49 Lakhs, ₹ 90.24 Lakhs and ₹ 15.89 Lakhs respectively and constituted 0.52%, 0.64%, 0.61% and 0.20% of our total revenue from operations for the three months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. These gains/losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. Our company currently does not engage in any kind of hedging contracts for exchange rate fluctuations, we may enter into the same in future which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, the hedges may not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates may adversely impact our profitability and financial condition. We cannot guarantee that we will not experience losses, on account of fluctuations in currencies going forward, and such losses may have an adverse effect on our business, results of operations and financial condition.

We face foreign exchange rate risk as certain portion of our revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition.

56. *Small part of our revenue is from job work and also we have not entered into any type of agreement with Job work parties.*

The job work income is 0.90%, 1.29%, 0.99% and 1.36% of our revenue from operations are on restated financial statement for the period ended September 30, 2024, for the fiscals 2024, 2023 and 2022, respectively. There is no assurance that we will be able to get the job work from companies in future, as they themselves may decide to do in-house manufacturing of the work they outsource to us. The loss of this income from job work will have minor effect on our business and results of operations. The table provided below sets out the revenue from our job works customers, including as a percentage of our revenue from operations are on restated financial statement, for the period mentioned below:

Particulars	For the period ended		For the fiscal year ended March 31					
	September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation	Amount (₹ in Lakhs)	% of Revenue from operation
Job Work	96.01	0.90%	210.25	1.29%	146.01	0.99%	108.20	1.36%

Further, increase in competition may lead to our competitors establishing exclusive arrangements with our customers due to which we may lose our customers. Additionally, to compete effectively in the manufacturing industry, we must be able to fulfil our customers' changing preferences in a timely manner. Price and time for performance resulting from such changes are equitably adjusted by our customers based on supply of documentation in such form and detail as required by them. Consequently, we are exposed to the risk that our submissions or requests as to price adjustments or delivery schedules or otherwise may not be agreed to by our customers or our customers may not accede to provide consents sought by us. Any such significant operational constraint may adversely affect our business, financial condition, results of operations and cash flows. However, there were no past instances in last three years and for the period ended September 30, 2024. We cannot assure you that the delays or disruption in the supply of product requirements or failure to meet their obligations in the future or that we will be able to adequately address such delays, disruptions and non-availability of supply of products adequately and in a timely manner, which in turn could impact our revenues of operations.

Since we are dependent on certain key customers for a certain portion of our sales in our business, the loss of any of such customers or a reduction in demand from such customers, for any reason, including due to loss of contracts, delay in fulfilling existing orders, failure to negotiate acceptable terms in negotiations, disputes or a loss of market share or a downturn in such customers' business, if not suitably replaced with

another customer, could adversely affect our business, financial condition and results of operations. If our customers do not continue to outsource manufacturing to us or reduce the quantities ordered from us, our business, operations, prospects or financial results maybe materially and adversely affected.

57. *Majority of our Directors do not have any prior experience of being a director in any other listed company in India:*

Our current Board comprises of 5 directors which includes 1 Managing Director, 1 whole time director, 1 Non-Executive Director and 2 Non-executive Independent directors. Majority of our board of directors do not have any prior experience of being a director in any other listed company in India. While our Board members are qualified and have relevant experience in their respective field, not having any prior experience as being a director in any other listed company in India may present some potential challenges to our Company in effectively meeting with good corporate governance norms and practices. For further details, please see chapter titled “*Our Management*” on page 191 of this Draft Red Herring Prospectus.

58. *Conflict of interest may arise as some of our Promoter Group entities are authorized to carry on similar line of business as our Company which may lead to real or potential conflicts of interest for our Promoters or Directors.*

Our Promoter group entities namely, M/s Fibro Laminations (partnership), M/s Magnetic Metal Industries (partnership), M/s Convolt Technologies (Partnership), and M/s Paras Trans Elec stampings (Partnership) are engaged in a business similar to ours. For instance, our Promoter group entities are engaged in the similar line of business. Therefore, there may be conflict of interest in allocating business opportunities between us. We cannot assure you that there will not be any conflict of interest between our Company and promoter group entities in future. We have not entered into any non-compete agreements with such promoter group entities and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance. While necessary procedures and practices may be adopted as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

59. *The average cost of acquisition of Equity Shares for our Promoters may be lower than the Offer Price.*

The average cost of acquisition of Equity Shares for our Promoters may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Draft Red Herring Prospectus is set out below.

Sr. No.	Name of Promoters	No. of Equity Shares held	Average cost of acquisition (in ₹ per equity share)
1.	Harshad Narbherambhai Bagadia	76,99,400	0.00
2.	Parasbhai Harshadbhai Bagadia	72,00,000	5.00
3.	Dhyanesh Harshadbhai Bagadia	Nil	0.00

** As certified by M/s Lalpuria Shah & Associates, Chartered Accountants by way of their certificate dated March 19, 2025.*

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoters and build-up of Equity Shares by our Promoters in our Company, see “*Summary of the Offer Document – Average cost of acquisition*” on page 23.

60. *After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold majority of the shareholding in our Company, which will allow them to influence the outcome of matters requiring shareholder approval.*

For details of the pre-Offer and post-Offer shareholding of our Promoters and members of our Promoter Group, see “*Capital Structure*” on page 85 of this Draft Red Herring Prospectus. After the completion of the Offer, our Promoters along with the members of Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue.

61. *Our Promoters, certain of our Directors, Key Managerial Personnel and members of our Senior Management may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.*

Our Promoter and Directors may be deemed to be interested in addition to regular remuneration or benefits and reimbursement of expenses from our Company, and such interests are to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship and shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For the payments that are made by our Company to related parties including remuneration to our Directors, see “*Summary of the Offer Document – Summary of Related Party Transactions*”, “*Our Management*” “*Our Promoter and Promoter Group*” on page 27, 191 and 208 respectively. Additionally, our Promoters namely Harshad Narbherambhai Bagadia, Paraasbhai Harshadbhai Bagadia, Dhyanesbhai Bagadia and certain members of our Promoter Group namely Paras Trans Elec Stamping and Pravina Dilipbhai Bagadia has provided personal guarantee for certain of our borrowings, which has been sanctioned ₹ 6,943.11 Lakhs as of March 18, 2025 and our business, financial condition, results of operations and prospects 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 more information, see “*Financial Indebtedness*” on page 269.

62. *Our Company may not be able to pay dividends in the future. 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.*

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. As of the date of this Red Herring Prospectus, there have been no prior occurrences of payment of dividend in the previous 3 Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 and for the period ended September 30, 2024. Our Company’s ability to pay dividends in the future will depend upon our future results of operations, 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 215 of this Draft Red Herring Prospectus.

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

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the period ended September 30, 2024 and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

64. *The activities carried out at our manufacturing facilities, can cause injury to people or property in certain circumstances.*

The activities carried out at our manufacturing facilities may be potentially dangerous to our employees. While we provide a safe and healthy working environment which is compliant with applicable occupational health and safety management system and environmental management system regulations, there is a risk that an accident may occur at our manufacturing facilities.

An accident may result in personal injury to our employees, or the labour deployed at our manufacturing facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. We have not encountered any fatalities or any employee injuries in the last three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus. However, any such future accident may result in litigation, the outcome of which is difficult to assess or quantify, the cost to defend such litigation can be significant and our insurance may not be sufficient to provide complete coverage. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, results of operations, financial condition, cash flows and future prospects.

Our operations are subject to operating risks associated with manufacturing, including related to handling and storage of raw materials used in our manufacturing processes. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems
- inclement weather and natural disasters; and

The occurrence of any of the above events could result in a suspension of operations and the imposition of civil or criminal liabilities. We may also face claims and litigation, in India or overseas, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our manufacturing facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

External Risk Factors

- 65. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations, and prospects.***

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

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

- 66. *Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and the results of operations.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

- 67. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

The Finance act, 2025 was amended to provide new manufacturing domestic companies (i.e., companies which have been set-up and registered on or after October 1, 2019 and commenced manufacturing or production on or before March 31, 2024) an option to pay corporate income tax at the rate of 15% (plus applicable surcharge and health and education cess), as compared to rate of 30% (plus applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions ("15% Corporate Tax Regime"). Similarly, other domestic companies have an option to pay corporate income tax at the rate of 22% (plus applicable surcharge and health and education cess), on satisfaction of prescribed conditions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. We have opted to pay corporate tax under the 22% (plus applicable surcharge and health and education cess) Corporate Tax Regime. If there are any changes to 22% (plus applicable surcharge and health and education cess) Corporate Tax Regime, we may not be able to avail such benefits. Further, any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, with the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilize input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("DDT"), and such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the IT Act 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. 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 pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector, and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

These developments, or the perception that any of them could occur, have had, and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

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

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

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

The Competition Act, 2002, of India, as amended (“Competition Act”), regulates practices having an appreciable adverse effect on competition in the relevant market in India (“AAEC”). Under the Competition Act, any formal or informal arrangement, understanding, or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment, or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions 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 (the “CCI”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

On April 11, 2023, the Competition (Amendment) Bill 2023 received the assent of the President of India to become the Competition (Amendment) Act, 2023 (“Competition Amendment Act”) amending the Competition Act and giving the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, inter alia, modifies the scope of certain factors used to determine AAEC, introduces a deal value threshold for mergers & acquisitions, reduces the overall time limit for the assessment of combinations by the CCI, changes the scope of anti-competitive agreements, broadens the definition of cartels, and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

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

SECTION IV – INTRODUCTION

THE OFFER

PRESENT OFFER OF EQUITY SHARES BY OUR COMPANY IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS	
Equity Shares Offered :⁽¹⁾ Present Offer of Equity Shares by our Company⁽²⁾	Up to 69,00,000 Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
The offer consist of:	
Fresh Offer	Up to 60,00,000 Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
Offer for Sale⁽³⁾	Up to 9,00,000 Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<i>of which</i>	
Offer Reserved for Market Maker	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
Net Offer to the Public	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<i>of which</i>	
A. QIB Portion⁽⁴⁾⁽⁵⁾	Not more than [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<i>of which*</i>	
i) Anchor Investor Portion⁽⁶⁾	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<i>Of which*</i>	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
b) Balance of the QIB Portion for all QIBs including	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
B. Non-institution Portion	Not less than [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹[●] Lakhs
<i>of which*</i>	
a) One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
b) Two-third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs	Up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
C. Individual Investor Portion*	Not less than [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹[●] Lakhs
Pre and Post – Offer Equity Share	
Equity shares outstanding prior to the Offer	1,60,00,000 Equity Shares
Equity shares outstanding after the Offer	Up to [●] Equity Shares
Use of Net Proceeds	Please refer to the chapter titled “Objects of the Offer” beginning on page 99 of this Draft Red Herring Prospectus

**Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of offer price.*

Notes:

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

- (2) *The present Offer has been authorized pursuant to a resolution of our Board dated March 17, 2025 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our Shareholders held on March 18, 2025.*
- (3) *The Equity Shares being offered by the Promoter Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI (ICDR) Regulations. The Promoter Selling Shareholders have confirmed and approved their portion in the Offer for Sale as set out below:*

Promoter Selling Shareholders	Number of Equity Shares Offered	Date of consent Letter
<i>Harshad Narbherambhai Bagadia</i>	<i>Up to 4,00,000 Equity Shares</i>	<i>March 17, 2025</i>
<i>Parasbhai Harshadbhai Bagadia</i>	<i>Up to 5,00,000 Equity Shares</i>	<i>March 17, 2025</i>

- (4) *The SEBI (ICDR) Regulations permit the issue of securities to the public through the Book Building Process, which states that: (a) not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Individual Investors; (b) not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non- Institutional Bidders; and (c) not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to bidders in the other category. Accordingly, we have allocated the Net Offer i.e., not less than 35% of the Net Offer shall be available for allocation to Individual Investors; not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not more than 50% of the Net Offer to QIBs.*

Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

- (5) *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Offer Procedure” beginning on page 327 of this Draft Red Herring Prospectus.*

SUMMARY OF FINANCIAL INFORMATION

Restated Statement of Assets and Liabilities

(₹ in Lakhs)

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment and Intangible Assets				
(i) Property, Plant and Equipment	725.78	736.06	521.44	466.81
(ii) Intangible Assets	7.01	2.61	-	-
(iii) Capital work-in-progress	2,839.26	2,217.91	478.03	385.77
(iv) Intangible assets under development	-	-	-	-
(b) Non-current investments	-	-	-	-
(c) Deferred Tax Asset (Net)	19.75	34.72	16.59	13.65
(d) Other non current assets	21.33	6.14	7.34	6.97
Total Non-Current Assets	3,613.14	2,997.45	1,023.40	873.21
(2) Current Assets				
(a) Inventories	4,154.57	2,214.42	1,575.46	1,927.50
(b) Trade receivables	2,555.38	2,521.70	2,112.83	1,376.01
(c) Cash and bank balance	276.15	166.04	126.74	162.73
(d) Short-term loans and advances	928.03	537.68	358.37	434.24
Total of Current Assets	7,914.13	5,439.83	4,173.39	3,900.49
Total	11,527.27	8,437.28	5,196.79	4,773.70
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Share Capital	800.00	800.00	800.00	1,332.72
(b) Reserves and Surplus	1,773.15	842.04	344.60	-
Total Equity	2,573.15	1,642.04	1,144.60	1,332.72
LIABILITIES				
(1) Non-Current Liabilities				
(a) Long-term borrowings	2,098.17	2,136.42	1,372.96	814.11
(b) Long-term provisions	-	76.85	59.15	47.51
Total Non-Current Liabilities	2,098.17	2,213.27	1,432.11	861.62
(a) Inventories	1,845.41	1,450.47	65.64	11.19
(b) Trade Receivables	2,369.17	1,689.35	317.46	106.34
(c) Cash and Bank Balance	359.52	40.04	2.23	2.25
(d) Short-term Loans and Advances	1,408.58	639.75	320.60	184.66
(2) Current Liabilities				
(a) Short-term borrowings	-	-	-	-
(a) Short-term borrowings	4,668.71	3,830.95	1,870.69	1,746.25
(b) Trade payables :-				
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	55.68	38.75	30.41	42.01
(ii) Total outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises	1,679.74	576.22	507.52	726.77
(c) Other current liabilities	61.90	45.52	129.62	24.43
(d) Short-term provisions	389.93	90.54	81.83	39.90
Total Current Liabilities	6,855.96	4,581.98	2,620.08	2,579.36
Total	11,527.27	8,437.28	5,196.79	4,773.70

Restated Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31,		
		2024	2023	2022
Income				
Revenue from Operations	10,627.17	16,350.07	14,805.72	7,935.16
Other Income	71.17	122.56	100.42	26.45
Total Income	10,698.34	16,472.63	14,906.14	7,961.61
Expenses				
Cost of material consumed	8,369.82	13,559.71	12,235.11	6,438.16
Employee benefits expense	355.99	910.62	593.83	465.05
Finance costs	206.80	368.49	265.53	191.02
Depreciation and amortization expense	71.12	126.02	56.81	64.85
Other expenses	430.53	842.05	817.92	497.31
Total Expenses	9,434.26	15,806.90	13,969.20	7,656.40
Profit before tax	1,264.08	665.73	936.95	305.22
<i>Tax expense:</i>				
(a) Current tax	(305.19)	(180.68)	(290.18)	(126.24)
(b) Current tax of previous year adjustments	(12.81)	(5.74)	0.37	-
(c) Deferred tax (Liabilities)\Assets	(14.97)	18.13	2.94	13.65
Profit/(Loss) for the period After Tax	931.11	497.44	650.08	192.63
No. of Shares	160.00	160.00	160.00	160.00
Earning per Equity Share: Basic/Diluted				
(1) Basic	5.82	3.11	4.06	1.20
(2) Diluted	5.82	3.11	4.06	1.20

Restated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the period ended September 30, 2024	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<u>(A) Cash Flow from Operating Activities</u>				
Profit before tax	1,264.08	665.73	936.95	305.22
<u>Adjustments for:</u>				
Depreciation	71.12	126.02	56.81	64.85
Unrealised Foreign Exchange Gain / Loss	20.88	8.75	9.12	5.14
Interest Paid on Finance	168.87	244.22	191.82	147.73
Loss of Discarded Fixed Assets	-	-	0.42	-
Loss on Sale of Fixed Assets	0.82	-	-	-
<u>Working capital changes:</u>				
(Increase) / Decrease in deposits	(15.19)	1.20	(0.37)	0.55
(Increase) / Decrease in loans & advances	(390.35)	(179.31)	75.88	(13.94)
(Increase) / Decrease in trade receivables	(33.68)	(408.87)	(736.81)	13.87
Unrealised Foreign Exchange Gain/Loss	(21.00)	(8.75)	(9.50)	(5.14)
(Increase) / Decrease in other assets	14.97	(18.13)	(2.94)	(13.65)
(Increase) / Decrease in inventories	(1,940.15)	(638.96)	352.04	(915.61)
Increase / (Decrease) in other current liabilities	16.39	(84.10)	105.19	3.69
Increase / (Decrease) in trade payables	1,120.45	77.03	(230.84)	370.70
Increase / (Decrease) in provisions	222.54	26.41	53.57	47.51
Cash Generated from Operations	499.74	(188.76)	801.33	10.91
<u>Income taxes paid</u>				
(1) Current tax	(318.00)	(186.42)	(289.81)	(126.24)
(2) Deferred tax Liabilities\ (Assets)	(14.97)	18.13	2.94	13.65
Net Cash Flow from/ (used in) Operating Activities (A)	166.77	(357.06)	514.46	(101.67)
<u>(B) Cash Flow from Investing Activities</u>				
Sale / Purchase of property, plant and equipment	(687.41)	(2,083.14)	(204.11)	(163.49)
Net Cash Flow from/ (used in) Investing Activities (B)	(687.41)	(2,083.14)	(204.11)	(163.49)
<u>(C) Cash Flow from Financing Activities</u>				
Short term borrowing (net increase)	837.76	1,960.26	124.44	52.74
Interest Paid on Finance	(168.87)	(244.22)	(191.82)	(147.73)
Long-term borrowings (net increase)	(38.26)	763.46	558.85	147.54
Partners Capital (net)	-	-	(838.20)	196.26
Net Cash Flow from/ (used in) Financing Activities (C)	630.63	2,479.50	(346.73)	248.81
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	109.99	39.30	(36.38)	(16.35)
Unrealised Foreign Exchange on Cash & Cash Equivalent	0.12	-	0.39	-
Cash and cash equivalents as at Beginning of the Year	166.04	126.74	162.73	179.08
Cash & Cash Equivalents as At End of the Year	276.15	166.04	126.74	162.73

GENERAL INFORMATION

REGISTERED OFFICE

Elec Steel Processing Industries Limited

Plot No. 96, POR GIDC, At-POR Village, Taluka -Vadodara, Gujarat - 391243, India.

Telephone No: +91 95120 10400

Email: investors@espi.co.in

Website: www.espi.co.in

CIN: U31100GJ2022PLC134606

CORPORATE OFFICE

Elec Steel Processing Industries Limited

103, Chandrakala Tower, Opp. Bhavan's School, Shri R.J.Marg, Vadodara 390 004, Manjalpur, Gujarat, India.

Telephone No: +91 75740 01475

Email: investors@espi.co.in

Website: www.espi.co.in

REGISTRAR OF COMPANIES

Registrar of Companies, Ahmedabad

ROC-cum-Official Liquidator, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat – 380 013, India.

Telephone No: 079-27438531

Email: roc.ahmedabad@mca.gov.in

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

NSE Emerge

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block Bandra – Kurla Complex

Bandra (East) Mumbai – 400 051 Maharashtra, India

Telephone No: 022 – 2659 8100/ 8114

Website: www.nseindia.com

BOARD OF DIRECTORS

As on the date of Draft Red Herring Prospectus, the Board of Directors of our Company comprise of the following:

Name of Directors	Designation	DIN	Residential Address
Parasbhai Harshadbhai Bagadia	Managing Director	09699701	14/A, Sudamapuri, Near Jain, Temple, Manjalpur, Vadodara - 390011, Gujarat.
Harshad Narbherambhai Bagadia	Whole-Time Director	01535197	14/A, Sudamapuri, Near Jain, Temple, Manjalpur, Vadodara - 390011, Gujarat.
Dhyanesh Harshadbhai Bagadia	Non-Executive Director	10802889	14/A, Sudamapuri, Near Jain, Temple, Manjalpur, Vadodara - 390011, Gujarat.
Komal Vishal Thakkar	Independent and Non-Executive Director	06765690	95 Galaxy Bungalows, Beside Nilamber Scerene, Near Navrachana International, Bhayli, Bhayli, Vadodara, Gujarat - 391410
Dinesh Lalbhai Nanavati	Independent and Non-Executive Director	10856131	A/301-Park Avenue, Atmajyoti, Ashram Road, Ellorapark Subhanpura, Vadodara, Gujarat - 390023

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 191 of this Draft Red Herring Prospectus.

CHIEF FINANCIAL OFFICER

Pinal Ronak Shah

103, Chandrakala Tower, Opp. Bhavan's School, Shri R.J.Marg, Vadodara 390 004, Manjalpur, Gujarat, India.

Telephone No: +91 7574000715

Email: cfo@espi.co.in

Website: www.espi.co.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mayank Lashkari

103, Chandrakala Tower, Opp. Bhavan's School, Shri R.J.Marg, Vadodara 390 004, Gujarat, Manjalpur, India.

Telephone No: +91 7574001475

Email: cs@espi.co.in

Website: www.espi.co.in

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the offer in case of any pre-offer or post-offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager. 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(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary (ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

BOOK RUNNING LEAD MANAGER

Unistone Capital Private Limited

Address: A/305, Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai 400059, Maharashtra

Telephone No: + 91 22 4604 6494

Email: mb@unistonecapital.com

Website: www.unistonecapital.com

Investor grievance email: compliance@unistonecapital.com

Contact Person: Brijesh Parekh

SEBI Registration Number: INM000012449

CIN: U65999MH2019PTC330850

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

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

REGISTRAR TO THE OFFER

KFIN TECHNOLOGIES LIMITED

Address: Selenium Tower B , Plot No-31 & 32 , Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032

Telephone Contact: +91 - 40-67162222 / 18003094001

Fax No.: +(91) - 40-6716 1563

E-mail: elecsteel.ipo@kfintech.com

Investor grievance email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M. Murli Krishna

SEBI Registration: INR000000221

CIN: L72400TG2017PLC117649

PEER REVIEWED STATUTORY AUDITORS OF THE COMPANY

LALPURIA SHAH & ASSOCIATES

Chartered Accountants

ICAI Firm Registration No.: 136086W

Peer Review Certificate Number: 018488

Address: 318/319/320/321, Saffron Tower, Opp. Camp's Corner, Fatehgunj, Vadodara - 390002, Gujarat.

Telephone No: +91 2794070 2780293

Email: Lsavadodara@gmail.com

Contact Person: Megha Shah Kambodia

Membership No: 141709

M/s. Lalpuria Shah and Associates holds a peer review certificate dated October 8, 2024, issued by the Institute of Chartered Accountants of India.

LEGAL ADVISERS TO THE OFFER

BATHIYA LEGAL

Address: 909, Solaris One, N. S. Phadke Marg, Andheri (East), Mumbai – 400069, Maharashtra, India.

Email: info@bathiyalegal.com

BANKERS TO COMPANY

BANK OF BARODA LIMITED

(CIN: U99999MH1911PLC007676)

Address: Rajhans Cineworld Complex, Shop No. 4-20, Main Road, Raopura, Vadodara - 390001, Gujarat, India

Telephone Number: 0265-2412840

Fax Number: 91-268-2410985

E-mail ID: raopur@bankofbaroda.co.in

Website: bankofbaroda.com

*BANKERS TO THE OFFER / ESCROW COLLECTION BANK, REFUND AND PUBLIC OFFER BANK

Escrow Collection Bank

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

SYNDICATE MEMBER

[●]

**The Banker to the Offer and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the ROC.*

SELF- CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Applicant (other than an UPI Applicants using the UPI mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time. Further, the branches of the SCSBs where the Designated.

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

Intermediaries could submit the ASBA Form(s) of Applicants (other than UPI Applicants) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45

dated April 5, 2022, UPI Applicants using the UPI mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles 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. A list of SCSBs and mobile applications, which are live for applying public issues using UPI mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively 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 Applicants (other than Applications 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 Application Forms from the Members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be 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 Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx. And www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm respectively, as updated from time to time.

The list of the RTAs eligible to accept ASBA Forms (other than RIBs) at the Designated RTA Locations, including details.

REGISTRAR TO THE OFFER AND SHARE TRANSFER AGENTS (“RTA”)

The list of the RTAs eligible to accept ASBA Forms (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

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

CREDIT RATING

This being an Offer of Equity Shares, credit rating is not required.

IPO GRADING

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

DEBENTURE TRUSTEES

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

MONITORING AGENCY

Since the quantum of Fresh Offer is above ₹5,000 Lakhs, in terms of the Regulation 262 of the SEBI (ICDR) Regulations, our Company appoint a monitoring agency prior to the filing of the Red Herring Prospectus, to monitor the utilisation of Gross Proceeds of this Offer.

FILING

The Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Red Herring Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the issue document in terms of Regulation 246 (2) of the SEBI (ICDR) Regulations.

A copy of this Red Herring Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus required to be filed under Section 26 and 28 of the Companies Act, 2013 will be filed to the Registrar of Companies, Ahmedabad at least 3 (three) Working Days prior from the date of opening of the Offer.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Offer.

TYPE OF OFFER

The present offer is considered to be 100% Book-Building Offer.

GREEN SHOE OPTION

No green shoe option is contemplated under the Offer.

EXPERT OPINION

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

Peer Review Chartered Accountant:

In relation to statement of possible tax benefits: Our Company has obtained the report of the Peer Reviewed Auditor i.e., M/s., Lalpuria Shah & Associates, Chartered Accountants (FRN: 136086W) on Statement of Possible Tax Benefits date March 19, 2025 and report dated March 17, 2025 on Restated Financial Statements for the period ended September 30, 2024, and financial years ended March 31, 2024, 2023 and 2022 as included in this Draft Red Herring Prospectus.

Chartered Engineer Reports:

In relation to existing manufacturing facilities: Our Company has received written consent dated March 18, 2025, from D.M. Vaidya & Associates, Chartered Engineer (Mechanical), Reg. No.: AM-094930-5 to include their name as required under Section 26 (5) of the Companies Act read with SEBI (ICDR) Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated March 18, 2025, certifying, inter alia, the details of the existing installed and production capacity of our manufacturing facilities and plant and machineries installed in our manufacturing facilities.

In relation to proposed expansion of manufacturing capacity: Our Company has received written consent dated March 18, 2025, from D.M. Vaidya & Associates, Chartered Engineer (Mechanical), to include their name as required under Section 26 (5) of the Companies Act read with SEBI (ICDR) Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated March 18, 2025, certifying, inter alia, the details of the production capacity of proposed plant and machineries in our manufacturing facilities at Unit IV.

Industry Report:

Our Company has received consent from its Industry Expert, Infomerics Analytics & Research Private Limited through its letter dated March 19, 2025 in relation to the Industry in which the Company operates and to include its name as an “Industry expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of Industry Report dated March 19, 2025, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

CHANGES IN AUDITORS

There has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

BOOK BUILDING PROCESS

Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus, the Bid Cum Application Forms and the Revision Forms, if any, within the Price Band and the minimum Bid Lot, which will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and [●] editions of the Gujarati regional newspaper [●], a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our registered office is located) each with wide circulation at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their respective website. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/ Offer Closing Date. For details, see “Offer Procedure” beginning on 327 of this Draft Red Herring Prospectus.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the UPI Bidders shall 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 Offer through the ASBA process.

In terms of the SEBI (ICDR) Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIIs and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

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

For further details, see “Terms of the Offer”, “Offer Structure”, and “Offer Procedure” beginning on pages 314 of this Draft Red Herring Prospectus, respectively.

The process of Book Building under the SEBI (ICDR) Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

UNDERWRITING

This Offer is [●] % Underwritten by [●] in the capacity of Underwriter to the Offer. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Offer:

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

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

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

MARKET MAKER

Our Company has entered into Market Making Agreement dated [●], with the Book Running Lead Manager and Market Maker, duly registered with NSE to fulfil the obligations of Market Making:

Name	[●]
Address	[●]
Telephone	[●]
E-mail	[●]
Contact Person	[●]
SEBI Registration Number	[●]

DETAILS OF THE MARKET MAKING AGREEMENT

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

CAPITAL STRUCTURE

The Equity Share capital of our Company as on date of this Draft Red Herring Prospectus is set forth below:

(₹ in lakhs, except share data)

Sl.	Particulars	Aggregate Nominal Value	Aggregate Value at Offer Price
A.	Authorised Share Capital		
	2,50,00,000 Equity Shares of ₹ 10/- each.	2,500.00	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Offer		
	1,60,00,000 Equity Shares of ₹ 10/- each	1,600.00	-
C.	Present Offer in terms of this Draft Red Herring Prospectus⁽¹⁾		
	Offer of up to 69,00,000 Equity Shares of Face Value of ₹ 10/- each aggregating up to ₹ [●]/-	[●]	[●]
	Which Comprises Of:		
	Fresh Issue of up to 60,00,000 Equity Shares of Face Value ₹ 10/- each at a Price of ₹ [●]/- per Equity Share	[●]	[●]
	Offer for Sale of up to 9,00,000 Equity Shares of Face Value of ₹ 10/- each by the Promoter Selling Shareholders aggregating up to ₹ [●]/- ⁽²⁾	[●]	[●]
	Consisting of:		
	Reservation for Market Maker – [●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share reserved as Market Maker Portion.	[●]	[●]
	Net Offer to the Public - [●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share.	[●]	[●]
	Of the Net Offer to the Public		
	1. QIB Portion⁽³⁾		
	<i>of which:</i>		
	a) Anchor Investor Portion	[●]	[●]
	b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●]	[●]
	<i>of which:</i>		
	(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion (excluding Anchor Investor Portion))	[●]	[●]
	(ii) Balance of QIB Portion for all QIBs including Mutual Funds	[●]	[●]
	2. Non-Institutional Category⁽³⁾	[●]	[●]
	<i>of which:</i>		
	a) One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs	[●]	[●]
	b) Two-third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs	[●]	[●]
	3. Individual Portion⁽³⁾	[●]	[●]
D.	Issued, Subscribed and Paid-up Share Capital after the Offer		
	[●] Equity Shares of ₹10/- each	[●]	[●]
E.	Securities Premium Account		
	Before the Offer		Nil
	After the Offer		[●]

(1) The present Offer has been authorized pursuant to a resolution of our Board dated March 17, 2025 and pursuant to a special resolution of our Shareholders passed in an Extra Ordinary General Meeting dated March 18, 2025.

(2) Promoter Selling Shareholders confirms that the Offered Shares have been held by such Promoter Selling Shareholders for a period of at least one year prior to filing of this Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations.

For details on the authorization of the Promoter Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” on page 299.

(3) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

Classes of Shares

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

NOTES TO THE CAPITAL STRUCTURE

2) Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was ₹ 8,00,00,000 (Rupees Eight Crores only) divided into 80,00,000 Equity Shares of face value of ₹ 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM / EGM
	From	To	
November 16, 2024	₹ 8,00,00,000 divided into 80,00,000 Equity Shares of face value of ₹ 10/- each	₹25,00,00,000 divided into 2,50,00,000 Equity Shares of face value of ₹ 10/- each.	EGM

3) History of Issued and Paid-Up Share Capital of our Company

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)	Cumulative Securities Premium (₹)
On Incorporation*	80,00,000	10	N.A.	Other than Cash**	Subscription to MOA pursuant to conversion of partnership firm	80,00,000	8,00,00,000	-
January 30, 2025	80,00,000	10	N.A.	Other than cash	Bonus Issue in the ratio of 1 (One) equity	1,60,00,000	16,00,00,000	-

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)	Cumulative Securities Premium (₹)
					shares for every 1 (One) Equity Shares			

* The MoA of our Company was signed on July 21, 2022 and the Company incorporated on August 8, 2022.

** Equity Shares allotted pursuant to conversion of Elec Steel Processing Industries; partnership firm into our Company under Part I of Chapter XXI of the Companies Act, 2013.

- (i) Initial Subscribers to MOA subscribed to 80,00,000 Equity Shares of face value of ₹ 10/- fully paid up as per the details given below:

Sr. no.	Name of Person	No. of Equity Shares Allotted
1.	Harshad Narbherambhai Bagadia	44,00,000
2.	Parasbhai Harshadbhai Bagadia	36,00,000
Total		80,00,000

- (ii) Further allotment of 80,00,000 fully paid up Equity Shares of face value of ₹ 10/- through Bonus issue in the ratio of 1:1 i.e., 1 Bonus Equity Shares for each Equity Shares held, as per the details given below:

Sr. No.	Name of Person	No. of Equity Shares Allotted
1.	Harshad Narbherambhai Bagadia	38,49,700
2.	Parasbhai Harshadbhai Bagadia	36,00,000
3.	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	5,50,000
4.	Ranjan Harshad Bagadia	50
5.	Poonam P Bagadia	50
6.	Jaydeep Mahendrabhai Patel	50
7.	Vaibhavi Kandarp Desai	50
8.	Joshi Mukeshchandra Gajanan	50
9.	Manishkumar Ramanlal Patel	50
Total		80,00,000

We confirm that our Company is in compliance with the Companies Act, 2013 and rules made thereunder with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.

4) Issue of Equity Shares for consideration other than cash (including through Bonus Issue by way of Capitalisation of Reserves)

As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

Our Company have issued 1,60,00,000 Equity Shares for consideration other than cash (including through Bonus Issue by way of Capitalisation of Reserves), the details of such allotment are as follows:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Offer Price (₹)	Reasons for Allotment	Allottees	No. of Shares Allotted
On Incorporation	80,00,000	10	Not Applicable	Upon conversion of Elec Steel Processing Industries;	Harshad Narbherambhai Bagadia	44,00,000
					Parasbhai Harshadbhai Bagadia	36,00,000

Date of Allotment	Number of Equity Shares	Face Value (₹)	Offer Price (₹)	Reasons for Allotment	Allottees	No. of Shares Allotted
				partnership firm into our Company under Part I of Chapter XXI of the Companies Act, 2013		
January 30, 2025	80,00,000	10	Not Applicable	Bonus Issue in the ratio of 1 (One) Equity shares for every 1 (One) Equity Shares	Harshad Narbherambhai Bagadia	38,49,700
					Parasbhai Harshadbhai Bagadia	36,00,000
					Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	5,50,000
					Ranjan Harshad Bagadia	50
					Poonam P Bagadia	50
					Jaydeep Mahendrabhai Patel	50
					Vaibhavi Kandarp Desai	50
					Joshi Mukeshchandra Gajanan	50
					Manishkumar Ramanlal Patel	50

For details in respect of list of allottees, please see “- *Share Capital History of our Company - Equity Share Capital*” on page 85.

- 5) As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.
- 6) Except as mentioned in point no 2(ii) above, the Company has not issued any Equity Share in the last two years preceding this Draft Red Herring Prospectus.
- 7) As on date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- 8) We have not re-valued our assets since inception and have not issued any Equity Shares by capitalizing any revaluation reserves.

- 9) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
- 10) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 11) Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus except as stated below:

Date of allotment	Number of equity shares allotted	Face Value (₹)	Issue Price (₹)	Nature of allotment	Benefit accrued to our Company	Source out of which bonus shares issued
January 30, 2025	80,00,000	10	N.A.	Bonus Issue in the ratio of 1 (One) Equity shares for every 1 (One) Equity Shares	Capitalization of Reserves & Surplus	Bonus shares issued out of the Free Reserves.

For details in respect of list of allottees, please see point 1(ii) above.

- 12) Shareholding Pattern of our Company:

The shareholding pattern of our Company before the Offer as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given here below:

Sl.	Particular	Yes / No	Promoter and Promoter Group	Public Shareholder	Non Promote/ Non Public
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	No	No
7.	Whether company has equity shares with differential voting rights?	No	No	No	No

**All Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus, will be locked in as mentioned above prior to listing of shares on Emerge the SME Platform of NSE. Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the Listing of the Equity Shares. The Shareholding Pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.*

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held = (IV) + (V) + (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	4	1,48,99,600	-	-	-	93.12	1,48,99,600	1,48,99,600	93.12	-	93.12	-	-	-	-	1,48,99,600
(B)	Public	5	11,00,400	-	-	-	6.88	11,00,400	11,00,400	6.88	-	6.88	-	-	-	-	11,00,400
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		9	1,60,00,000	-	-	-	100.00	1,60,00,000	1,60,00,000	100.00	-	100.00	-	-	-	-	1,60,00,000

Notes:

- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.

13) **Other details of shareholding of our Company:**

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of Equity Shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sl.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital as of the date indicated
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12%
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%
3.	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	11,00,000	6.88%
Total		1,59,99,400	100.00%

- b) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them ten (10) days prior to the date of filing of this Draft Red Herring Prospectus:

Sl.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital as of the date indicated
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12%
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%
3.	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	11,00,000	6.88%
Total		1,59,99,400	100.00%

- c) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them one (01) year prior to the date of filing of this Draft Red Herring Prospectus:

Sl.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital as of the date indicated
1.	Harshad Narbherambhai Bagadia	44,00,000	55.00%
2.	Parasbhai Harshadbhai Bagadia	36,00,000	45.00%
Total		80,00,000	100.00%

- d) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them two (02) years prior to date of filing of this Draft Red Herring Prospectus:

Sl.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital as of the date indicated
1.	Harshad Narbherambhai Bagadia	44,00,000	55.00%
2.	Parasbhai Harshadbhai Bagadia	36,00,000	45.00%
Total		80,00,000	100.00%

- e) None of the shareholders of our Company holding 1% or more of the paid-up share capital of the Company as on the date of the filing of the Draft Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.
- g) Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Offer to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

14) Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters namely Harshad Narbherambhai Bagadia, Parasbhai Harshadbhai Bagadia, holds 76,99,400 (48.12%) and 72,00,000 (45.00%) Equity Shares respectively of the pre-Offer paid up share capital of our Company. Mr. Dhyanesb Bagadia does not hold any Equity Shares in the Company.

Details of build-up of shareholding of the Promoters:

Date of Allotment / Transfer	Nature (Subscription / Allotment / Transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Nature of Consideration (cash/ other than cash)	Name of Transferor / Transferee (applicable in case of Transfer)
Harshad Narbherambhai Bagadia						
Subscription to MOA	Subscription	44,00,000	10.00	10.00	Other than Cash	N.A.
November 7, 2024	Transfer	(50)	10.00	20.25	Cash	Poonam Bagadia P
November 13, 2024	Transfer	(50)	10.00	20.25	Cash	Jaydeep Mahendrabhai Patel
November 13, 2024	Transfer	(50)	10.00	20.25	Cash	Manishkumar Ramanlal Patel
November 13, 2024	Transfer	(50)	10.00	20.25	Cash	Joshi Mukeshchandra Gajanan
November 14, 2024	Transfer	(50)	10.00	NIL	Other than Cash	Ranjan Harshad Bagadia
November 14, 2024	Transfer	(50)	10.00	20.25	Cash	Vaibhavi Kandarp Desai
January 23, 2025	Transfer	(5,50,000)	10.00	350.00	Cash	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital
January 30, 2025	Allotment	38,49,700	10.00	N.A.	Other than cash	N.A.
	Total	76,99,400				
Parasbhai Harshadbhai Bagadia						

Date of Allotment / Transfer	Nature (Subscription / Allotment / Transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Nature of Consideration (cash/ other than cash)	Name of Transferor / Transferee (applicable in case of Transfer)
Subscription to MOA	Subscription	36,00,000	10.00	10.00	Other than cash	N.A.
January 30, 2025	Allotment	36,00,000	10.00	N.A.	Other than cash	N.A.
	Total	72,00,000				
Dhyanesh Bagadia						
NIL						

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

- 15) The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Equity Shares held	Average Cost of Acquisition (in ₹)
1	Harshad Narbherambhai Bagadia	76,99,400	0.00
2	Parasbhai Harshadbhai Bagadia	72,00,000	5.00
3	Dhyanesh Bagadia	Nil	N.A.

- 16) As on the date of the Draft Red Herring Prospectus, the Company has Nine (9) members/shareholders.
- 17) Except as provided at Sr. no. 13 above, none of our Promoters, Promoter Group, Directors of our Company and their relatives have undertaken purchase or sale transactions in the Equity Shares of our Company, in the last 3 years, 18 months and 1 year preceding the date on which this Draft Red Herring Prospectus is filed with Stock Exchange.
- 18) There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of this Draft Red Herring Prospectus.

19) Details of shareholding of the Promoter Selling Shareholders

The shareholding of the Promoter Selling Shareholders and the number of Offered Shares being offered in the Offer for Sale by each of the Promoter Selling Shareholders is set out below:

Sr. No.	Name of the Promoter Selling Shareholders	No. of Equity Shares (A)	Percentage of the pre Offer Equity Share capital	Maximum number of Offered Shares (B)	Residual number of Equity Shares (A-B)	Percentage of the post Offer Equity Share capital
1	Harshad Narbherambhai Bagadia	76,99,400	48.12%	4,00,000	72,99,400	[•]
2	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%	5,00,000	67,00,000	[•]
Total		1,48,99,400	93.12%	9,00,000	1,39,99,400	[•]

- 20) The details of the Shareholding of the Promoters and Promoter Group and Public as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Pre-Offer shareholding as at the date of Advertisement			Post-Issue shareholding as at Allotment			
	Shareholders	Number of Equity Shares	Percentage of holdings	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares	Percent age of holding s	Numbe r of Equity Shares	Percentag e of holdings
Promoters/Promoter Selling Shareholders							
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12%	[●]	[●]	[●]	[●]
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%	[●]	[●]	[●]	[●]
3.	Dhyanesh Bagadia	Nil	Nil	[●]	[●]		
Total (A)		1,48,99,400	93.12%	[●]	[●]	[●]	[●]
Promoter Group							
4.	Ranjan Bagadia	100	Negligible	[●]	[●]	[●]	[●]
5.	Poonam Bagadia	100	Negligible	[●]	[●]		
Total (B)		200	Negligible	[●]	[●]	[●]	[●]
Additional top 10 shareholders							
6.	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	11,00,000	6.88%	[●]	[●]	[●]	[●]
7.	Jaydeep Mahendrabhai Patel	100	Negligible	[●]	[●]	[●]	[●]
8.	Vaibhavi Kandarp Desai	100	Negligible	[●]	[●]	[●]	[●]
9.	Joshi Mukeshchandra Gajanan	100	Negligible	[●]	[●]	[●]	[●]
10.	Manishkumar Ramanlal Patel	100	Negligible	[●]	[●]	[●]	[●]
Total (C)		11,00,400	6.88%	[●]	[●]	[●]	[●]
Total (A+B+C)		1,60,00,000	100.00%	[●]	[●]	[●]	[●]

Notes:

1. The Promoter Group shareholders are Ranjan Harshad Bagadia and Poonam P Bagadia.
2. Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing shareholders after the date of the pre-Offer and price band advertisement until date of prospectus.
3. Based on the Offer price of ₹ [●] and subject to finalization of the basis of allotment.

21) Promoters' Contribution and other Lock-In details:

a) Details of Promoter's Contribution locked-in for three (3) years, (2) years and (1) year.

In accordance with Regulations 236 and 238 of the SEBI (ICDR) Regulations, the Promoters of our Company shall be subject to the following lock-in restrictions on their shareholding:

Minimum Promoters' Contribution: An aggregate of [●]% of the fully diluted post-Offer share capital of the Company, held by the Promoters, shall be locked in for a period of three years from the date of allotment (the "Minimum Promoters' Contribution").

Excess Promoter Shareholding over Minimum Promoters' Contribution: The Promoters' shareholding in excess of the Minimum Promoters' Contribution, i.e., [●]% of the fully diluted post-Offer

capital (equivalent to [●] Equity Shares), shall be locked in for a period of two years from the date of allotment in the Offer.

Further Excess Promoter Shareholding: The remaining 50% of the Promoters' holding in excess of the Minimum Promoters' Contribution, i.e., [●]% of the fully diluted post-Offer capital (equivalent to [●] Equity Shares), shall be locked in for a period of one year from the date of allotment in the Offer.

The lock-in of the Promoter's would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Promoters' locked-in:

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Offer / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Offer paid-up capital	Period of lock-in
Harshad Narbherambhai Bagadia							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Parasbhai Harshadbhai Bagadia							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

** To be updated at the prospectus stage and subject to finalisation of Basis of Allotment.*

(1) For a period of three, two and one years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see **“Capital Structure”** on page 85

The Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters' contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Equity Shares allotted to the promoter against the capital existing in the firms for a period of less than one year on a continuous basis.
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoters' Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Draft Red Herring Prospectus till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Other requirements in respect of 'lock-in'

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-

in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI (ICDR) Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the Promoter Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

- 22) Our Company, our Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
- 23) The post-Offer paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
- 24) All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- 25) As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 26) Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed Offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
- 27) No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, or our Directors, 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.
- 28) There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.

- 29) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 30) None of our Directors or Key Managerial Personnel/Senior Manager Personnel holds Equity Shares in our Company, except as stated in below table:

Sl.	Name of the Director/KMP/SMP	Pre-Offer		Post Offer	
		No. of equity Shares	% of Pre-Offer Equity Share Capital	No. of equity Shares	% of Post-Offer Equity Share Capital
	<u>Directors</u>				
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12%	[●]	[●]%
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%	[●]	[●]%
	<u>SMP</u>				
3.	Jaydeep Mahendrabhai Patel	100	0.00%	[●]	[●]%
4.	Vaibhavi Kandarp Desai	100	0.00%	[●]	[●]%
Total		1,48,99,600	93.12%	[●]	[●]%

- 31) For the details of transactions by our Company with our Promoter Group, Group Companies during the last three Fiscals i.e., 2022, 2023 and 2024 & period ended on September 30, 2024 please refer to paragraph titled — Related Party Transaction in the chapter titled, “*Financial Information*” beginning on page 216 of this Draft Red Herring Prospectus.
- 32) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.
- 33) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “*Basis of Allotment*” in the chapter titled “*Offer Procedure*” beginning on page 327 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time.
- 34) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.
- 35) As on date of this Draft Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Offer.
- 36) We confirm that none of the investors of our Company are directly/indirectly related with Book Running Lead Manager and their associates.
- 37) There are no safety net arrangements for this public offer.
- 38) As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
- 39) All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
- 40) As per RBI regulations, OCBs are not allowed to participate in this Offer.

- 41) There is no Buyback, Standby, or similar arrangement by our Company/Promoters/Directors/ Book Running Lead Manager for purchase of Equity Shares issued / Issued through this Draft Red Herring Prospectus.
- 42) As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
- 43) Investors may note that in case of over-subscription, the allocation in the Offer shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
- 44) Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and NSE.
- 45) The Offer is being made through Book Building Method.
- 46) Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
- 47) An Applicant cannot make an application for more than the number of Equity Shares being Offered subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
- 48) Our Promoters and the members of our Promoter Group will not participate in this Offer except to the extent of their participation in the Offer for Sale.
- 49) Our Company has not made any public issue since its incorporation.
- 50) No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
- 51) Our Company shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group and other pre-IPO transactions, if any, between the date of filing this Draft Red Herring Prospectus and the Offer Closing Date are reported to the Stock Exchange within 24 hours of such transactions being completed.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

- (1) -To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.
- (2) Subject to full subscription of the Fresh Issue component
- (3) For details, please see “Offer related expenses” on page 106 of this Draft Red Herring Prospectus.

Requirements of funds and utilization of Net Proceeds

The Net Proceeds of the Fresh Issue are proposed to be utilized in the following manner:

1. Funding working capital requirements of the Company;
2. Funding capital expenditure requirements towards purchase of slitting and cut-to-length machines at Unit IV;
3. Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company; and
4. General Corporate Purposes.

(collectively, referred to herein as the “*Objects*”)

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

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

Utilization of Net Proceeds

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

(₹ in lakhs)

Particulars	Amount
Funding working capital requirements of the company	3,200.00
Funding capital expenditure requirements towards purchase of slitting and cut-to-length machines at Unit IV	1,412.97
Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company	1,437.94
General Corporate Purposes ⁽¹⁾	[●]
Net Proceeds	[●]

⁽¹⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Fresh Issue or ₹ 1,000 lakhs, whichever is less in accordance with the SEBI ICDR Regulations.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(₹ in lakhs)

Particulars	Total estimated cost	Estimated deployments of the Net Proceeds	
		Fiscal 2026	Fiscal 2027
Funding working capital requirements of the company	3,200.00	1,500.00	1,700.00
Funding capital expenditure requirements towards purchase of slitting and cut-to-length machines at Unit IV	1,412.97	1,412.97	-
Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company	1,437.94	1,437.94	-
General Corporate Purposes ⁽¹⁾	[●]	[●]	-
Total	[●]	[●]	[●]

(1) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Fresh Issue or ₹ 1,000 lakhs, whichever is less in accordance with the SEBI ICDR Regulations.

The fund requirements, deployment of funds, and intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, market conditions, and other external commercial and technical factors. However, these fund requirements and deployment plans have not been appraised by any bank, financial institution, or independent agency. For further details, see “Risk Factors - Risk Factor 19- The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval” on page 47. We may need to revise our funding requirements and deployment due to various factors such as our financial and market conditions, business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition, access to capital, and other external factors such as changes in the business environment, regulatory changes, and interest or exchange rate fluctuations. These factors, which may not be within our management’s control, might necessitate rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation, subject to compliance with applicable laws.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial year towards the aforementioned Objects.

Moreover, if the actual utilization towards any of the 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 towards general corporate purposes will not exceed 15% of the aggregate of the gross proceeds of the Fresh Issue or ₹ 1,000 lakhs, whichever is less in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects of the Fresh Issue

1. Funding Working Capital Requirements of the Company

We are engaged in the business of manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils using Cold Rolled Grain Oriented (“CRGO”) and Cold Rolled Non-Grain Oriented (“CRNGO”) steel. These products serve as essential transformer components that enhance transformer efficiency by reducing energy losses through low hysteresis and eddy currents. We provide customised solutions to our clients in domestic and international markets based on their specific design requirements for transformers. Over the past three decades, we have continuously improved our processes to deliver quality components that support efficient transformer performance.

We intend to expand our production capabilities at Sub Plot No Div. “B”, Atmiya-11 Industrial Park, Block No.858/A, 990, 991 & 1008 at village Por taluka and dist. Vadodara - 391 243, Gujarat, INDIA “Unit IV” by acquiring new machines, enhance our presence in overseas markets and expand our product portfolio. We believe this investment will boost our production output thus allowing us to meet growing customer demand and generate increased revenue. However, with the increase in production capacity and output, to shield ourselves from the volatile pricing and to stay ahead of competition, we will be required to maintain a higher level of raw materials. Also, our operational infrastructure for manufacturing of our products is working capital intensive and involves maintaining higher level of inventory and debtors and as our production capacity increases, our working capital requirements also increases. All these factors may result in an increase in the quantum of working capital requirements. Our Company proposes to utilize ₹ 3,200.00 lakhs towards funding its working capital requirements in the ordinary course of business.

Basis of estimation of working capital requirement

(a) Existing working capital

Set forth below are the working capital of our Company, as on period ended September 30, 2024, Fiscals 2024, 2023 and 2022 respectively:

(₹ in Lakhs)

Particulars	For the period ended September 30, 2024 (Restated)	For the year ended March 31, 2024 (Restated)	For the year ended March 31, 2023 (Restated)	For the year ended March 31, 2022 (Restated)
Current Assets				
Trade Receivables	2,555.38	2,521.70	2,112.83	1,376.01
Work-in Process and Inventories	4,154.57	2,214.42	1,575.46	1,927.50
Loans and Advances	928.03	537.68	358.37	434.24
Total Current Assets (A)	7,637.98	5,273.80	4,046.66	3,737.75
Current Liabilities				
Trade payables	1,735.42	614.96	537.93	768.77
Other current liabilities	61.90	45.51	129.62	24.44
Short-term Provisions	389.93	90.54	81.83	39.90
Total Current Liabilities (B)	2,187.25	751.03	749.39	833.10
Net Working Capital Requirements (A-B)	5,450.73	4,522.77	3,297.27	2,904.65
Source of funds				
Borrowings	4,668.71	3,830.95	2152.67	1,746.25
Internal Accruals	782.02	691.82	1144.60	1,158.40

(b) Future Working Capital

The estimates of the working capital requirements for the Financial Year 2025, 2026 and 2027 have been prepared based on the management estimates of future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur. On the basis of existing and estimated working capital requirement of our Company on an audited standalone basis, and assumptions for such working capital requirements, our Board pursuant through its resolution dated March 17, 2025 has approved the projected working capital requirements for the Financial Year 2025, 2026 and 2027 and the proposed funding of such working capital requirements as set forth below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2027 (Estimated)	For the year ended March 31, 2026 (Estimated)	For the year ended March 31, 2025 (Estimated)
Current Assets			
Trade Receivables	5,150.00	4,350.00	3,551.50
Inventories	4,800.00	4,000.00	3,196.00
Loans and Advances	685.00	530.04	379.02
Total Current Assets (A)	10,635.00	8,880.04	7,126.52
Current Liabilities			
Trade payables	1,000.05	850.00	715.10
Other current liabilities	175.00	150.00	80.30
Short-term Provisions	600.24	500.00	530.60
Total Current Liabilities (B)	1,775.29	1,500.00	1,326.00
Net Working Capital Requirements (A-B)	8,859.71	7,380.05	5,800.52
Source of funds			
Borrowings	3,300.00	3,500.00	4,100.00
Internal Accruals	3,859.71	2,380.05	1,700.52
IPO proceeds	1,700.00	1,500.00	-

Holding levels and key assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the period ended September 30, 2024, Fiscal 2024, 2023 and 2022, based on financial statements, as well as estimated for Fiscal 2025, 2026 and 2027.

Particulars	For the year ended March 31, 2027 (Estimated)	For the year ended March 31, 2026 (Estimated)	For the year ended March 31, 2025 (Estimated)	For the period ended September 30, 2024 (Restated)	For the year ended March 31, 2024 (Restated)	For the year ended March 31, 2023 (Restated)	For the year ended March 31, 2022 (Restated)
Inventories	48	47	44	55	42	43	68
Trade Receivables	51	51	49	44	52	43	63
Trade Payables	13	13	14	26	15	19	24

Key justifications for holding levels

Particulars	Justification
Inventories	<p>In FY 2022, Inventory days was 68 days which decreased to 43 days in FY 2023 and then further decreased to 42 days in FY 2024. This decrease was as a result of better inventory management.</p> <p>The inventory days increased to 55 days for the period ended September 30, 2024. We estimate inventory levels of 44 days in FY 2025, 47 days in FY 2026 and 48 days in FY 2027 and same are based on anticipated growth.</p>
Trade Receivables	<p>In FY 2022, Trade receivables days was 63 days which decreased to 43 days in FY 2023 and then increased to 52 days in FY 2024.</p> <p>The trade receivables days was 44 days for the period ended September 30, 2024. The company intends to maintain trade receivables days in the range of 49 to 51 days for FY 2025 to 2027.</p>
Trade Payables	<p>In FY 2022, Trade payables days was 24 days which decreased to 19 days in FY 2023 and then further decreased to 15 days in FY 2024. Historically, company's trade payable days have been at lower levels due to lower credit period provided by the suppliers.</p> <p>The trade payables days was 26 days for the period ended September 30, 2024. The company anticipates trade payables days in the range of 13 to 14 days for FY 2025 to 2027 based on lower credit period offered by the suppliers.</p>

Note: Pursuant to the certificate dated March 19, 2025 issued by our Statutory Peer Review Auditor, M/s Lalpuria Shah & Associates , Chartered Accountants

2. Funding capital expenditure requirements towards purchase of slitting and cut-to-length machines at Unit IV

As mentioned above and in line with our business strategies, we intend to expand our production capabilities at Sub Plot No Div. "B", Atmiya-11 Industrial Park, Block No.858/A, 990, 991 & 1008 at village Por taluka and dist. Vadodara - 391 243, Gujarat, INDIA "Unit IV" by acquiring new machines. These machines will be used for slitting and cutting. For further details, see "Our Business – Our Strategies" on page 158. Accordingly, our Company has identified the machines to be purchased and obtained quotations from respective vendors and are yet to place any orders or enter into any definitive agreements for such machines. Our Company intends to utilise ₹ 1,412.97 lakhs from the Net Proceeds to purchase of such machines.

We plan to enhance our manufacturing capabilities by introducing advanced automated CNC machines for slitting and transformer laminations. This investment will allow us to process higher volumes of electrical steel with greater precision and efficiency, enabling us to handle increased production demands while ensuring faster delivery. By integrating automation into these processes, we aim to optimise material utilisation, improve consistency, and enhance overall production speed. These advancements will strengthen our ability to meet growing market demand

while maintaining quality standards. Our expansion aligns with our long-term strategy to scale operations efficiently and strengthen our position in the industry.

Our existing installed capacity is 19,900 MT and proposed capacity will be 8,600 MT and total capacity will be 28,500 MT, as certified by M/s D.M. Vaidya & Associates, an independent Chartered Engineer by their Certificate dated March 18, 2025.

Detailed break up of capital expenditure towards purchase of Machinery:

Sr No	Particulars & Purpose	Quantity (In Numbers)	Total Amount (₹ in Lakhs)	Vendor Name, Reference Date and Number, Validity Date, Price
1	HJX((D227)-1000L Cut-to-length Line for Transformer Lamination (Type HJX (D227)-1000L Cut-to-length line for transformer lamination is the special equipment for transformer lamination manufacturing. The line is used to manufacture sheets of large and medium transformer, including shearing, chamfer, punching hole and punching notch. Full oblique joints, half oblique joints and vertical joints of transformer sheets can be produced. The silicon steel coil is punched and sheared to be certain shape and size of laminations, then be diverted and stacked. The main sheet shapes could refer to lamination drawing.)	1	1,102.26	CECEP Xi'an Qiyuan Mechanical and Electrical Equipment Co., Ltd., December 16, 2024, 241216HJX01IN, June 16, 2025, Price: USD 1,270,000.00
2	ZJX (1005)-1250/150B Slitting Line for Transformer Lamination (Type ZJX (1005)-1250/120 Slitting Line for Transformer Lamination is special for slitting silicon steel sheet coil into strips.)	1	310.72	CECEP Xi'an Qiyuan Mechanical and Electrical Equipment Co., Ltd., December 16, 2024, 241216ZJX01IN, June 16, 2025, Price: USD 358,000.00
	Total		1,412.97	

⁽¹⁾ All amounts are exclusive of applicable taxes

⁽²⁾ All quotations are valid as of the date of filing Draft Red Herring Prospectus

⁽³⁾ Total estimated cost as per Certificate dated March 18, 2025 issued by M/s D.M. Vaidya & Associates, Independent Chartered Engineer in respect of the proposed expenditure

⁽⁴⁾ Source – 1 USD = 86.7920 INR, www.rbi.org.in/scripts/ReferenceRateArchive.aspx dated March 17, 2025)

All quotations mentioned in this section are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the equipment at the same costs. We are yet to place orders for machineries. Further, for risk arising out of the Objects, see “Risk Factors –Risk Factor 26 – Our Company is yet to place orders for the plant and machinery for the expansion of existing manufacturing unit. Any delay in placing orders or procurement of such plant and machinery may delay the schedule of implementation and possibly increase the cost of commissioning the manufacturing unit.” on page 51. There can be no assurance that we would be able to procure equipment at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the services may differ from the current estimates.

Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or internal

accruals, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals.

No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. None of the vendors from whom we have procured quotations are related or connected to our Company, Promoters, Subsidiaries, Directors, Key Managerial Personnel and Senior Management Personnel.

Our company intends to utilize ₹ 1,412.97 lakhs out of the Net Proceeds towards above mentioned machines.

3. Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company

Our Company has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company include, *inter alia*, unsecured loans, credit facility and term loans. For disclosure of our Company's secured and unsecured borrowings as on March 18, 2025, please refer to chapter titled "*Financial Indebtedness*" beginning on page 269.

As on March 18, 2025, our secured loans (fund based) and overdrafts aggregated to ₹ 4,894.73 lakhs. Our Company proposes to utilise an estimated amount up to ₹ 1,437.94 lakhs from the Net Proceeds of the Offer towards repayment of such outstanding secured borrowings availed by our Company. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company. We may choose to repay and/or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus or Prospectus with the RoC, the details in this chapter shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent Fiscal.

However, the aggregate amount to be utilised from Net Proceeds towards repayment and/or prepayment, in part or full of certain borrowings, would not exceed ₹ 1,437.94 Lakhs. In light of the above, at the time of filing the Prospectus, the table below shall be suitably updated to reflect the revised amounts or additional loans, as the case may be.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our internal accruals for further investment in the growth and expansion of our business. Such a reduction of our outstanding indebtedness will also help us to improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

Our Interest expense for the period ended September 30, 2024, FY 2024, FY 2023 and FY 2022 was 168.87 lakhs, 244.22 lakhs, 191.82 lakhs and 147.73 lakhs respectively. Further, the loans we are planning to repay/ pre-pay out of Net Proceeds has 10.65% interest rate which is highest interest rate in our loan portfolio.

The following table provides details of loans and facilities as at March 18, 2025, which are proposed to be pre-paid or partly or fully repaid by our Company from the Net Proceeds:

(Rs. In Lakhs)										
S. No.	Name of the entity	Details of loans availed	Amount Sanctioned (Rs. in Lakhs)	Date of Sanction	Outstanding loans as on March 18, 2025 (Rs. in Lakhs)	Net Proceeds proposed to be utilised (Rs. in Lakhs)	Purpose of availing loans	Interest rate (%) P.A	Tenure/ Repayment Schedule	Prepayment penalties, if any
1	Bank of Baroda	Term Loan	1,444.00	October 25, 2023	1,311.01	1,261.08	Land and Building	Applicable rate: 10.65% (1.25% over BRLLR 9.15% + 0.25%)	96 months including moratorium period of 9 months	Tenor upto 6 months: 1% of annualized basis on the amount pre-paid subject to minimum notice period of 7 days
2			94.00		84.06	37.25	Plant and Machinerys	Concessional rate: 9.40% (BRLLR 9.15% + 0.25%)	96 months including moratorium period of 6 months	Tenor above 6 months upto 1 year: 2% on annualized basis on amount pre-paid Tenor above 1 year: 2% on amount pre-paid
3			215.00	March 10, 2023	139.61	139.61	Plant and Machinery	Applicable rate: 10.65% (1.25% over BRLLR 9.15% + 0.25%) Concessional rate: 9.40% (BRLLR 9.15% + 0.25%)	63 months	Closure before 6 months: 4% plus taxes on the entire amount outstanding Closure after 6 months: 2% plus taxes on the entire amount outstanding Closure after 50% of total tenure: NIL
Total			1,753.00		1,534.68	1,437.94				
^In accordance with Clause 9(A) (2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, we have obtained a certificate dated March 19, 2025 from the Statutory Peer Review Auditor, M/s Lalpuria Shah & Associates, Chartered Accounts, certifying that the borrowings have been utilized towards the purposes for which such borrowings were availed by us. For further details, see “Financial Indebtedness” on page 269 of this Draft Red Herring Prospectus.										

In case we are unable to raise the Offer Proceeds till the due date for repayment of any of the abovementioned portion of the loans, the funds earmarked for such repayment that is ₹ 1,437.94 Lakhs from the Net Proceeds may be utilised for payment of future instalments of the above-mentioned loan.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Offer, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

No portion of the Net Proceeds that will be utilised for repayment / prepayment, in full or part, of certain borrowings availed by our Company, will be directly or indirectly routed to our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel or Senior Management.

We confirm that in respect of any of the above mentioned loans, there have been no instances of delays, defaults and rescheduling / restructuring of our borrowings or loans. However, there are certain instances of delay in repayment as mentioned in the chapter “*History and Certain Corporate Matters*” on page 186.

4. General corporate purposes

Our Company proposes to deploy the balance proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 15% of the aggregate of the gross proceeds of the Fresh Issue or ₹ 1,000 lakhs, whichever is less in accordance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise net proceeds include, business development initiatives, meeting any expense including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company’s management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

Means of finance

We propose to fund the requirements of the Objects detailed above from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals.

Offer related expenses

The break-up for the estimated offer related expenses are as set forth below:

Activity	Estimated expenses (₹ in lakhs)	As a % total estimated Offer related expenses (1)	As a % of the total Offer size (1)
Book Running Lead Manager’s fees	[●]	[●]	[●]
Underwriting Fees	[●]	[●]	[●]
Fees payable to Market Maker to the Offer	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable for Advertising and Publishing	[●]	[●]	[●]

Activity	Estimated expenses (₹ in lakhs)	As a % total estimated Offer related expenses (1)	As a % of the total Offer size (1)
expenses			
Fees payable to Regulators including Stock Exchanges & Depositories	[•]	[•]	[•]
Payment for Printing & Stationery, Postage, etc.	[•]	[•]	[•]
Fees payable to Statutory Auditor, Legal Advisors and other Professionals	[•]	[•]	[•]
Others (1) (2)	[•]	[•]	[•]
Total estimated Offer related expenses	[•]	[•]	[•]

Notes:

1. Includes Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Individual Applicants and Non – Institutional Applicants, would be [•] on the allotment amount on the application wherein shares are allotted.
2. Includes commission/Processing fees of ₹ [•] per valid application forms for SCSBs. In case the total processing fees payable to SCSBs exceeds ₹ [•] lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed ₹ [•] lakhs.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. 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.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Net Proceeds, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 262(2) of the SEBI CDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Offer without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors and our Key Management Personnel. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Management Personnels.

BASIS FOR OFFER PRICE

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

Investors should refer to “Risk Factors”, “Our Business”, “Financial Statements” and “Management Discussion and Analysis of Financial Position and Results of Operations” on pages 33, 154, 216 and 279, 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:

- Proven business model ensuring efficient operations.
- Long-standing customer base leading to stability in our business operations.
- Quality Assurance and Quality Control of our products.
- Strategically located manufacturing facilities with modern infrastructure.
- Well experienced management team with proven project management and implementation skills.

For further details, see “Risk Factors” and “Our Business” on pages 33 and 154, respectively.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For details, see “Financial Statements” on page 216. Investors should evaluate our Company and form their decisions, taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Offer price are as follows:

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

Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2024	3.11	3.11	3
Fiscal 2023	4.06	4.06	2
Fiscal 2022	1.20	1.20	1
Weighted Average	3.11	3.11	
For the period ended September 30, 2024*	5.82	5.82	

*Not annualised

Notes:

- a) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.*
- b) *Basic and diluted EPS are based on the Restated Financial Information.*
- c) *The face value of each Equity Share is ₹10.*
- d) *Earnings per Share (₹) = Profit after tax excluding exceptional items attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares. The weighted average number of Equity Shares outstanding during the year.*
- e) *Basic EPS and diluted EPS calculations are in accordance with Accounting Standard 20 ‘Earnings per Share’.*
- f) *Adjusted for equity shares allotted under bonus issue in the ratio of 1:1 post September 30, 2024.*

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

Particulars	P/E at the lower end of the price band (no. of times) *	P/E at the higher end of the price band (no. of times) *
a) P/E ratio based on Basic EPS as at March 31, 2024	[●]	[●]
b) P/E ratio based on Diluted EPS as at March	[●]	[●]

Particulars	P/E at the lower end of the price band (no. of times) *	P/E at the higher end of the price band (no. of times) *
31, 2024		

* To be updated at Prospectus stage.

Industry Price / Earning (P/E) Ratio

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

Particulars	P/E ratio
Industry	
Highest	34.96
Lowest	18.08
Average	25.78

Notes: P/E ratio has been computed based on the closing market price of equity shares on NSE/BSE as on March 17, 2025, divided by the diluted EPS for the year ended March 31, 2024.

3. Return on Net Worth (RONW):

Year ended	RoNW (%)	Weight
Fiscal 2024	30.29%	3
Fiscal 2023	56.80%	2
Fiscal 2022	14.45%	1
Weighted Average	36.49%	
For the period ended September 30, 2024*	36.19%	

*Not annualised

Notes:

- RoNW = Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus)
- The figures disclosed above are based on the Restated Financial Statements of our Company.

4. Net Asset Value (NAV) per Equity Share

Financial Year	Net Asset Value per equity shares
Net Asset Value per Equity Share as of September 30, 2024	16.08
Net Asset Value per Equity Share as of March 31, 2024	10.26
After Completion of the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
Offer Price	[●]

Notes:

- Net asset value per equity share is calculated as net worth as of the end of the relevant period divided by the weighted average number of equity shares outstanding at the end of the period. Net worth represents the aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information.
- Adjusted for equity shares allotted under bonus issue in the ratio of 1:1 post September 30, 2024.

5. Comparison with listed industry peer:

Following is the comparison with our peer companies listed in India:

Name of the Company	For the year ended 2024						
	Face value (₹)	Revenue from operations (₹ in lakhs) ⁽¹⁾	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	Return on net worth (%)	NAV per Equity Share (₹)
Elec Steel Processing Industries Limited	10	16,350.07	3.11	3.11	[•]	30.29%	16.08
Peer Group							
Vilas Transcore Limited	10	30,974.06	12.82	12.82	24.29	15.57%	88.53
Jay Bee Laminations Limited	10	30,290.97	10.75	10.75	18.08	36.42%	34.90
Amba Enterprises Limited	5	28,213.52	4.87	4.87	34.96	18.78%	28.21

Source: All the financial information for listed industry peers mentioned above is on Standalone basis as available sourced from the financial Reports of the peer company uploaded on the NSE/BSE website for the year ended March 31, 2024.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE/BSE website on March 17, 2025, divided by the Diluted EPS for the year ended March 31, 2024.
2. Return on Net-worth has been computed as the Net Profit after tax, as restated divided by Net-worth, as restated (Net worth include share capital and reserves and surplus)
3. NAV is computed as the closing net worth divided by the weighted average number of equity shares outstanding.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 33, 154, 279 and 216, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

6. Key financial and operational performance indicators (“KPIs”)

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

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Offer as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
Revenue from Operations (₹ lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business, including other income.
Operating EBITDA (₹ lakhs)	Operating EBITDA provides information regarding the operational efficiency of the business.
Operating EBITDA Margin (%)	Operating EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.

KPI	Explanations
Return on Capital Employed (RoCE) (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Debt to Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track how effectively the company is utilizing its working capital to generate revenue

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 17, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by M/s Lalpuria Shah & Associates, by their certificate dated March 19, 2025.

Financial KPI of our Company

(₹ in lakhs)

Sr No.	Metric	As of and for the period ended September 30, 2024*	As of and for the Fiscal		
			2024	2023	2022
1	Revenue From operations (₹ in Lakhs)	10,627.17	16,350.07	14,805.72	7,935.16
2	Total Income (₹ in Lakhs)	10,698.34	16,472.63	14,906.14	7,961.61
3	Operating EBITDA (₹ in Lakhs)	1,432.90	913.41	1,085.16	491.35
4	Operating EBITDA Margin (%)	13.48%	5.59%	7.33%	6.19%
5	Profit After Tax (₹ i.n Lakhs)	931.11	497.44	650.08	192.63
6	PAT Margin (%)	8.76%	3.04%	4.39%	2.43%
7	Return on Equity (ROE) (%)	44.18%	35.70%	52.48%	16.92%
8	Return on Capital Employed (ROCE) (%)	30.72%	23.62%	43.81%	20.64%
9	Debt to Equity Ratio	2.63	3.63	2.83	1.92
10	Current Ratio	1.15	1.19	1.59	1.51
11	Net Capital Turnover Ratio	11.09	13.56	10.30	6.01

*Not annualised

Notes:

- As certified by M/s Lalpuria Shah & Associates, Chartered Accountants pursuant to their certificate dated March 19, 2025. The Audit committee in its resolution dated March 17, 2025 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- Operating EBITDA Margin refers to Operating EBITDA during a given period as a percentage of revenue from operations during that period.
- PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Non-current liabilities less Intangible Assets.
- Debt to Equity ratio is calculated by dividing the total debt by total equity.

- i) *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 current assets by current liabilities.*
- j) *Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).*

See “*Management Discussion and Analysis of Financial Position and Results of Operations*” on page 279 for the reconciliation and the manner of calculation of our key financial performance indicators.

For further information in relation to historical use of such KPIs by our Company to monitor the operational and/or financial performance of our Company, “*Our Business—Key Performance Indicators*” on pages 155.

Comparison of financial KPIs and Operational KPIs of our Company and our listed peer.

(₹ in lakhs)

Metric	Elec Steel Processing Industries Limited				Vilas Transcore Limited				Jay Bee Laminations Limited				Amba Enterprises Limited			
	As of and for the Fiscal				As of and for the Fiscal				As of and for the Fiscal				As of and for the Fiscal			
	Sep-24	2024	2023	2022	Sep-24	2024	2023	2022	Sep-24	2024	2023	2022	Sep-24	2024	2023	2022
Revenue From operations (₹ in lakhs)	10,627.17	16,350.07	14,805.72	7,935.16	16,243.42	30,974.06	28,260.51	23,302.93	15,317.22	30,290.97	24,666.47	14,125.12	17,264.36	28,213.52	21,812.86	21,951.62
Total revenue (₹ in lakhs)	10,698.34	16,472.63	14,906.14	7,961.61	16,736.03	31,394.77	28,478.14	23,518.05	15,359.25	30,349.56	24,748.86	14,167.39	17,280.71	28,278.26	21,847.22	21,989.92
Op. EBITDA (₹ in lakhs)	1,432.90	913.41	1,085.16	491.35	1,796.26	2,953.63	2,856.46	2,535.66	2,293.49	3,229.39	2,165.35	1,118.13	579.98	877.26	685.37	907.43
Op. EBITDA Margin (%)	13.48%	5.59%	7.33%	6.19%	11.06%	9.54%	10.11%	10.88%	14.97%	10.66%	8.78%	7.92%	3.36%	3.11%	3.14%	4.13%
Profit after tax (₹ in lakhs)	931.11	497.44	650.08	192.63	1,433.36	2,307.50	2,021.11	1,791.49	1,441.17	1,935.27	1,360.00	595.17	379.21	616.59	472.77	639.96
PAT Margin (%)	8.76%	3.04%	4.39%	2.43%	8.82%	7.45%	7.15%	7.69%	9.41%	6.39%	5.51%	4.21%	2.20%	2.19%	2.17%	2.92%
Return on Equity (ROE) (%)	44.18%	35.70%	52.48%	16.92%	6.70%	15.57%	15.88%	16.45%	14.45%	36.42%	37.10%	21.76%	10.17%	18.78%	17.04%	28.61%

Metric	Elec Steel Processing Industries Limited				Vilas Transcore Limited				Jay Bee Laminations Limited				Amba Enterprises Limited			
	As of and for the Fiscal				As of and for the Fiscal				As of and for the Fiscal				As of and for the Fiscal			
	Sep-24	2024	2023	2022	Sep-24	2024	2023	2022	Sep-24	2024	2023	2022	Sep-24	2024	2023	2022
Return on Capital Employed (ROCE) (%)	30.72 %	23.62 %	43.81 %	20.64 %	7.97%	19.88 %	20.79 %	21.31 %	15.57 %	46.61 %	42.38 %	29.59 %	14.14 %	24.50 %	21.68 %	34.19 %
Debt To Equity Ratio	2.63	3.63	2.83	1.92	0.06	0.00	0.04	0.03	0.18	0.38	0.72	0.90	0.05	0.33	0.11	0.16
Current Ratio	1.15	1.19	1.59	1.51	4.14	4.32	3.18	2.83	2.51	1.85	1.70	1.44	1.84	2.20	2.60	3.19
Net Capital Turnover Ratio	11.09	13.56	10.30	6.01	0.91	2.66	2.94	2.91	1.78	6.44	7.41	5.85	5.21	10.24	9.75	12.17

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- Operating EBITDA Margin refers to operating EBITDA during a given period as a percentage of revenue from operations during that period.
- PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Non-current liabilities less Intangible Assets .
- Debt to Equity ratio is calculated by dividing the total debt (Debt includes lease liabilities) by total equity.
- 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 current assets by current liabilities.
- Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).

7. Weighted average cost of acquisition (“WACA”), floor price and cap price

(a) The price per share of our Company based on the primary / new offer of shares (equity / convertible securities)

There have been no primary/ new offer of Equity Shares or convertible securities, excluding shares offered under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue 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.

(b) The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)

Except for the below, there have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group 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 DRHP, 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-Issue 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.

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares*	Face value of Shares	Price of shares (₹)*	Nature of transaction	Nature of consideration	Total Consideration (₹ in lakhs)
January 23, 2025	Harshad Narbheram bhai Bagadia	Meena Arvind Sheth j/w. Mamta Ashish Sheth j/w. Shreya Amit Sheth in the capacity of partners of M/s. Orbit Financial Capital	11,00,000	10	175	Transfer	Cash	1,925
Weighted average cost of acquisition (WACA)								175.00

**Adjusted for equity shares allotted under bonus issue in the proportion of one equity share for every one existing fully paid-up equity share (1:1) post September 30, 2024.*

Floor price and cap price being [●] times the weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) and (b), shall be disclosed in the following manner:

Past Transactions	Weighted average cost of acquisition	Floor Price	Cap Price
	(₹)	₹[●]	₹[●]
WACA of Equity Shares that were issued by our Company	N.A.	N.A.	N.A.
WACA of Equity Shares that were acquired or sold by way of secondary transactions	175.00	N.A.	N.A.

8. Justification for Basis for Offer Price.

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company’s key performance indicators for the Fiscals 2024, 2023 and 2022 and for the period ended on September 30, 2024.

[●]*

**To be included upon finalization of Price Band*

9. The Offer Price is [●] times of the Face Value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management Discussion and Analysis of Financial Position and Results of Operations*” and “*Financial Information*” on pages 33, 154, 279 and 216, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” and you may lose all or part of your investments.

STATEMENT OF POSSIBLE TAX BENEFITS

Date: 19/03/2025

To,
The Board of Directors
Elec Steel Processing Industries Limited
(Formerly Elec Steel Processing Industries Private Limited)
96, G.I.D.C. Ind. Estate,
Por-Ramangamdi, Por, Dist. Vadodara-391243,
Gujarat, INDIA.

RE: Proposed Initial Public Offering of Equity Shares of ₹10 each (the “Equity Shares”) of Elec Steel Processing Industries Limited (the “Company” or the “Issuer”) comprising fresh issue of Equity Shares and “offer for sale of equity shares” (the “Offer”).

Dear Sir(s),

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its Shareholders, under the applicable direct and indirect tax laws as stated and defined in Annexure I, presently in force in India as on the signing date, including the Income Tax Act, 1961, as amended by Finance Act, 2024 and Finance (No. 2) Act, 2024 i.e. applicable for F.Y. 2024-25 and A.Y. 2025-26 and other direct tax laws (together, the “Tax Laws”).

These possible special tax benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its Shareholders to derive these possible special 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 its Shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to the Company and its Shareholders. We wish to highlight that the distinction between “general” and “special” tax benefits is not defined under the ICDR Regulations. Accordingly, we have provided comments on those tax benefits, the availability of which is contingent to the fulfillment of certain conditions as per the applicable tax laws. Further, the preparation of the enclosed Annexure I and II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer of equity shares of the Company 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 possible special tax benefits, which an investor can avail. Neither are we suggesting nor are we advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

- i. The Company or its shareholders will continue to obtain these benefits in future;
- ii. The conditions prescribed for availing the benefits have been/would be met with;

iii. The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Annexures 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.

Limitation:

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer and in accordance with applicable law, and in any other material used in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

Yours sincerely,

Sd/-

For Lalpuria Shah & Associates,
Chartered Accountants
Firm Registration No.: 136086W

Megha Shah Kambodia
(Partner)
Membership No.: 141709
Place: Vadodara
UDIN: 25141709BMNPJY1618

ANNEXURE I

#	<u>Details of Tax Laws</u>
1.	Income Tax Act, 1961 and Income Tax Rules, 1962, each as amended and read with respective circulars and notifications made thereunder
2.	Central Goods and Services Tax Act, 2017, as amended
3.	Integrated Goods and Services Tax Act, 2017, as amended
4.	State Goods and Services Tax Act, 2017, as amended
5.	Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder
6.	Foreign Trade Policy read with Handbook of Procedures

ANNEXURE II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE ELEC STEEL PROCESSING INDUSTRIES LIMITED (FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED) ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS ("TAX LAWS") IN INDIA

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Tax Laws. These possible special tax benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company or its Shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

1. Direct Taxation

A. Special tax benefits available to the Company

Lower Corporate tax rate under section 115BAA of the Act

- As per Section 115BAA of the Income-tax Act, inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019"), with effect from April 1, 2020 (i.e., AY 2020-21), an option is granted to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus a surcharge of 10% and cess of 4%), provided the taxpayer does not avail specified exemptions/incentives and complies with other conditions specified in Section 115BAA of the Act. Further, the taxpayer availing such an option will not be required to pay Minimum Alternate Tax ("MAT") on its book profits under Section 115JB of the Act.

However, such a company will not be eligible to avail specified exemptions/incentives under the Act and will also need to comply with the other conditions specified in Section 115BAA of the Act. Also, if a company opts for Section 115BAA of the Act, the tax credit (under Section 115JAA of the Act), 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.

The Company has exercised the aforesaid option to be taxed at the reduced rate of 25.17% (including surcharge and cess).

Deduction under section 80JJAA of the Act

- In accordance with and subject to fulfilment of conditions as laid out under Section 80JJAA of the Income-Tax Act, 1961, the Company may be entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. Special tax benefits available to Shareholders

The Shareholders of the Company are not eligible to any special tax benefits under the Income Tax Act, 1961 and Income Tax Rules, 1962 identified supra.

2. Indirect taxation

A. Special tax benefits available to the Company

The Company is not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended; Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.

B. Special tax benefits available to Shareholders

The Shareholders of the Company are not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended; Customs Act, 1962 and Customs Tariff Act, 1975, each as amended and read with respective rules, circulars and notifications made thereunder; and the Foreign Trade Policy.

NOTES:

1. The above is as per the current tax laws, as amended by the Finance Act, 2024.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The Shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
5. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
6. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Industry Report on Electrical Equipment & Component” dated March 19, 2025 (the “Infomerics Report”), exclusively prepared and issued by Infomerics Analytics & Research, who were appointed by our Company pursuant to an engagement letter dated February 17, 2025, and the Infomerics Report has been commissioned by and paid for by our Company in connection with the Offer. A copy of the Infomerics Report is available on the website of our Company at <https://www.espi.co.in/>. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Infomerics Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. 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. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the Infomerics Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For more information, see “Risk Factors – Risk Factor 35-This Draft Red Herring Prospectus contains information from an industry report prepared by Infomerics Analytics & Research, commissioned by us for the purpose of the Issue for an agreed fee” on page 33. Also see, “Presentation of Financial Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 19.

Indian Macro Economy an overview

The global economy exhibited steady yet uneven growth across regions in 2024. A notable trend was the slowdown in global manufacturing, especially in Europe and parts of Asia, due to supply chain disruptions and weak external demand. In contrast, the services sector performed better, supporting growth in many economies. Inflationary pressures eased in most economies. However, services inflation has remained persistent. Although commodity prices have stabilised, the risk of synchronised price increases persists. With growth varying across economies and last-mile disinflation proving sticky, central banks may chart varying paths of monetary easing. This will lead to uncertainty over future policy rates and inflation trajectories. This apart, geopolitical tensions, ongoing conflicts, and trade policy risks continue to pose significant challenges to global economic stability.

In this global context, India displayed steady economic growth. As per the first advance estimates of national accounts, India’s real GDP is estimated to grow by 6.4 per cent in FY25. Growth in the first half of FY25 was supported by agriculture and services, with rural demand improving on the back of record Kharif production and favourable agricultural conditions. The manufacturing sector faced pressures due to weak global demand and domestic seasonal conditions. Private consumption remained stable, reflecting steady domestic demand. Fiscal discipline and strong external balance supported by a services trade surplus and healthy remittance growth contributed to macroeconomic stability. Together, these factors provided a solid foundation for sustained growth amid external uncertainties.

Looking ahead, India’s economic prospects for FY26 are balanced. Headwinds to growth include elevated geopolitical and trade uncertainties and possible commodity price shocks. Domestically, the translation of order books of private capital goods sector into sustained investment pick-up, improvements in consumer confidence, and corporate wage pick-up will be key to promoting growth. Rural demand backed by a rebound in agricultural production, an anticipated easing of food inflation and a stable macro-economic environment provide an upside to near-term growth. Overall, India will need to improve its global competitiveness through grassroots-level structural reforms and deregulation to reinforce its medium-term growth potential.

Snapshots on key Economic Indicators: -

Foreign Direct Investment: -

Foreign Direct Investment, the subject of much analysis, has held up. RBI data on India’s Balance of Payments shows us that the investment interest of external investors, measured in terms of dollar inflows of new capital, was

USD45.8 billion in FY24 compared to USD47.6 billion in FY23. This slight decline is in line with global trends. Reinvestment of earnings remained the same. Repatriation of investment was USD29.3 billion in FY23 and USD44.5 billion in FY24. Many private equity investors took advantage of buoyant equity markets in India and exited profitably. It is a sign of a healthy market environment that offers profitable exits to investors, which will bring newer investments in the years to come. That said, the environment for foreign direct investment to grow in the coming years is not highly favourable for many reasons.

Employment generation: -

It is worth reiterating that job creation happens mainly in the private sector. Second, many (not all) of the issues that influence economic growth, job creation and productivity and the actions to be taken therein are in the domain of state governments. So, in other words, India needs a tripartite compact, more than ever before, to deliver on the higher and rising aspirations of Indians and complete the journey to Viksit Bharat by 2047.

In more than one respect, the action lies with the private sector. In terms of financial performance, the corporate sector has never had it so good. Results of a sample of over 33,000 companies show that, in the three years between FY20 and FY23, the profit before taxes of the Indian corporate sector nearly quadrupled. Further, newspaper headlines told us that the corporate profits-to-GDP ratio rose to a 15-year high in FY24. Business Line reported, “The corporate profit for the Nifty-500 universe was up 30 per cent last fiscal to ₹14.11-lakh crore against ₹10.88 lakh crore in FY23. The nominal GDP grew 9.6 per cent y-o-y to ₹295-lakh crore (₹269-lakh crore)¹”. Hiring and compensation growth hardly kept up with it. But it is in the interest of the companies to step up hiring and worker compensation.

Between FY19 and FY23, the cumulative growth in private sector non-financial Gross Fixed Capital Formation (GFCF) is 52% in current prices. During the same period, the cumulative growth in general government (which includes states) is 64%. The gap does not appear to be too wide.

Private sector GFCF in machinery and equipment and intellectual property products has grown cumulatively by only 35% in the four years to FY23. Meanwhile, its GFCF in ‘Dwellings, other buildings and structures’ has increased by 105%. This is not a healthy mix. Second, the slow pace of investment in M&E and IP Products will delay India’s quest to raise the manufacturing share of GDP, delay the improvement in India’s manufacturing competitiveness and create only a smaller number of higher-quality formal jobs than otherwise.

Nonetheless, there is a silver lining in the data. In the two years since FY21, GFCF by the private sector has grown faster. General government GFCF rose a cumulative 42% between FY21 and FY23. Non-Financial Private Sector’s overall GFCF increased by 51%; investment in Machinery and Equipment and Intellectual Property Products increased by 38%. So, the growth in these two critical sub-components of Private Sector GFCF is similar to that of the overall GFCF by the General Government. This is a statistic that bears watching. They should continue to invest. To do so, they need demand visibility. That comes from employment and income growth.

Agriculture can be a growth engine: -

The agriculture sector is one area ripe for and in need of such a pan-India dialogue. Agriculture and farmers matter for a nation. Most countries understand that. India is no exception. India subsidises their water, electricity and fertilisers. The former two are provided virtually free. Their incomes are not taxed. The government offers them a minimum support price (MSP) for 23 selected commodities. Monthly cash support is offered to farmers through the PM-KISAN scheme. Indian governments – national and sub-national – write off their loans. So, governments in India spend enough resources to look after the farmers well. Yet, a case can be made that they can be served better with some re-orientation of existing and new policies.

Unleashing small enterprises: -

Another area where policy intentions have yet to manifest in desired outcomes is with respect to small, medium, and large enterprises. Earlier, several products were reserved for small scale industries. That was phased out as it benefitted neither the small-scale industries nor the overall economy. Recent concerted efforts at formalising them are making progress. Progress is relatively slower on access to finance. Buyers and creditors are shedding old mindsets and practices too slowly for these enterprises to feel the effect. However, these enterprises need maximum relief from the compliance burdens they face. Laws, rules and regulations stretch their finances, abilities and bandwidth, perhaps robbing them of the will to grow.

Final words: -

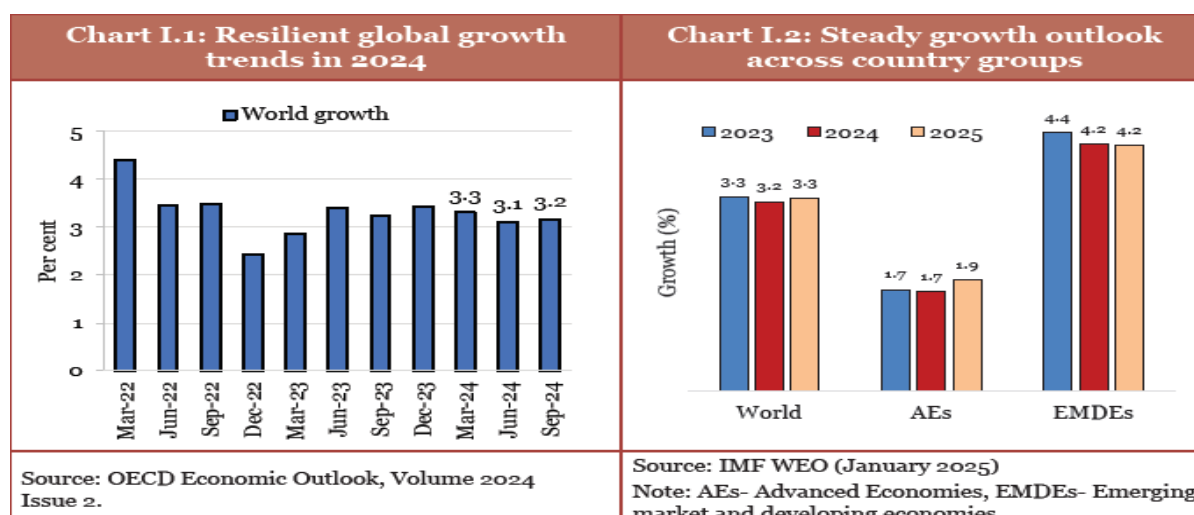
The tripartite compact that this country needs to become a developed nation amidst emerging unprecedented global challenges is for governments to trust and let go, for the private sector to reciprocate the trust with long-term thinking and fair conduct and for the public to take responsibility for their finances and their physical and mental health.

2. An overview on Macro Economy Parameters

Global economic conditions are shaped by changing growth dynamics, fluctuating commodity prices, and evolving monetary policies, which influence domestic inflation, trade balances, and capital flows. At present, this interconnectedness is complicated by unusual levels of geopolitical tensions, supply chain disruptions, and climate-related shocks. Against this background, this chapter is organised broadly into four sections. The first section outlines the global economic scenario comprehensively, highlighting growth and inflation trends, policy stances, and key emerging risks and uncertainties. The second section focuses on the domestic macroeconomic situation, examining developments from the demand and supply sides. The third section delves into the emerging trends in public finances, inflation, external sector, financial markets and employment. The concluding section presents the prospects and outlook for growth in the presence of global headwinds while capitalising on domestic growth drivers

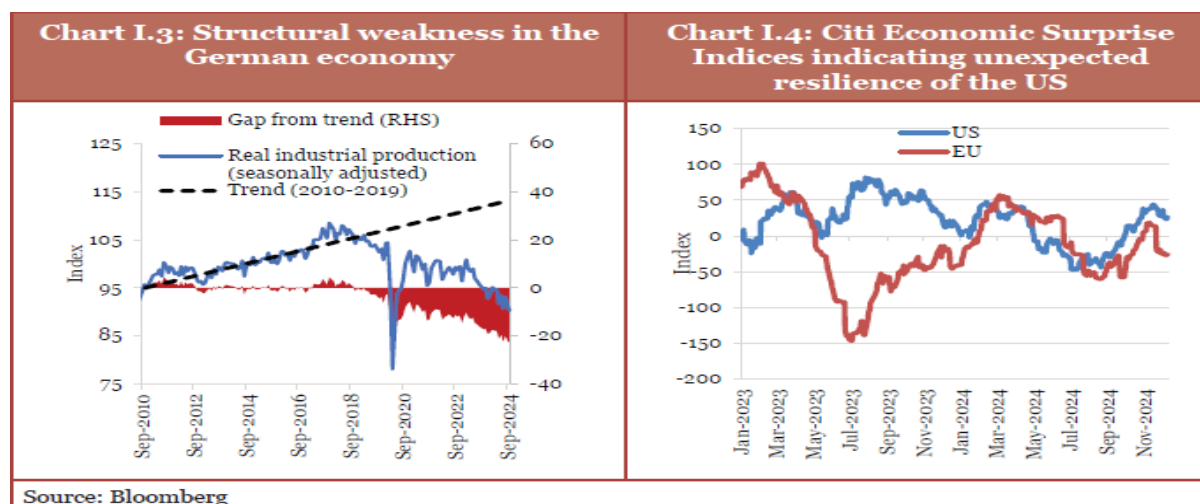
Global Economic Scenario: -

Globally, 2024 has been an eventful year. The year witnessed unprecedented electoral activity on the political front, with more than half of the global population voting in major elections across countries. Meanwhile, adverse developments like the Russia-Ukraine conflict and the Israel-Hamas conflict increased regional instability. These events impacted energy and food security, leading to higher prices and rising inflation. Cyberattacks also became more frequent and severe, with growing human and financial consequences due to the increasing digitisation of critical infrastructure. Geopolitical tensions have reshaped global trade. Geopolitical risks and policy uncertainty, especially around trade policies, have also contributed to increased volatility in global financial markets. Nonetheless, global economic growth has remained fairly moderate. The global economy grew by 3.3 per cent in 2023. The International Monetary Fund (IMF) has projected growth of 3.2 per cent and 3.3 per cent for 2024 and 2025, respectively. Over the next five years, global growth is expected to average around 3.2 per cent, which is modest by historical standards. While the overall global outlook remains steady, growth varies across different regions. Further, geopolitical developments and monetary policy changes across countries resulted in increased caution among investors, culminating in moderation in foreign direct investment (FDI) flows.



Despite higher interest rates, advanced economies (AEs) witnessed stable growth in the first half of 2024. This was on account of moderating inflation and sustained employment and consumption. However, the growth outlook differs between the United States (US) and the Euro Area. Growth in the US is expected to remain strong at 2.8 per cent in 2024 and may decline slightly in 2025, reflecting a moderation in consumption and exports.

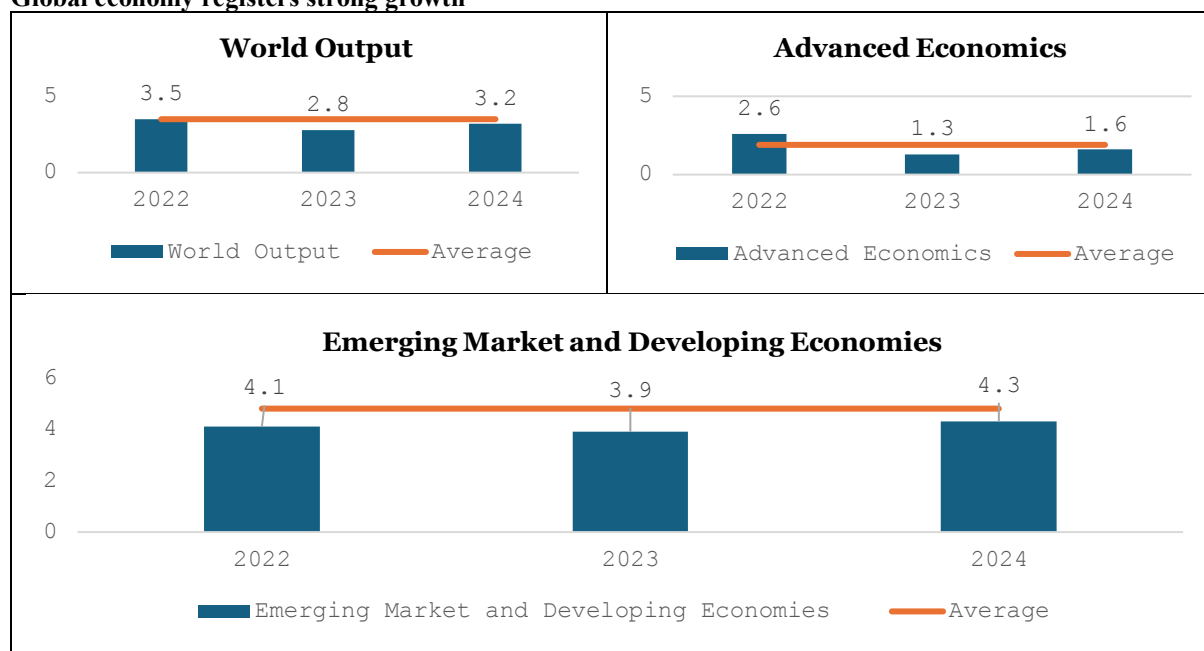
In the Euro area, growth is expected to improve from 0.4 per cent in 2023 to 0.8 per cent in 2024 and further to 1.0 per cent in 2025 on the back of improving services activity. However, growth outcomes in Europe have been varied. Some countries like Spain, France, Poland, and the United Kingdom have benefitted from the strength of their services sector. Meanwhile, manufacturing-intensive countries like Germany and Austria are being weighed down by weak demand.⁵ Germany's structural weaknesses, particularly in manufacturing, have been noticeable, contributing to the slackness in Europe's manufacturing. Political developments in France and Germany are also adding to policy uncertainty in Europe's major economies.



The divergence of the growth trajectories of Europe and the US can also be seen in Citi Economic Surprises indices for these countries. These indices compare actual data releases with analyst expectations. A value above zero indicates the data was stronger than analyst expectations, while a negative value indicates weaker actual data compared to expectations. Between January 2023 and November 2024, data for the US economy continued to present more 'positive' surprises than the EU, compared to the analyst estimates.

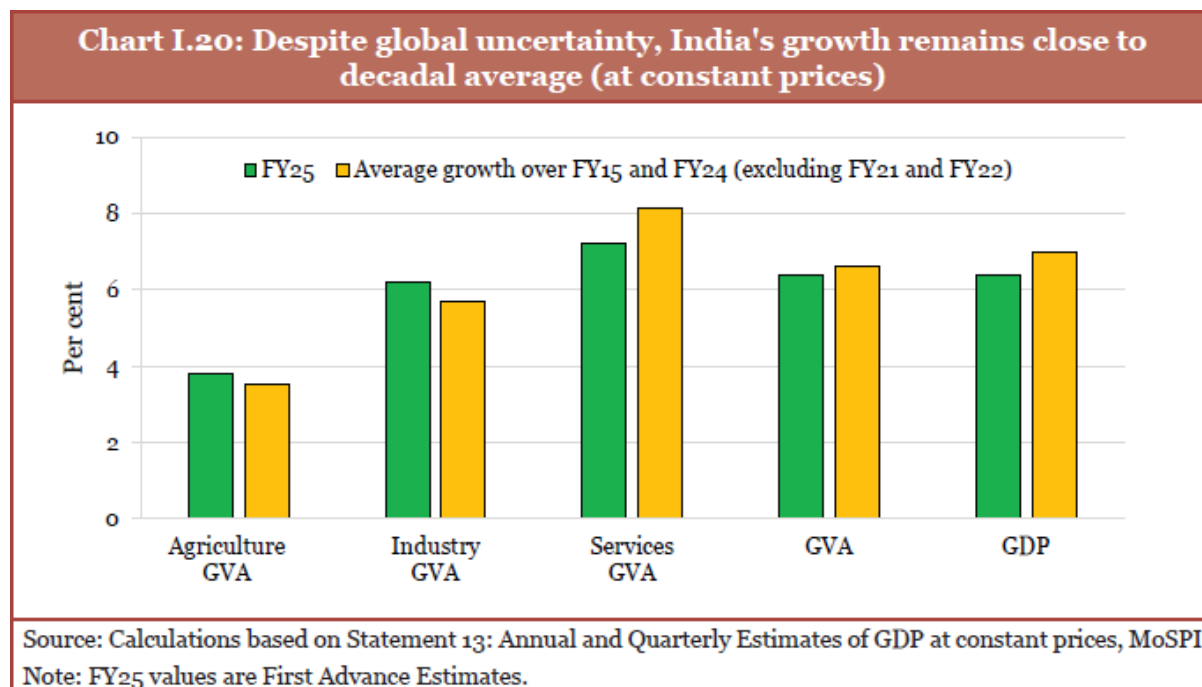
Within Asia, Japan's growth was hindered by domestic supply disruptions in the early part of the year, while China's growth weakened after the first quarter, affected by sluggish private consumption and investment, alongside challenges in the real estate sector.

Global economy registers strong growth



Domestic Economy: -

As per the first advance estimates released by the National Statistical Office, Ministry of Statistics & Programme Implementation (MoSPI), the real gross domestic product (GDP) growth for FY25 is estimated to be 6.4 per cent. From the angle of aggregate demand in the economy, private final consumption expenditure at constant prices is estimated to grow by 7.3 per cent, driven by a rebound in rural demand. PFCE as a share of GDP (at current prices) is estimated to increase from 60.3 per cent in FY24 to 61.8 per cent in FY25. This share is the highest since FY03. Gross fixed capital formation (GFCF) (at constant prices) is estimated to grow by 6.4 per cent.



On the supply side, real gross value added (GVA) is also estimated to grow by 6.4 per cent. The agriculture sector is expected to rebound to a growth of 3.8 per cent in FY25. The industrial sector is estimated to grow by 6.2 per cent in FY25. Strong growth rates in construction activities and electricity, gas, water supply and other utility services are expected to support industrial expansion. Growth in the services sector is expected to remain robust at 7.2 per cent, driven by healthy activity in financial, real estate, professional services, public administration, defence, and other services. The analysis of growth trends in this chapter, hereinafter, is mostly based on the trends in the first half (H1) of FY25, on which the information base is more comprehensive.

Resilient recovery

The COVID-19 pandemic caused widespread disruptions to economies worldwide. Economic Survey 2023-24 compared the post-pandemic trends until Q4 FY24 with the pre-pandemic trajectory and concluded that the economy grew briskly enough to avert any permanent loss of output.

The overall picture is encouraging. Aggregate GVA surpassed its pre-pandemic trend in Q1 FY25, and it now hovers above the trend in the H1 FY25. The agriculture sector remains strong, consistently operating well above trend levels. The industrial sector has also found its footing above the pre-pandemic trajectory. The robust rate of growth in the recent years has taken the services sector close to its trend levels.

A closer look at industrial sub-sectors reveals a spectrum of performances. Construction has been a standout, gaining momentum since mid-FY21 and soaring approximately 15 per cent above its pre-pandemic trend—an impressive feat driven by robust infrastructure development and housing demand. The utilities sector, including electricity, gas, water supply, and other services, reached its pre-pandemic trend by the end of FY23 and has consistently stayed above these levels. Manufacturing, while steadily recovering, remains slightly below its pre-pandemic trajectory. Meanwhile, mining continues to operate below its pre-pandemic trend.

The recovery within the services sector has been uneven. Financial, real estate and professional services have taken the lead, surpassing pre-pandemic trend levels by the end of FY23. Public administration, defence, and other services followed suit, exceeding the trend for the first time in Q1 of FY25 since the onset of the pandemic. However, trade, hotels, transport, and communication services are gradually catching up with the pre-pandemic

trend. These contact-intensive sectors faced challenges due to lockdown, restricted demand for travel, and reduced demand for hospitality, entertainment, and personal services.

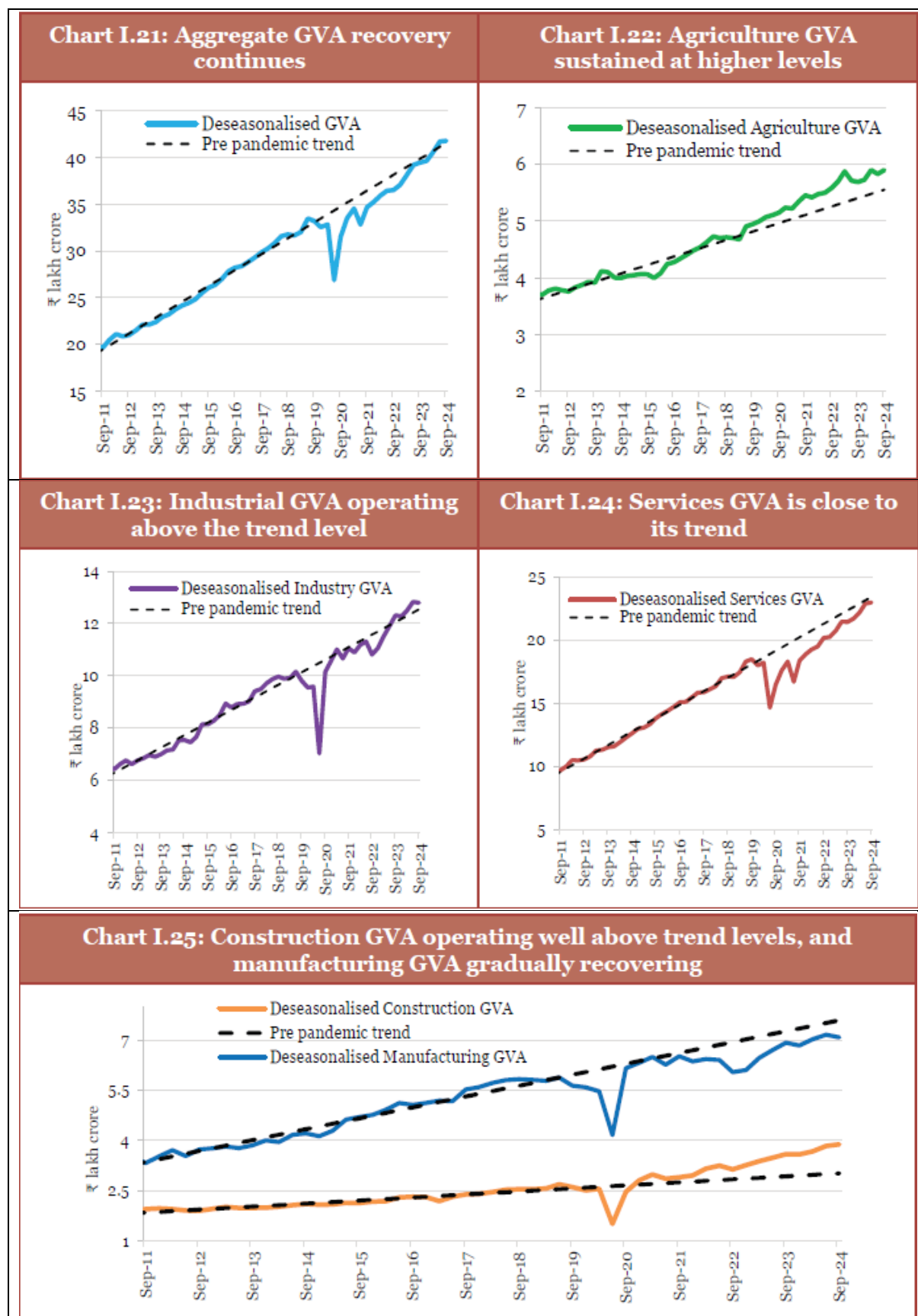
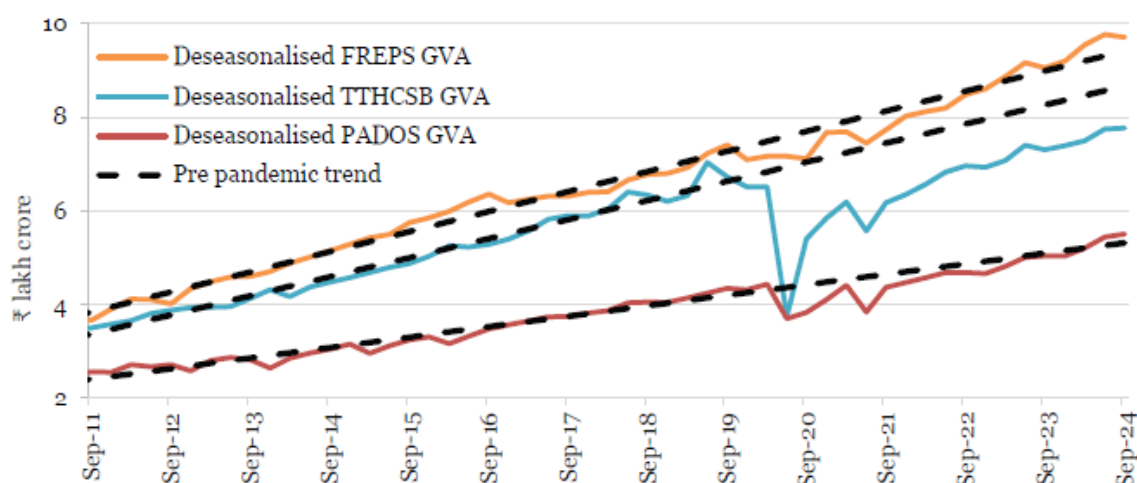


Chart I.26: Uneven recovery within the services sector



Source: Calculations based on Statement 13: Annual and Quarterly Estimates of GDP at constant prices, MoSPI

Note: i) **FREPS**- Financial, real estate and professional services ii) **TTHCSB** – Trade, transport, hotel, communication and services related to broadcasting iii) **PADOS** - Public administration, defence & other services.

All de-seasonalised variables are derived from National Accounts variables at constant (2011-12) prices.

Growth in H1 FY25 driven by agriculture and services sector

The real GVA grew by 6.2 per cent in H1 FY25. A strong growth momentum in Q1 FY25 was followed by a subdued performance in Q2 FY25. The agriculture and services sectors emerged as key growth drivers during this period. However, the overall growth was tempered by moderation in industrial growth, particularly in manufacturing, which faced challenges from slowing global demand and supply chain disruptions India's GDP at constant (2011-12) prices grew by 6.7 per cent and 5.4 per cent in Q1 and Q2 FY25, respectively. This implied a real GDP growth of 6.0 per cent in the first half of the current fiscal.

Chart I.29: GDP growth in H1 FY25 at 6.0 per cent

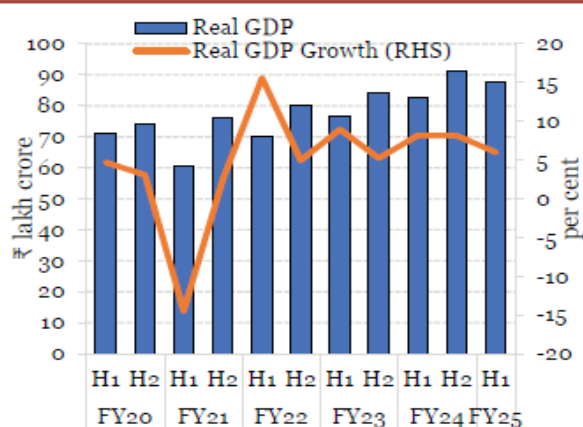
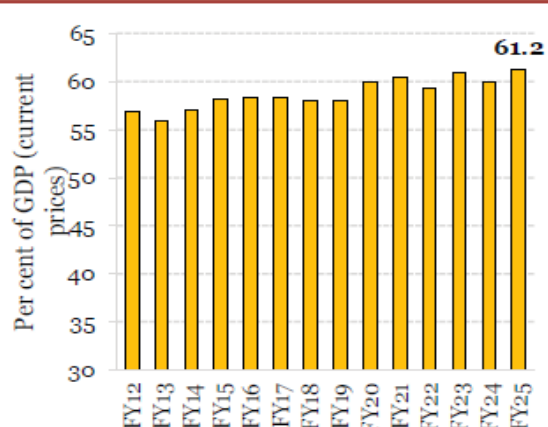
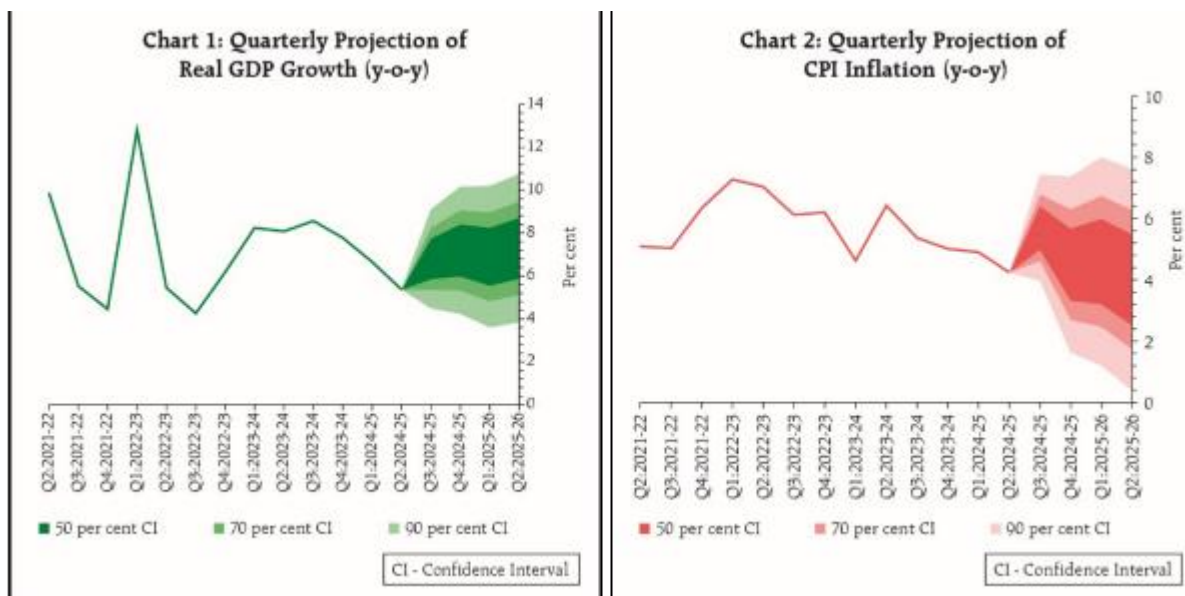


Chart I.30: Highest share of private consumption in H1 across all years



Source: Calculations based on Statement 13: Annual and Quarterly Estimates of GDP at constant prices and Statement 14: Annual and Quarterly Estimates of GDP at current prices, MoSPI



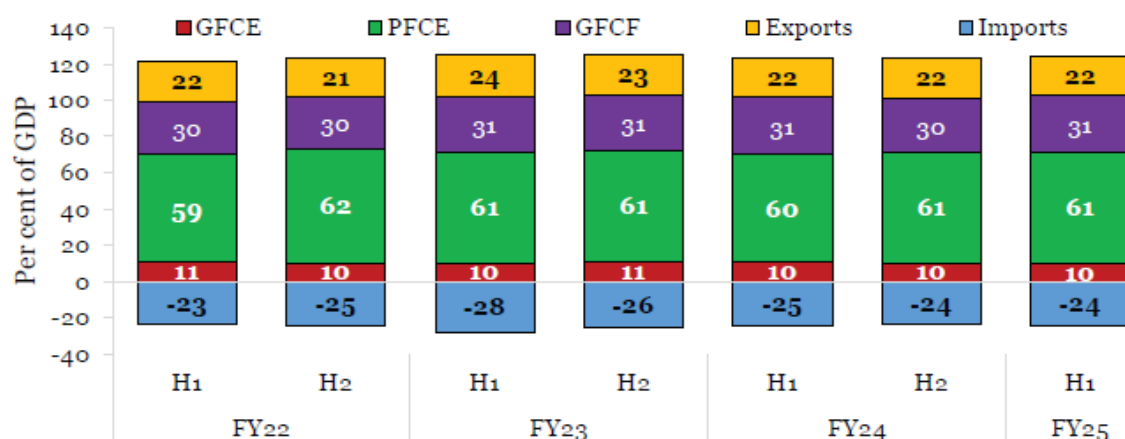
India's headline inflation, measured by the Consumer Price Index (CPI), has moderated in FY25 (April-December) compared to FY24. This decline is primarily due to a significant decrease in core inflation, which dropped by 0.9 percentage points between FY24 and FY25 (April-December). The sharp decline in core inflation was largely driven by core services inflation, which was lower than core goods inflation. A decrease in fuel price inflation has also contributed to the moderation in headline inflation, alleviating pressure on household budgets. In general, the decline in Individual inflation can be attributed to a reduction in input prices, as reflected in wholesale price inflation, which was in the deflationary zone (-0.7 per cent) in FY24 and remained low in FY25 (April-December). Various high-frequency indicators reflect the growth in the services sector. Both Goods and Services Tax (GST) collections and the issuance of e-way bills, reflecting wholesale and Individual trade, demonstrated double-digit growth in FY24. Financial and professional services have been a major driver of growth post the pandemic. Contact-intensive services—prominently trade, transport, real estate and their ancillary services that were impacted the most during the pandemic have emerged much stronger in the post-pandemic period, embedding greater technology and digital content in them and transforming the nature of the service delivery in India. The proliferation of global capability centres (GCCs) has also imparted resilience to India's services exports, giving further thrust to the sector.

From a demand perspective, Private Final Consumption Expenditure (PFCE) firmed up in H1 FY25, growing by 6.7 per cent YoY. While National Accounts data is not disaggregated by geography, indicators such as 2-wheeler and 3-wheeler sales and tractor sales signal that rural demand contributed to private consumption growth. This is also reflected in the January 2025 round of National Bank for Agriculture and Rural Development (NABARD's) Rural Economic Conditions and Sentiments Survey, where 78.5 per cent of rural households reported an increase in their consumption expenditure during the last year. The impulse from rural demand is expected to continue in the second half of the fiscal year with the returns from a bumper Kharif crop and higher MSPs for a prospectively good Rabi crop.

On the other hand, indicators of urban demand presented mixed trends. According to data from the Federation of Automobile Dealers Associations (FADA)¹⁹, the growth of passenger vehicle sales has slowed to 4.2 per YoY cent in April – November 2024 compared to 9.2 per cent in the corresponding period of the previous year. Fast-moving consumer goods (FMCG) sales in urban areas, as per Nielsen IQ, have recorded a moderate growth in H1FY25. However, there is steady growth of 7.7 per cent YoY in air passenger traffic in April – November 2024. The 7.3 per cent YoY growth indicated by the First Advance Estimates for PFCE at constant prices for FY25 indicates a pick-up in the most recent months.

The moderation in real GDP growth can be traced to a softening of growth in Gross Fixed Capital Formation (GFCF) from 10.1 per cent in H1 FY24 to 6.4 per cent in H1 FY25. Q1 FY25 witnessed a slowdown in capital expenditure across different levels of government on account of the conduct of the general elections. Private sector investment growth may have remained subdued thus far in FY25 on account of the domestic political timetable, global uncertainties and overcapacities.

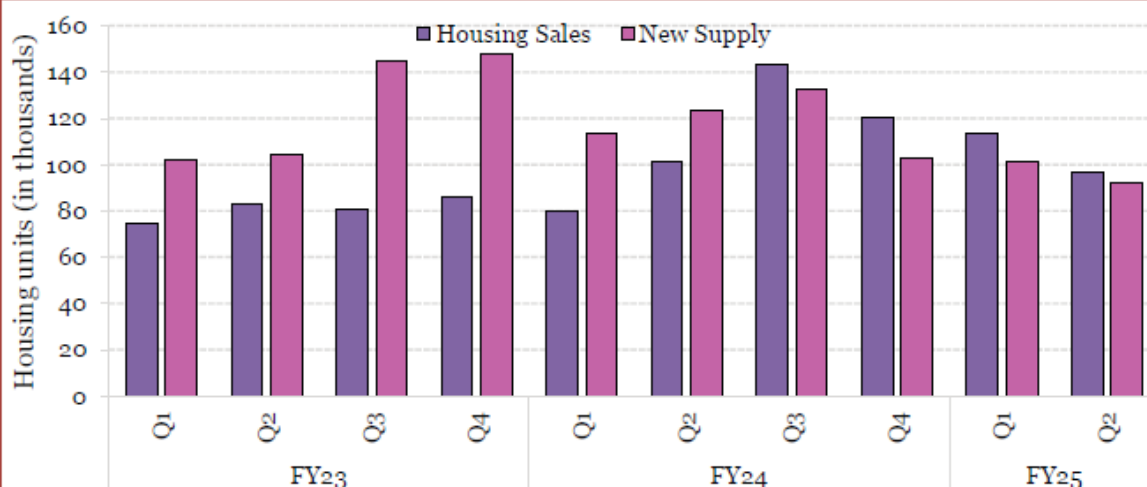
**Chart I.31: Steady shares of investment and consumption in GDP
(at current prices)**



Source: Calculations based on Statement 14: Annual and Quarterly Estimates of GDP at current prices, MoSPI

An additional reason for the slowdown in capital formation growth in Q2 FY25 may have emanated from the moderation in residential investment by households in this quarter, which is on the back of a sharp uptick over the last few quarters. Industry reports, however, point out that the correction in demand-supply metrics in this sector is indicative of market normalisation after a period of robust performance. An inventory overhang of 23 months signals healthy demand momentum in the segment.

Chart I.32: Moderating housing sales and launches on the back of a high base in the top 8 cities²⁰



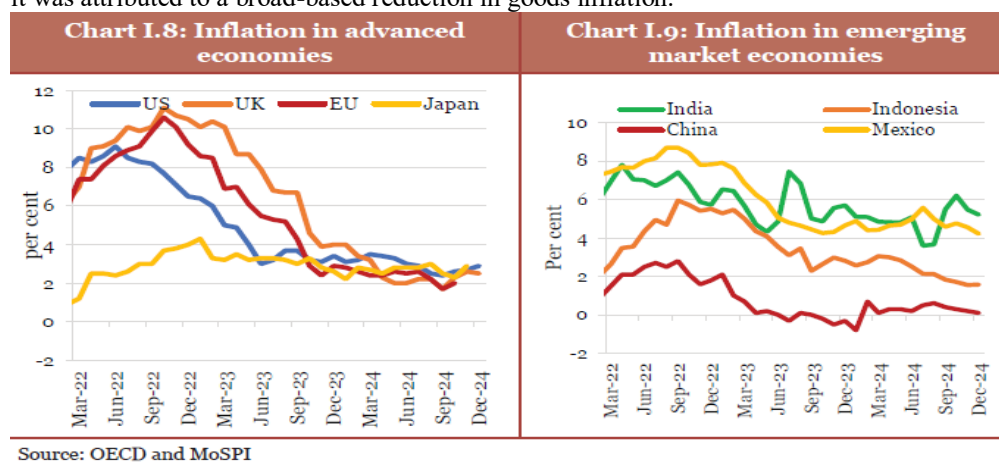
Source: Various Real Insight Residential reports by Proptiger

The slowdown in investment activity is likely temporary. Green shoots in capital formation are visible. Union government capex is up 8.2 per cent in July – November 2024 and is expected to pick up further pace. Early results of the RBI's Order Books, Inventory, and Capacity Utilisation Survey (OBICUS) show that the seasonally adjusted capacity utilisation (CU) in manufacturing firms was 74.7 per cent in Q2 FY25, above the long-term average of 73.8 per cent. A private sector report's²² analysis of a sample of capital goods companies indicates that the order books of these companies have registered a sharp increase of 23.6 per cent in FY24 as against a compound annual growth rate (CAGR) of 4.5 per cent in the preceding four years. Moreover, in H1 FY25, there has been a growth of 10.3 per cent compared to the end of FY24. The RBI's report on private investments showed that investment intentions increased to ₹2.45 lakh crore for FY25 as compared to ₹1.6 lakh crore for FY24. Along with fresh investment, some of the existing intentions would spill over and be implemented in FY26.

On the external front, exports of goods and non-factor services at constant prices increased by 5.6 per cent in H1 FY25, while imports increased by 0.7 per cent. In Q2 FY25, imports of goods and services at constant prices contracted by 2.9 per cent, primarily driven by a decline in commodity prices. As a result, net exports contributed positively to real GDP growth in this period.

Moderation in inflation pressure: -

Inflation rates across economies have trended downward steadily, approaching central bank target levels. This has been the result of tighter monetary policy regimes across the globe and supply chains adapting to higher levels of economic uncertainty. As a consequence, price pressures eased in 2023 due to a reduction in fuel prices. In 2024, it was attributed to a broad-based reduction in goods inflation.

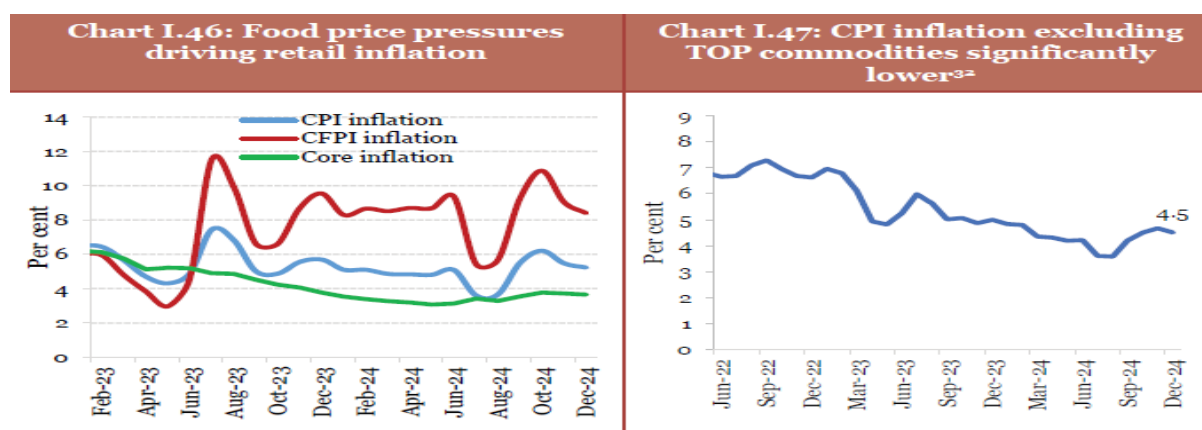


However, disinflation seems to have slowed due to the persistence of services inflation, while core goods inflation has fallen to negligible levels. The IMF World Economic Outlook (WEO) October 2024 reasons that this is on account of higher nominal wage growth as compared to pre-pandemic trends. The report notes that there are early signs that these pressures are abating, thereby aiding the disinflation process.

Inflation – a combination of low and stable core inflation with volatile food prices

Individual headline inflation, as measured by the change in the Consumer Price Index (CPI), has softened from 5.4 per cent in FY24 to 4.9 per cent in April – December 2024. The decline is attributed to a 0.9 percentage point reduction in core (non-food, nonfuel) inflation between FY24 and April – December 2024. While the average inflation in FY25 has trended downward, monthly volatility in food prices and a select few commodities have been responsible for CPI inflation printing towards the upper side of the tolerance band of 4 (+/-) 2 per cent. Pressures in food prices have been driven by factors such as supply chain disruptions and vagaries in weather conditions. Food inflation, measured by the Consumer Food Price Index (CFPI), has increased from 7.5 per cent in FY24 to 8.4 per cent in FY25 (April-December), primarily driven by a few food items such as vegetables and pulses.

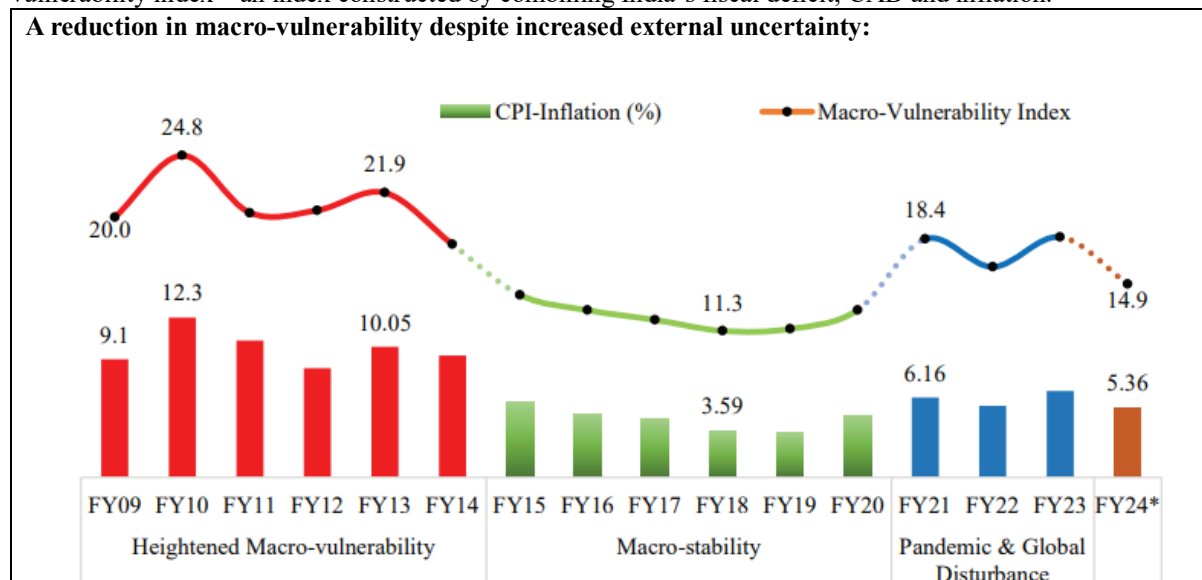
Plots headline Individual inflation excluding the following commodities – tomato, onion and potato, (TOP). These commodities together constitute 2.2 per cent of the CPI basket.



Source: Consumer Price Indices released by Central Statistical Office (CSO), MoSPI

Reduction in macro vulnerability

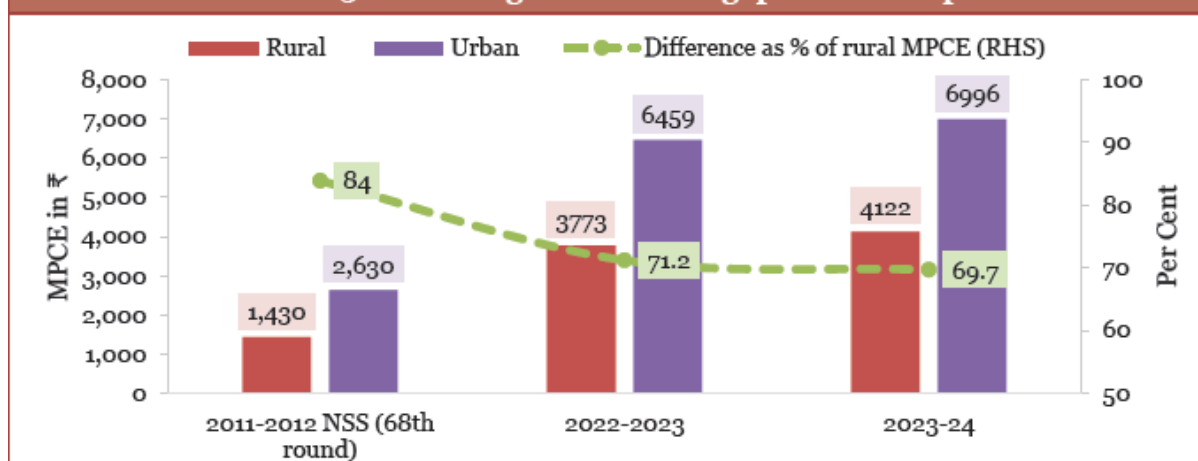
In its pursuit of fiscal consolidation through efficient and prudent fiscal management, the Government continues to stick to the fiscal glide path. The fiscal deficit of the Government is expected to drop to 4.5 per cent of GDP or lower by FY26. This commitment has helped keep the sovereign debt sustainable, thereby keeping sovereign bond yields and spreads in check. All these factors have combined to keep the macroeconomic environment stable and provide a platform for sustainable growth. This is reflected in the downward trajectory of the macroeconomic vulnerability index – an index constructed by combining India’s fiscal deficit, CAD and inflation.



Household Consumption Expenditure Survey 2023-24

The results of the Household Consumption Expenditure Survey (HCES) 2023-24 highlights the narrowing urban-rural gap in consumption expenditure. The average monthly per capita expenditure (MPCE) in rural and urban India in 2023-24 is estimated at ₹4,122 and ₹6,996, respectively.⁵ Considering the imputed values of items received free of cost through various social welfare programmes, these estimates rise to ₹4,247 and ₹7,078, respectively, for rural and urban areas. The urban-rural gap in MPCE has declined to 71 per cent in 2022-23 from 84 per cent in 2011-12. It has further come down to 70 per cent in 2023-24, which confirms the sustained momentum of consumption growth in rural areas.

Chart XI.3. Declining urban-rural gap in consumption



Source: HCES 2023-24, MoSPI

Social sector initiatives have reduced inequality and increased consumption spending, as reflected in the survey. The Gini coefficient improved for rural areas (declined to 0.237 in 2023-24 from 0.266 in 2022-23) and urban areas (declined to 0.284 in 2023-24 from 0.314 in 2022-23). The bottom 5 per cent of the rural population, ranked by MPCE, has an average MPCE of ₹1,677, compared to ₹2,376 in urban areas. The top 5 per cent have average MPCEs of ₹10,137 in rural and ₹20,310 in urban areas.

The largest growth in average MPCE between 2022-23 and 2023-24 occurred among the bottom 5–10 per cent of the population in both rural and urban areas. The bottom 5 per cent of the rural population saw a 22 per cent increase, while the corresponding urban segment experienced 19 per cent growth in the MPCE.

The Economic Survey 2023-24 highlighted how the welfare policies of the government and the social sector initiatives have resulted in the reduction of inequality marked by rising consumption expenditure, as evident from the results of the HCES 2022-23. Fiscal policies of the government are playing a key role in reshaping income distribution, inter-alia, through the provision of subsidies, pensions, and other direct transfers, as well as public spending on social services such as education and health. Various government welfare schemes such as free foodgrain or subsidised availability of foodgrains, subsidised cooking fuel, insurance cover, etc, are lifting household incomes. These fiscal transfers help to provide additional resources to the financially deprived sections and, thus, favourably impact people's standard of living. As an example, building upon the learnings of the HCES, a study by the World Bank⁸ presents evidence of the re-distribution impact of the Public Distribution System (PDS).

OUTLOOK AND WAY FORWARD

A steady growth trajectory shapes the global economic outlook for 2024, though regional patterns vary. The near-term global growth is expected to be a shade lower than the trend level. The services sector continues to drive global expansion, with notable resilience in India. Meanwhile, manufacturing is struggling in Europe, where structural weaknesses persist. Trade outlook also remains clouded in the next year.

Inflationary pressures have been easing globally, though risks of synchronised price pressures linger due to potential geopolitical disruptions, such as tensions in the Middle East and the ongoing Russia-Ukraine conflict. Central banks have adopted more accommodative monetary policies. However, the pace of rate cuts varies across regions depending on the growth imperatives and the pace of disinflation, creating potential divergences in economic recovery.

On the domestic front, rebounding rural demand augurs well for consumption. Investment activity is expected to pick up, supported by higher public capex and improving business expectations. Capacity utilisation in manufacturing remains above the long-term average, and private sector order books have shown steady growth, alongside a rise in investment intentions. However, these gains could be tempered by the global excess capacities in sectors such as steel, leading to aggressive trade policies in search of demand.

Going forward, food inflation is likely to soften in Q4 FY25 with the seasonal easing of vegetable prices and Kharif harvest arrivals. Good Rabi production is likely to contain food prices in the first half of FY26. Adverse

weather events and rise in international agricultural commodity prices, however, pose risks to food inflation. Global energy and commodity prices have softened in the recent past, making the core inflation outlook benign. However, risks remain on account of significant global political and economic uncertainties.

In brief, there are many upsides to domestic investment, output growth and disinflation in FY26. There are equally strong, prominently extraneous, downsides too.

Nonetheless, the fundamentals of the domestic economy remain robust, with a strong external account, calibrated fiscal consolidation and stable private consumption. On balance of these considerations, we expect that the growth in FY26 would be between 6.3 and 6.8 per cent.

Navigating global headwinds will require strategic and prudent policy management and reinforcing the domestic fundamentals. The Budget 2024-25 laid out a multi sectoral policy agenda for sustained growth push. In this context, Chapter 5 elaborates on the need for deregulation and reforms at the grassroots level to improve the overall competitiveness of the economy and to lift trend growth rates, supporting higher levels of economic activity.

3. Overview of electrical equipment and components

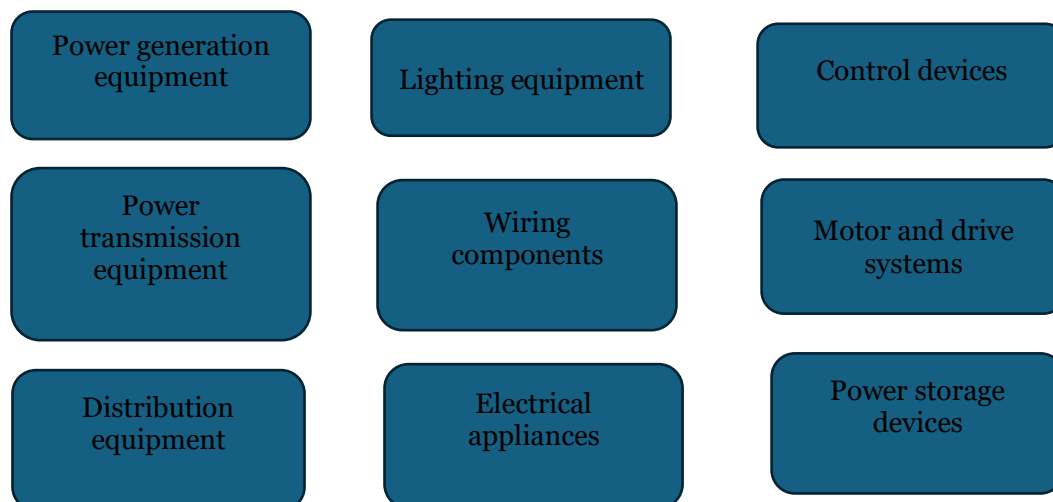
Definition and Scope

General electrical equipment and components refer to devices, machinery, and parts used to generate, distribute, control, and utilize electrical power in various applications. These are essential for both reside and industrial electrical systems. These components ensure the safe and efficient operation of electrical systems, enabling the functionality of numerous devices and infrastructures.

The main types in the general electrical and electrical equipment and components market are online and offline. In general, online mode refers to the online mode of electrical equipment used by customers various sales channels are OEM and aftermarket. These are used in the commercial and residential segments.

The electrical equipment and component industry encompasses the manufacturing of various electrical components like motors, generators, transformers, switchgear, wiring devices (outlets, switches), batteries, insulated wires, lighting fixtures, power converters, and other devices used to generate, distribute, and utilize electrical power, including both industrial and consumer-grade applications

Key Application



4. Executive Summary: - Indian Market size and growth rate of Transformer.

Introduction:

Transformer changes voltage levels and facilitates transmission, distribution and utilization of electrical power in the most efficient and economic manner.

The health of transformer industry depends largely on the power generation and transmission system programme. The major users of this product are the State Electricity Boards, Power Grid Corporation of India Limited and other industries. Some special types of transformers are also manufactured, which are used for the purpose of welding, traction, electrical furnaces etc. The Transformer Industry in India has developed for over 55 years and has a well matured technology base.

Transformers are vital and costly elements of the grid, serving a pivotal function in maintaining uninterrupted electricity transmission over extensive distances. The rising demand for transformers is being propelled predominantly by the expansion of the transmission and distribution sector.

It plays a crucial role in the power transmission and distribution sector, enabling efficient voltage regulation and minimizing energy losses. With rapid industrialization, urbanization, and the shift towards renewable energy sources, the demand for transformers and their components is growing globally.

The power transformer market in India is expected to reach a projected revenue of US\$ 3.4 billion by 2030. A compound annual growth rate of 8% is expected of India power transformer market from 2023 to 2030.

The global transformers market size accounted for USD 63.13 billion in 2024 and is expected to reach around USD 124.19 billion by 2034, expanding at a CAGR of 7% from 2024 to 2034.

India Power & Distribution Transformer Market (2024-30): Segmentation Analysis

The India Power & Distribution Transformer Market study of MarkNtel Advisors evaluates & highlights the major trends and influencing factors in each segment. It includes predictions for the period 2024–2030 at the national level. Based on analysis, the market has been further classified as:

Based on Category:

Power Transformers

Distribution Transformers

Power Transformers	Distribution Transformers
Power transformers are used to increase or decrease voltage levels in high-voltage transmission networks. Their main function is to move electrical energy between transmission lines of varying voltages or from producing stations to transmission lines.	Distribution transformers provide the function of reducing voltage to a level that is appropriate for final consumer use. As the last connection in the electrical distribution system, they supply power to residences, workplaces, and industrial facilities.
Voltage Levels: Usually between 138 kV and 765 kV or greater, these transformers function at high voltage levels.	Voltage Levels: These transformers function at lower voltage levels than power transformers; the primary side's average range is 11–33 kV, while the secondary side's is 400–230 V.
Capacity: Their power rating is high, frequently reaching hundreds of megavolt-amperes (MVA).	Capacity: They are rated for lesser power, often between a few kVA (kilo Volt-Amperes) to several MVA.
Location: Generating stations and substations are the typical locations for power transformers.	Location: In residential, commercial, and industrial settings, distribution transformers are frequently installed on utility poles (pole-mounted) or on the ground (pad-mounted).
Efficiency: Because they typically run constantly at or close to full load, they are built for high efficiency at full load.	Efficiency: Due to their frequent operation at variable loads throughout the day, they are built for high efficiency at partial loads.
Cooling: Power transformers frequently need complex cooling systems, including forced air cooling or oil-immersed cooling, because of their large capacity.	Distribution transformers usually employ less complex cooling techniques like oil-immersed cooling or natural air cooling.

Among them, Distribution Transformers have gained a larger market share in the past few years. Rapid soaring urbanization along with rural area development in the country have supported the larger market share of distribution transformers in the past few years. The increasing youth migration to urban cities in search of jobs has consistently increased the expansion plans of the Tier 1 cities of India. These cities are corporate as well as industrial hubs of the nation and their respective regions; hence, the job opportunities in them are the highest, attracting the Indian youth.

The government authorities of cities such as Bengaluru, Delhi NCR, Mumbai, etc., have been gradually growing the city's total area to encompass the rising population in the cities. The growing residential and commercial areas have also pushed the demand for power infrastructure, thus maintaining the market size of distribution transformers in the overall market.

Growing Energy Demand & Electrification Initiatives.

One of the primary drivers for the India Power & Distribution Transformer Market is the continuously increasing energy demand, combined with aggressive electrification initiatives. As India's population continues to grow, so does its energy consumption. The rapid urbanization and industrialization of the country are pushing the boundaries of the existing power infrastructure, necessitating the expansion and modernization of the power grid.

India's ambitious electrification programs, such as the "Saubhagya Yojana" and "Make in India," are focused on providing electricity to all households and boosting domestic manufacturing. These initiatives are significantly increasing the demand for power and distribution transformers. To meet this growing demand, utilities and industries are investing in the installation of new transformers and the replacement of aging ones with more efficient and reliable models.

Furthermore, the adoption of renewable energy sources, such as solar and wind power, is on the rise in India. These intermittent energy sources require robust power distribution systems that can handle fluctuations and ensure a stable power supply. As a result, there is an increasing need for transformers that can efficiently integrate renewable energy into the grid, further boosting the transformer market.

In summary, the relentless growth in energy demand, driven by population growth, urbanization, industrialization, and electrification initiatives, is a key driver of the India Power & Distribution Transformer Market. The market is expected to thrive as utilities and industries invest in expanding and modernizing their power infrastructure to meet the surging demand and accommodate renewable energy sources.

The Indian power sector is undergoing a transformation, with a focus on modernization and upgrading of existing infrastructure. The government's initiatives to promote renewable energy and improve energy efficiency are expected to boost the demand for electrical equipment. The adoption of smart grid technologies and the integration of renewable energy sources into the power grid are also creating new opportunities for electrical equipment manufacturers. The electrical distribution system is a critical component of the power sector, ensuring the reliable and efficient delivery of electricity to end-users. Electrical machinery, such as transformers,

switchgears, and motors, are essential for the efficient operation of power plants and industrial processes.

The transformer market demand will witness a transformative surge driven by India's ballooning power demand, a manufacturing push and electrification, along with the green energy transition (500 GW by 2030), which has triggered a revival of transmission and distribution capex activity.

The capex envisaged in the power transmission segment alone is expected to be Rs 4.75 trillion by 2027, as per the Central Electricity Authority's draft National Electricity Plan (Volume II).

India's alternating current (AC) transformation capacity has steadily increased over the years, reaching 1,217.58 GVA across the 220-765 kV levels in March 2024. Between 2018-19 and 2023-24, the AC transformation capacity demonstrated a compound annual growth rate (CAGR) of 6.8 per cent.

In addition, the high voltage direct current (HVDC) transformation capacity stands at 33,500 MW, of which the majority, 54 per cent, is at the ± 800 kV level; while 40 per cent is at the ± 500 kV level and the remaining 6 per cent at the ± 320 kV level. Between 2018-19 and 2023-24, the HVDC transformation capacity experienced a CAGR of 8.3 per cent.

Key demand drivers for transformers

Renewable energy integration: The installed renewable generation capacity posted an impressive CAGR of 14.58 per cent between financial years 2016 and 2023. The country has ambitious renewable energy targets of integrating 500 GW of renewable energy by 2030. As per the Central Electricity Authority's report on "Transmission System for Integration of over 500 GW Renewable Energy Capacity by 2030", 50,890 Circuit. km of interstate transmission system-connected transmission lines and 433,575 MVA of substation capacity are required for integrating additional wind and solar capacities by 2030. Much of this new leg of transmission capex is for long-distance renewable energy connectivity of over 220 kV voltage levels. This transition will necessitate the deployment of advanced transformers capable of efficiently managing the intermittent nature of renewable power generation. As the country moves towards its renewable energy goals, the demand for transformers equipped with smart grid technologies, phase-shifting capabilities and voltage regulation features is expected to soar, reshaping market dynamics.

Railways: The Indian Railways is moving towards high-speed trains, which has led to increased demand for transformers between the 66 kV and 133 kV voltage levels. The faster roll-out of high-speed trains, metros and freight corridors is expected to contribute to the significant transformer demand in India over the next few years.

Government policy initiatives: Government initiatives have been instrumental in shaping the trajectory of the transformer market in India. Programmes such as the Green Energy Corridors (GEC) initiative and the Revamped Distribution Sector Scheme have been pivotal in bolstering electrification, upgrading transmission infrastructure and ensuring last-mile connectivity. About 19.4 GW of renewable energy capacity is planned to be integrated into the intra-state system under the GEC-II scheme. These initiatives not only stimulate demand for transformers but also catalyse investments in modernisation and capacity enhancement across the power sector value chain.

Transformer technology trends

Technological innovations are revolutionising the transformer landscape, driving efficiency gains, reliability improvements and enhanced grid resilience. As the demand for electricity continues to rise, the extra high voltage and ultra-high voltage power transformer market is expected to witness further growth in the coming years. These transformers play a crucial role in transmitting electricity over long distances with minimal losses, making them essential for efficient power distribution networks. HVDC transformers are pivotal for efficient long-distance power transmission, converting AC to DC in converter stations and facilitating seamless integration of renewable energy. Coupling transformers with flexible AC transmission systems enables precise control and bidirectional power flow between grids and devices such as static synchronous compensators, improving system efficiency and stability.

Meanwhile, smart transformers, leveraging internet of things, artificial intelligence and predictive analytics, enable real-time monitoring, remote diagnostics and proactive maintenance, optimising asset performance and minimising downtime. Additionally, advancements in insulation materials, cooling systems and design optimisation techniques are paving the way for compact, energy-efficient transformers capable of withstanding diverse operating conditions.

Energy efficiency has emerged as a key priority for utilities and industries seeking to mitigate environmental impact and optimise operational costs. Energy-efficient transformers, including amorphous core transformers and eco-friendly ester-filled transformers, are gaining traction owing to their superior performance, reduced losses and lower carbon footprint. Furthermore, initiatives promoting eco-friendly practices, such as the adoption of biodegradable insulating fluids and environmentally sustainable manufacturing processes, are reshaping industry norms and consumer

preferences. Ester-filled transformers offer enhanced fire safety and environmental benefits over mineral oil-filled ones, while dry-type transformers, using air or gas insulation, ensure reliability and safety with minimal maintenance.

Distribution transformers, autotransformers, amorphous core transformers and mobile transformers cater to diverse needs, ensuring reliable power supply, energy conservation and rapid deployment in emergencies. It is also expected that steel mills using glass furnaces will transition to arc furnace transformers because of pollution regulations, contributing to higher demand for suppliers.

Summary of challenges and opportunities

Challenges

High Dependence on Imports for CRGO Steel

- India does not have domestic production of CRGO steel; major suppliers are Japan, South Korea, China, Germany, and Russia.
- Price volatility & import duties impact manufacturing costs.

Fluctuations in Raw Material Prices

- CRGO & CRNGO steel prices are highly volatile due to global supply-demand dynamics.
- Shortage or supply chain disruptions can lead to production delays.

Intense Competition & Price Pressure

- Presence of domestic and international players leads to pricing pressure.
- Customers (transformer manufacturers) often seek cost-effective solutions, affecting margins.

Technological Advancements & R&D Costs

- Need for energy-efficient, high-grade electrical steel to meet power sector demands.
- Requires continuous R&D investments in material technology & manufacturing processes.

Regulatory & Compliance Challenges

- Strict BIS & IEC standards for electrical steel quality.
- Government policies on energy efficiency, carbon footprint & environmental norms require compliance investments.

Demand Uncertainty from Power Sector

- Transformer & electrical equipment industry growth depends on infrastructure projects, renewable energy expansion, and grid upgrades.
- Any slowdown in government spending or private investment affects demand.

High Working Capital Requirement

- Large inventory costs due to bulk import of raw materials.
- Delayed payments from power sector & government contracts impact cash flow.

Opportunities

Increased need for power infrastructure and electrification

- Smart grids, renewable energy, and rural electrification are driving up demand for transformers and other electrical equipment.
- Government efforts such as the Revamped Distribution Sector Scheme (RDSS), Make in India, and the PLI Scheme for Specialty Steel are producing possibilities.

Rising demand for energy-efficient transformers

- Transformer makers are focusing on reducing core loss materials.
- India's emphasis on decreasing transmission losses is pushing up demand for high-performance electrical steel.

Expansion in Renewable Energy Sector

- The expansion of solar and wind energy projects necessitates the use of efficient transformers, which drives up demand for laminated cores and coils.
- As grid expansion and energy storage projects develop, so will the demand for CRGO.

Shift to Domestic Manufacturing

- Incentives for domestic steel production could lessen reliance on imports.
- Companies investing in cold rolling mills and annealing.

Technological advancements in automation and precision cutting

- Laser and CNC-based cutting technology increase efficiency and reduce waste.
- Automated core stacking and robotic coil winding improve product consistency.

Added value through customization and special alloys

- Demand for custom transformer laminations and assembled cores for specialist applications (EVs, aerospace, and medical equipment).
- Super-thin CRGO and domain-refined CRGO materials are gaining popularity for high-efficiency transformers.

5. *Industry Trends*

The Electrical Equipment & Component Industry is undergoing significant transformation due to technological advancements, sustainability goals, and changing market demands. Here are the key industry trends shaping this sector in 2023 and beyond:

➤ Renewable Energy Integration

Trend: The shift toward renewable energy sources (solar, wind, and hydro) is driving demand for advanced electrical equipment like inverters, transformers, and energy storage systems.

Impact: Companies are developing components that can handle variable power inputs and improve grid stability.

➤ Smart Grids and Digitalization

Trend: The adoption of smart grid technology is increasing, enabling real-time monitoring, automation, and efficient energy distribution.

Impact: Demand for smart meters, IoT-enabled devices, and advanced sensors is growing to enhance grid reliability and efficiency.

➤ Energy Storage Solutions

Trend: The rise of battery energy storage systems (BESS) and other storage technologies is transforming the industry.

Impact: Electrical components like advanced transformers, converters, and inverters are being designed to support energy storage integration.

➤ Electrification of Transportation

Trend: The growth of electric vehicles (EVs) is driving demand for EV charging infrastructure and related electrical components.

Impact: Companies are focusing on manufacturing high-efficiency transformers, connectors, and power distribution systems for EV charging stations.

➤ Energy Efficiency and Sustainability

Trend: There is a strong push for energy-efficient electrical equipment to reduce carbon footprints and comply with global sustainability standards.

Impact: Manufacturers are using advanced materials like CRGO (Cold Rolled Grain Oriented) steel and designing components with lower losses and higher efficiency.

➤ Adoption of Advanced Materials

Trend: The use of advanced materials like CRGO, CRNGO (Cold Rolled Non-Grain Oriented), and nanomaterials is increasing to improve performance and reduce energy losses.

Impact: These materials are being used in transformers, motors, and other electrical equipment to enhance efficiency and durability.

➤ Modular and Compact Designs

Trend: There is a growing demand for modular and compact electrical equipment to save space and reduce installation costs.

Impact: Manufacturers are focusing on designing smaller, lightweight, and more efficient components.

➤ Digital Twin Technology

Trend: The use of digital twins (virtual replicas of physical equipment) is increasing for predictive maintenance and performance optimization.

Impact: This technology helps reduce downtime and improve the lifespan of electrical equipment

➤ Cybersecurity in Electrical Systems

Trend: With the rise of connected devices and smart grids, cybersecurity has become a critical concern.

Impact: Companies are investing in secure communication protocols and robust cybersecurity measures to protect electrical infrastructure

➤ Government Regulations and Incentives

Trend: Governments worldwide are implementing stricter regulations and offering incentives for energy-efficient and sustainable electrical equipment.

Impact: Manufacturers are aligning their products with these regulations to access subsidies and avoid penalties

➤ Rise of Microgrids

Trend: The adoption of microgrids is increasing, especially in remote areas and for industrial applications.

Impact: This trend is driving demand for decentralized power generation and distribution systems.

➤ Artificial Intelligence (AI) and Machine Learning (ML)

Trend: AI and ML are being used to optimize energy consumption, predict equipment failures, and improve operational efficiency.

Impact: These technologies are enabling smarter and more efficient electrical systems.

➤ Global Supply Chain Challenges

Trend: The industry is facing supply chain disruptions due to geopolitical tensions, raw material shortages, and logistics issues.

Impact: Companies are diversifying suppliers and adopting localized manufacturing strategies.

➤ Focus on Circular Economy

Trend: There is a growing emphasis on recycling and reusing materials to reduce waste and environmental impact.

Impact: Manufacturers are designing products for easier disassembly and recycling.

➤ High-Voltage Direct Current (HVDC) Transmission

Trend: HVDC technology is gaining traction for long-distance power transmission with minimal losses.

Impact: This is driving demand for specialized transformers and converters.

6. Supply Chain Analysis

Raw material suppliers.

Nomax Electrical Steel Pvt. Ltd.	Location: Kolkata, West Bengal Offerings: Manufactures CRGO and CRNGO steel transformer laminations, built-up magnetic cores, and toroidal cores for various transformer applications
thyssenkrupp Electrical Steel India Pvt. Ltd.	Location: Nashik, Maharashtra India Offerings: Produces a complete range of high-quality grain-oriented electrical steel products used in distribution and power transformers
National Core	Location: Navi Mumbai, Maharashtra Offerings: Offers a variety of CRGO products, including sheets, coils, and transformer cores, catering to both domestic and international markets.
JSW Steel Ltd.	Location: Vijayanagar, Maharashtra Offerings: Supplies CRNGO coils with various specifications, serving industries like automotive, sheet metal manufacturing, and engineering parts
NLMK India	Location: NIC, Aurangabad. NISC, Daman Offerings: It specialised in supplying High quality electrical steel i.e CRGO, CNRGO and other steel for the energy sector, for Oil and Gas, Metals and Mining, and radioelectric equipment, and for infrastructure projects.
Great Target Holdings Hong Kong Ltd	Location: Cheung Sha Wan, Kowloon, Hong Kong Offering: supplier of Cold Rolled Grain Oriented (CRGO) and Non-Grain Oriented (CRNGO) electrical steel, CRGO Slit Coils, essential materials for transformer laminations and core coil assemblies.
S+ Benelux B.V.	Location: Belgium. Offering: supply of Cold Rolled Grain Oriented (CRGO) and Non-Grain Oriented (CRNGO) electrical steel, essential materials for transformer laminations and core coil assemblies.
Voestalpine	Location: Linz, Austria Offerings: CRGO Steel: Used for high-efficiency transformers CRNGO Steel: Used in electric motors, generators, and industrial applications
Nippon Steel	Location: Japan Offerings: Super Core™ CRGO Steel, Non-Grain Oriented (CRNGO) Steel, High-performance coatings and customized electrical steel solutions for EV and high efficiency Transformers.

These companies specialize in supplying Cold Rolled Grain Oriented (CRGO) and Non-Grain Oriented (CRNGO) steel, essential materials for transformer laminations and core coil assemblies.

CRGO and CRNGO Steel Pricing Trends:

Year	CRGO Price Range (INR):	CRNGO Price Range (INR):
2019	₹140,000–₹175,000 per MT Trend: Prices were relatively stable due to balanced demand and supply. Key Drivers: Steady demand from the power and transformer industries. Stable raw material (iron ore, silicon) and energy costs. No major geopolitical disruptions during this period.	₹70,000–₹105,000 per MT Trend: Prices were relatively stable due to balanced demand and supply. Key drivers: Steady demand from the automotive, appliance, and industrial sectors. Stable raw material (iron ore, silicon) and energy costs. No major geopolitical disruptions during this period.
	₹150,000–₹187,500 per MT Trend: Prices were relatively stable due to balanced demand and supply.	₹75,000–₹112,500 per MT Trend: Prices were relatively stable due to balanced demand and supply. Key drivers:

Year	CRGO Price Range (INR):	CRNGO Price Range (INR):
2020	Key drivers: Steady demand from the power and transformer industries. Stable raw material (iron ore, silicon) and energy costs. No major geopolitical disruptions during this period.	Steady demand from the automotive, appliance, and industrial sectors. Stable raw material (iron ore, silicon) and energy costs. No major geopolitical disruptions during this period.
2021	₹185,000–₹259,000 per MT Trend: Prices increased significantly due to supply chain disruptions and rising demand. Key drivers: Post-COVID-19 recovery led to increased demand for electrical steel. Supply chain bottlenecks caused by lockdowns and logistics challenges. Rising raw material and energy costs.	₹111,000–₹162,800 per MT Trend: Prices increased significantly due to supply chain disruptions and rising demand. Key drivers: Post-COVID-19 recovery led to increased demand for electrical steel. Supply chain bottlenecks caused by lockdowns and logistics challenges. Rising raw material and energy costs
2022	₹195,000–₹312,000 per MT Trend: Prices remained high but volatile due to geopolitical tensions and energy crises. Key drivers: Russia-Ukraine conflict disrupted global supply chains and increased energy costs. Strong demand from renewable energy and grid modernization projects. Fluctuating raw material prices and trade restrictions.	₹117,000–₹195,000 per MT Trend: Prices remained high but volatile due to geopolitical tensions and energy crises. Key drivers: Russia-Ukraine conflict disrupted global supply chains and increased energy costs. Strong demand from the automotive, appliance, and renewable energy sectors. Fluctuating raw material prices and trade restrictions
2023	₹229,600–₹344,400 per MT Trend: Prices stabilized but remained elevated due to sustained demand and high production costs. Key drivers: Continued demand from the renewable energy sector (solar, wind, and hydro). Rising adoption of electric vehicles (EVs) and energy-efficient transformers. Geopolitical tensions and supply chain challenges persisted.	₹147,600–₹229,600 per MT Trend: Prices stabilized but remained elevated due to sustained demand and high production costs Key drivers: Continued demand from the automotive and renewable energy sectors. Rising adoption of electric vehicles (EVs) and energy-efficient appliances. Geopolitical tensions and supply chain challenges persisted
2024 (Anticipated)	₹229,600–₹369,000 per MT	₹147,600–₹246,000 per MT

RESTRAINING FACTORS:

Price fluctuations in steel may restrain market growth.

Steel prices have fluctuated every day. Along with this, the raw materials needed in steel production, such as scrap steel, iron, and coal, have seen price swings. In terms of supply and demand, raw material prices are quite volatile. Furthermore, production expenses and storage capacity influence the ultimate product price. Furthermore, transformer production costs are quite high, with a lack of financial ability to generate a return on investment. This, combined with the scarcity of energy-efficient transformers and higher import costs or taxes, raises the final price of the product. Furthermore, increased environmental and health threats constrain the grain oriented electrical steel adoption in the market.

7. Global Market Size and Growth Rate

The Global Electrical Equipment market showcased growth at a CAGR of 4.33% during 2020-2023. The market was valued at USD 1.54 trillion in 2023 which is expected to reach USD 2.17 trillion in 2030.

The world's population is steadily increasing, projected to reach nearly 10 billion by 2050. Global concerns over energy consumption and environmental sustainability have led to a growing demand for energy-efficient electrical equipment. Governments worldwide are implementing strict energy efficiency regulations and standards, pushing industries, businesses, and households to adopt electrical devices that minimize energy waste.

Energy-efficient technologies help reduce operational costs, lower carbon footprints, and ensure compliance with regulatory requirements. In the industrial sector, energy-efficient motors, transformers, and electrical machinery are in high demand as manufacturers seek to improve productivity while minimizing energy consumption. Advanced motor control systems, such as variable frequency drives (VFDs), optimize the performance of electrical motors by adjusting their speed and power output to match the required load, resulting in energy savings. Similarly, energy-efficient lighting systems, such as LEDs, are increasingly being adopted across residential, commercial, and industrial sectors.

Moreover, the sustainability trend is also driving demand for electrical equipment designed to support green buildings, smart grids, and renewable energy systems. As energy efficiency becomes a critical consideration for consumers and businesses alike, manufacturers are focusing on producing innovative electrical devices that align with sustainability goals. This has led to the introduction of high-performance electrical equipment with improved energy ratings, advanced control features, and reduced environmental impact.

During the COVID-19 pandemic, many countries, such as China, the U.S., India, and Germany, announced restrictions on raw material and labor transportation, impacting the supply chain of steel manufacturers. In addition, the revenue generation of several manufacturing companies was affected owing to the facility closures. The power generator demand was affected due to the decreased power usage from high-end commercial consumers. The lockdown restrictions directed the population to work from home, lowering commercial power consumption and reducing steel uptake. However, the market has stabilized since 2022 owing to the normalizing electricity demand from the industrial sector.

Increased focus of the governments on energy efficiency is promoting the product growth. In order to support the power generation in many countries like India, UAE, China Governments are coming up with initiatives which are foreseen to bolster the demand for this product. Due to the replacement of old transformers and advancements in transmission lines due to the trend of smart transformers there shall be rampant growth in the demand for this product. Electrical steel is able to provide higher efficiency, and it is extremely sustainable. Under the sustainable development program of the United Nations the vendors of the electrical steel market shall have a lot of benefits in terms of revenues.

Grain oriented electrical steel is a significant material used in fabricating energy-efficient transformers and high-performance generators. Primarily found in the form of punched, laminated, or wound sheets, it is a vital core material for power transformers, small transformers, and distribution transformers. The increasing product demand from power generation and the growing electrical industry globally are driving the market growth. Furthermore, the rising electrical vehicle charging infrastructure is expected to fuel product adoption.

Electrical steel is used in engines, traction motors, high-speed rotors, electric motors, EV charging infrastructure, and traditional generators. The constantly expanding automotive sector has increased the need for electric vehicles as an alternative to gasoline-powered automobiles. This has raised the demand for electric vehicles, accelerating the introduction of grain-oriented electrical steel.

Global power generation market size.

Category	Value
Market Size (2023)	USD 941.16 billion
Market Size (2024)	USD 1,062.27 billion
Projected Market Size (2032)	USD 2,022.56 billion
CAGR (2024-2032)	8.38%
Leading Region (2023)	Asia Pacific

Grain-Oriented Electrical Steel Market Growth Factors
 Growing product demand in the electrical industry will fuel market growth. Growing product demand for power generation applications in developing countries is propelling the grain-oriented electrical steel market forward. The growth of population, economic development, and urbanization has accelerated the construction of industrial buildings, warehouses and storage units, and metro stations, where the product is employed as lamination steel and transformer steel for electric power distribution. These infrastructure

developments have boosted demand for electricity. Growing preference for electrical steels due to lower core loss, higher magnetic characteristics, and high permeability is expected to drive market expansion over the forecast period.

The expanding global demand for electrical steel is linked to increased innovative technology deployment and need for greater efficiency in the power sector. In hermetic and alternating current (AC) motors, the product provides excellent electrical resistivity while reducing hysteresis loss. Furthermore, the government and municipal corporations are boosting their investment in local power networks to connect rural areas and rising settlements, which is expected to boost product uptake.

Furthermore, corporations are investing in the installation of fuel extraction apparatus and power plants, which is fuelling the need for electrical steel in the oil and gas industry. Furthermore, government-sponsored residential housing programs have resulted in increased product consumption for providing energy through the installation of power generators and transformers. This is believed to assist the growth of the global market.

8. Indian present market scenario

The Market experiencing significant growth, driven by several key factors:

1. Growing Demand for Electricity and Power Infrastructure

- India's rapid urbanization and industrialization have led to an increasing demand for electricity, necessitating the expansion and modernization of power infrastructure.
- The government's focus on achieving 24/7 power supply and increasing renewable energy capacity (solar, wind, etc.) has boosted the demand for transformers and related electrical steel products.

2. Government Initiatives and Policies

- Schemes like "Make in India" and "Atmanirbhar Bharat" (Self-Reliant India) have encouraged domestic manufacturing of electrical steel products, reducing reliance on imports.
- Investments in smart grids, rural electrification, and upgradation of transmission and distribution networks have further fueled demand.

3. Renewable Energy Integration

- The push for renewable energy sources, such as solar and wind, requires efficient transformers and cores made from CRGO and CRNGO steel to handle variable loads and ensure energy efficiency.
- This has created a niche market for high-quality electrical steel products.

4. Rising Demand for Energy-Efficient Transformers

- Utilities and industries are increasingly adopting energy-efficient transformers to reduce losses and comply with regulations like the Bureau of Energy Efficiency (BEE) standards.
- CRGO steel, known for its low core loss and high magnetic permeability, is preferred for such applications.

5. Challenges in Raw Material Availability

- While demand is high, the availability of high-quality CRGO steel remains a challenge, as India relies heavily on imports from countries like Japan, South Korea, and China.
- Efforts are being made to establish domestic CRGO steel production facilities to reduce dependency on imports.

6. Competitive Landscape

- The market is highly competitive, with both domestic and international players vying for market share.
- Key players include Tata Steel, JSW Steel, SAIL, and Vizag Steel, alongside specialized manufacturers like Nicore Electricals, Uttam Galva Steels, and Mishra Dhatu Nigam (MIDHANI).
- Companies are focusing on innovation, cost optimization, and customization to meet diverse customer needs.

7. Export Opportunities

- Indian manufacturers are increasingly exploring export markets, particularly in South Asia, Africa, and the Middle East, where infrastructure development is underway.

- Competitive pricing and improving product quality have made Indian electrical steel products attractive in global markets.

8. Technological Advancements

- Adoption of advanced manufacturing technologies, such as laser cutting and precision engineering, has improved the quality and efficiency of electrical steel products.
- Research and development efforts are focused on developing new grades of CRGO and CRNGO steel to meet evolving industry requirements.

9. Impact of Global Supply Chain Disruptions

- The COVID-19 pandemic and geopolitical tensions have disrupted global supply chains, affecting the availability and pricing of raw materials.
- Companies are now focusing on building resilient supply chains and exploring local sourcing options.

9. Market Segment Analysis

The electrical equipment and component market can be segmented based on various factors such as product type, application, end-user industry, and geography. This segmentation helps in understanding the market dynamics, identifying growth opportunities, and tailoring strategies to meet specific customer needs. Below is a detailed analysis of the market segmentation.

By Product Type

The electrical equipment and component market can be divided into the following product categories:

a. Transformers

- Power Transformers: Used in transmission and distribution networks.
- Distribution Transformers: Used for stepping down voltage for end-use applications.
- Specialty Transformers: Including CRGO-based transformers, toroidal transformers, and instrument transformers.

b. Switchgear and Circuit Breakers

- Low Voltage (LV): Used in residential and commercial applications.
- Medium Voltage (MV): Used in industrial and utility applications.
- High Voltage (HV): Used in power transmission networks.

c. Cables and Wires

- Power Cables: For transmission and distribution of electricity.
- Control Cables: Used in automation and control systems.
- Specialty Cables: Including fire-resistant, armored, and submarine cables.

d. Motors and Generators

- AC Motors: Used in industrial and commercial applications.
- DC Motors: Used in automotive and small appliances.
- Generators: For power generation in industries, hospitals, and residential backup.

e. Power Electronics

- Inverters: For renewable energy systems and EVs.
- Converters: Used in industrial automation and power supply systems.
- UPS (Uninterruptible Power Supply): For backup power in critical applications.

f. Lighting Equipment

- LED Lighting: Energy-efficient lighting for residential, commercial, and industrial use.
- Conventional Lighting: Incandescent and fluorescent lighting.

g. Batteries and Energy Storage Systems

- Lithium-ion Batteries: For EVs and renewable energy storage.
- Lead-acid Batteries: For backup power and industrial applications.
- Energy Storage Systems: For grid stabilization and renewable energy integration.

h. Others

- Relays and Contactors: Used in control circuits.
- Capacitors: For power factor correction and energy storage.
- Meters and Sensors: For energy monitoring and automation.

10. Growth Opportunities in different sector

Automotive & Electric Vehicles (EVs)

- EV Motor Production: CRNGO is crucial for high-efficiency electric motors in EVs.
- Hybrid Vehicles: Rising hybrid and electric vehicle adoption increases CRNGO usage in traction motors.
- Charging Infrastructure Growth: The expansion of EV charging stations requires efficient transformers.

Industrial & Manufacturing Applications

- Industrial Motors & Generators: CRNGO is widely used in industrial motors and generators for manufacturing plants.
- Automation & Robotics: The rise in automation requires highly efficient motors with CRNGO steel cores.
- High-Speed Rail & Metro Projects: Growth in rail electrification and metro projects boosts demand for CRGO-based transformers.

Medical & Healthcare Equipment

- MRI Machines & Imaging Equipment: CRNGO is used in motors for medical imaging and diagnostic devices.
- Lab & Research Equipment: Efficient electric motors for lab instruments use CRNGO steel cores.

Data Centers & IT Infrastructure

- Power Supply Units & Transformers: Growing cloud computing and AI adoption increases power demand, requiring efficient transformers.
- Uninterruptible Power Supply (UPS) Systems: The rise in digital infrastructure boosts CRGO demand in UPS transformers.

Consumer Electronics & Household Appliances

- Home Appliances: CRNGO is used in motors for refrigerators, washing machines, and air conditioners.
- Energy-Efficient Smart Devices: Growth in energy-efficient home appliances creates new market opportunities

11. Swot Analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none">✓ Growing Demand for Electricity: Increasing urbanization, industrialization, and electrification of rural areas are driving demand for electrical equipment and components.✓ Government Support and Policies: Initiatives like Make in India, Atmanirbhar Bharat, and investments in power infrastructure (smart grids, renewable energy, etc.) are boosting the industry.✓ Technological Advancements: Adoption of advanced technologies like IoT, AI, and automation in manufacturing processes has improved efficiency and product quality.✓ Skilled Workforce: India has a large pool of skilled engineers and technicians, which supports innovation and production in the industry.	<ul style="list-style-type: none">✗ Dependency on Imports: The industry relies heavily on imported raw materials like CRGO steel, copper, and semiconductors, which increases costs and supply chain vulnerabilities.✗ Fragmented Market: The presence of numerous small and medium-sized players leads to intense competition and price wars, affecting profitability.✗ Quality Issues: Some domestic manufacturers struggle to meet international quality standards, limiting their export potential.✗ High Capital Intensity: The industry requires significant investment in R&D, machinery, and technology, which can be a barrier for smaller players.✗ Regulatory Challenges: Compliance with evolving environmental and safety regulations adds to operational costs.

<ul style="list-style-type: none"> ✓ Export Potential: Indian electrical equipment is competitively priced and increasingly exported to South Asia, Africa, and the Middle East. ✓ Established Domestic Market: A strong domestic market with a wide range of applications in power generation, transmission, and distribution ensures steady demand. 	
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> ○ Renewable Energy Growth: The shift toward renewable energy (solar, wind, etc.) creates demand for specialized electrical equipment like inverters, transformers, and energy storage systems. ○ Smart Grids and Digitalization: The adoption of smart grids and digital technologies in power distribution offers opportunities for advanced electrical components and IoT-enabled devices. ○ Electric Vehicles (EVs): The EV revolution is driving demand for charging infrastructure, batteries, and related electrical components. ○ Infrastructure Development: Government projects like rural electrification, metro rail networks, and industrial corridors require extensive electrical equipment. ○ Export Markets: Growing infrastructure development in emerging economies (Africa, Southeast Asia, and the Middle East) presents export opportunities. ○ Energy Efficiency: Increasing focus on energy-efficient products (e.g., LED lighting, high-efficiency transformers) opens new market segments. ○ Domestic Manufacturing Push: Policies like PLI (Production Linked Incentive) schemes encourage domestic manufacturing of electrical components, reducing import dependency. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> ✗ Global Supply Chain Disruptions: Geopolitical tensions, pandemics, and logistics challenges can disrupt the supply of critical raw materials like copper, steel, and semiconductors. ✗ Intense Competition: Competition from global players and low-cost imports (especially from China) puts pressure on domestic manufacturers. ✗ Fluctuating Raw Material Prices: Volatility in the prices of copper, aluminum, and steel impacts production costs and profitability. ✗ Technological Obsolescence: Rapid advancements in technology may render existing products obsolete, requiring continuous R&D investments. ✗ Regulatory and Compliance Risks: Stricter environmental and safety regulations can increase compliance costs and operational challenges. ✗ Economic Slowdown: Economic downturns or reduced investments in infrastructure projects can negatively impact demand. ✗ Dependence on Government Policies: The industry is heavily reliant on government policies and subsidies, which can change with political shifts.

12. Long-Term Prospects

The following themes have been identified to enhance and sustain growth and improve competitiveness of the Indian electrical equipment industry.

Enhance Electrical Equipment industry competitiveness Enhancing competitiveness of the domestic industry is vital to achieving the Mission Plan. The Indian Electrical Equipment industry should be so equipped that it is naturally able to thwart any competition in the domestic as well as export markets. The following are the strategic initiatives that are part of this theme:

- ▶ Upgrade technology levels to bring it at par with global benchmarks.
- ▶ Develop manpower skills to support industry 's future requirements.
- ▶ Secure supplies of critical input materials.
- ▶ Enhance customer centricity.
- ▶ Introduce policy changes to provide a level-playing field to Indian EE manufacturers.
- ▶ Develop and strengthen support infrastructure

► Increase market share in export markets India currently accounts for less than 1% of global trade in EE exports. With the demand from developed countries stagnating and that from developing nations seeing significant increase, there exists significant potential for India to tap the export markets.

To increase the share of exports, specific actions need to be taken by the Indian government and EE manufacturers. The following are the strategic initiatives that are part of this theme:

- Identify target markets and develop country-specific export strategies.
- Introduce policy changes to support Electrical Equipment exporters.
- Use the support of Indian embassies and IEEMA to promote EE exports and Brand India

Convert latent demand for Electrical Equipment products into real demand Significant latent demand for Electrical Equipment products exists in India, but the same is not getting converted into real demand. Specific initiatives are suggested, which needs to be undertaken to create demand in a wholesome manner, which would play an important role in the development of the industry. The following are the strategic initiatives that are part of this theme:

- Improve fund availability to power sector provide fuel linkages and faster regulatory clearance fortimely power projects set ups.
- Accelerate Renovation & Modernization activities.
- Accelerate deployment of rural electrification schemes.
- Implement best-in-class procurement policies Over the next few months, specific recommendations need to be developed for each strategic initiative that has been identified across the three themes. Working groups need to be formed and these will need to drive each strategic initiative.

Indian Electrical Equipment industry is on a critical path of growth. It is imperative that all stakeholders work towards development of this industry, which serves the strategic power sector. Right policy initiatives and actions by all stakeholders will give the industry the momentum to achieve the desired vision.

13. Regulatory Environment:

Below are the key aspects that should be included in the regulatory framework:

<p>1. Compliance with International Standards Manufacturers must adhere to globally recognized standards to ensure product quality, safety, and interoperability. Key standards include:</p>	<p>IEC (International Electrotechnical Commission) Standards:</p> <ul style="list-style-type: none"> • IEC 60404: Specifies magnetic materials, including CRGO and CRNGO steel. • IEC 60076: Covers power transformers, including core materials and efficiency requirements. <p>IEEE (Institute of Electrical and Electronics Engineers) Standards:</p> <ul style="list-style-type: none"> • IEEE C57.12.00: General requirements for liquid-immersed distribution, power, and regulating transformers. <p>ISO (International Organization for Standardization) Standards:</p> <ul style="list-style-type: none"> • ISO 9001: Quality management systems to ensure consistent product quality. • ISO 14001: Environmental management systems to minimize environmental impact.
<p>2. Energy Efficiency Regulations</p>	<p>Minimum Energy Performance Standards (MEPS):</p> <ul style="list-style-type: none"> • Governments should enforce MEPS for transformers and other electrical equipment to ensure energy-efficient designs using CRGO and CRNGO steel. <p>Eco-Design Directives:</p> <ul style="list-style-type: none"> • Regulations like the EU's Eco-Design Directive (2009/125/EC) set requirements for energy-related products, including transformers, to reduce energy losses and improve efficiency. <p>Energy Star or Equivalent Programs:</p> <ul style="list-style-type: none"> • Encourage manufacturers to produce energy-efficient products by providing certifications and incentives.
<p>3. Environmental and Sustainability Regulations</p>	<p>Recycling and Waste Management:</p> <ul style="list-style-type: none"> • Regulations should mandate the recycling of steel scrap and proper disposal of manufacturing waste to minimize environmental impact.

	<p>Carbon Emissions Reduction:</p> <ul style="list-style-type: none"> Manufacturers should comply with carbon emission limits and adopt cleaner production technologies to reduce their carbon footprint. <p>Restriction of Hazardous Substances (RoHS):</p> <ul style="list-style-type: none"> Compliance with RoHS-like regulations to limit the use of hazardous materials in manufacturing processes.
4. Safety and Occupational Health Regulations	<p>Workplace Safety Standards:</p> <ul style="list-style-type: none"> Compliance with occupational health and safety regulations (e.g., OSHA in the U.S.) to ensure safe working conditions for employees. <p>Product Safety Standards:</p> <ul style="list-style-type: none"> Electrical steel products must meet safety standards to prevent risks such as short circuits, overheating, or fire hazards.
5. Trade and Customs Regulations	<p>Import/Export Compliance:</p> <ul style="list-style-type: none"> Manufacturers must comply with trade regulations, including tariffs, duties, and customs requirements for raw materials (e.g., CRGO and CRNGO steel) and finished products. <p>Local Content Requirements:</p> <ul style="list-style-type: none"> Some countries may mandate a certain percentage of locally sourced materials or components to support domestic industries.
6. Labeling and Certification Requirements	<p>Energy Efficiency Labels:</p> <ul style="list-style-type: none"> Products should carry labels indicating their energy efficiency ratings (e.g., Tier 1, Tier 2, or Tier 3 transformers). <p>Third-Party Certification:</p> <ul style="list-style-type: none"> Mandatory certification by recognized bodies to ensure compliance with quality, safety, and efficiency standards
7. Intellectual Property (IP) Protection	<p>Regulations should protect innovations in electrical steel manufacturing, such as new alloys, core designs, or production techniques, to encourage innovation and investment.</p>

14. Competitive Landscape

Major Global Players

Name of the Company	Description
➤ Hitachi Metals, Ltd. (Japan)	Overview: A leading global manufacturer of CRGO and CRNGO steel, as well as transformer cores and laminations.
➤ Posco (South Korea)	Overview: One of the largest steel producers globally, supplying CRGO and CRNGO steel for transformer laminations and cores.
➤ ThyssenKrupp Electrical Steel (Germany)	Overview: A major player in the production of electrical steel, including CRGO and CRNGO, for transformer applications.
➤ JFE Steel Corporation (Japan)	Known for high-quality CRGO and CRNGO steel used in transformer laminations and core assemblies.
➤ Nippon Steel Corporation (Japan)	A global leader in electrical steel production, including CRGO and CRNGO materials for transformers.
➤ Cogent Power (UK)	A subsidiary of Tata Steel, specializing in CRGO and CRNGO steel for transformer cores and laminations.

➤ AK Steel (USA)	A prominent manufacturer of electrical steel, including CRGO and CRNGO, for transformer laminations.
➤ Baosteel (China)	One of the largest steel producers in China, supplying CRGO and CRNGO steel for transformer laminations.

Indian Players:

Name of the Company	Description
➤ Mahindra Accelo	<p>It is an automobile component and steel processing business of Mahindra & Mahindra. Electrical Steel Processing is the company's main area of concentration.</p> <p>Cold Rolled Grain Oriented (CRGO) and Cold Rolled Non-Grain Oriented (CRNNGO) steel are manufactured for use in electrical equipment, transformers, and motors.</p> <p>Automotives components: provides technical, automotive, and electrical industries with high-precision steel components. Sustainability & Reusing</p> <p>Recycling and Sustainability Repurposed steel scrap to encourage environmentally sustainable solutions.</p>
➤ NLMK India	<p>NLMK India focuses in providing premium electrical steel, such as: Electrical applications and transformers use cold rolled grain-oriented steel, or CRGO.</p> <p>Motors, generators, and other electrical devices use CRNGO (Cold Rolled Non-Grain Oriented Steel).</p> <p>Additional goods made of flat steel that serve a range of industrial uses.</p>
➤ Posco Poggenamp Electrical Steel Pvt. Ltd. (Vadodara)	<p>Posco Poggenamp produces laminations for power and distribution transformers, as well as shunt reactor cores, using various grades of CRGO electrical steel. They process laminations up to 765 kV class / 500 MVA and have an installed capacity of 24,000 MT per annum.</p> <p>POSCO-POGGEN.COM These companies are recognized for their expertise in producing high-quality transformer components utilizing CRGO and CRNGO materials.</p>
➤ Jay Bee Laminations Ltd.	Manufactures CRGO silicon steel cores for power, distribution, and specialty transformers. Products include cut laminations, slit coils, assembled cores, and E&I stampings.
➤ Amba Enterprises Ltd. (Pune)	Provides transformer laminations and electrical steel products, including CRGO and CRNGO materials, serving the electrical and power industries.
➤ Vilas Transcore Ltd.	VTL manufactures and supplies mission-critical components for the Power Distribution and Transmission sector, including small transformers, distribution transformers, large transformers, and generators, focusing on energy-saving electrical equipment. CRGO Mother Coils, CRGO Slitted Coils, Toroidal Core High Voltage CT, Miniature Core, Wound Cores, CRGO Stacked Assembled Core, Toroidal Cores, Core Coil Assembly.
➤ Elec Steel Processing Industries Limited	The company has been expertise in engineering Transformer Laminations and Core Coil Assemblies from Cold Rolled Grain Oriented (CRGO) and Non-Grain Oriented (CRNGO) steel. With precision craftsmanship and unparalleled mastery, their components redefine efficiency and reliability, meeting the rigorous demands of the modern energy landscape.

15. Company's background

BRIEF SNAPSHOT OF ENTITY

Name	Elec Steel Processing Industries Limited
Year of Incorporation	August 08, 2022
Constitution	Public Limited company
Change of Constitution	This company was formed as a partnership firm on April 01, 1994, namely "Elec Steel Processing Industries". It was eventually turned into a private limited company, "Elec Steel Processing Industries Private Limited", on August 8, 2022, The Company was then converted into a public limited company on December 30, 2024, and its name was changed to "Elec Steel Processing Industries Limited" in accordance with a Special Resolution passed at the Extra Ordinary General Meeting.
Registered Office/Manufacturing unit	Plot No. 96, Por GIDC, At-Por Village-Por, Taluka-Vadodara, Gujarat-391243.
Unit II	35 & 46 GIDC Ind. Estate, Por-Ramangamdi, Por, Dist-Vadodara, Gujarat - 391 243
Unit III	763 GIDC Ind. Estate, Makarpura, Vadodara – 390 010
Unit IV	Sub Plot No Div. "B", Atmiya-11 Industrial Park, Block No.858/A, 990, 991 & 1008 at village Por taluka and Dist. Vadodara, Gujarat - 391 243
Corporate Office	103, Chandrakala Tower, Opp. Bhavan's School, Shri RJ Marg, Vadodara, Gujarat - 390 004
Website	https://www.espi.co.in/
Email ID	info@espi.co.in.
CIN	U31100GJ2022PLC134606
Nature of Business	Transformer Component and parts manufacturing
Industry	Electrical Equipment & Component Industry
Key Promoters Name	<ul style="list-style-type: none"> ➤ Mr. Harshad Narbherambhai Bagadia ➤ Mr. Parasbhai Harshadbhai Bagadia ➤ Mr. Dhyanesh Bagadia

Product Line

Product	Specification
Slit Coil	Slit coils are precision-cut strips of electrical steel (CRGO or CRNGO) used in the manufacturing of transformer cores and other electromagnetic components. Application: Transformer cores, Motors and generators, Inductors and chokes.
Transformer Laminations	Transformer laminations are thin, insulated layers of electrical steel (CRGO or CRNGO) stacked together to form the core of a transformer. Application: Power transformers, Distribution transformers, Instrument transformers.
Toroidal Cores	Toroidal cores are ring-shaped cores made from wound strips of electrical steel or other magnetic materials. Application: Toroidal transformers, Inductors and filters, High-frequency applications.
Assembled core	Assembled cores are pre-assembled transformer cores made from stacked laminations or wound strips, ready for integration into transformers Application: Power and distribution transformers, Specialty transformers, Custom transformer designs.

Conclusion - This product line caters to the needs of the electrical and transformer industry, offering high-quality materials and components that ensure energy efficiency, durability, and optimal performance. Each product is designed to meet specific application requirements, making them essential for the manufacturing of transformers and other electromagnetic devices.

16. Key Financial Metrics of Industry Players

Vilas Transcore Ltd	Sep-24	FY2024	FY2023	FY2022
Revenue From operations (₹ in lakhs)	16,243.42	30,974.06	28,260.51	23,302.93
Total revenue (₹ in lakhs)	16,736.03	31,394.77	28,478.14	23,518.05
Op. EBITDA (₹ in lakhs)	1,796.26	2,953.63	2,856.46	2,535.66
Op. EBITDA Margin (%)	11.06%	9.54%	10.11%	10.88%

Vilas Transcore Ltd	Sep-24	FY2024	FY2023	FY2022
Profit after tax (₹ in lakhs)	1,433.36	2,307.50	2,021.11	1,791.49
PAT Margin (%)	8.82%	7.45%	7.15%	7.69%
Return on Equity (ROE) (%)	6.70%	15.57%	15.88%	16.45%
Return on Capital Employed (ROCE) (%)	7.97%	19.88%	20.79%	21.31%
Debt To Equity Ratio	0.06	0.00	0.04	0.03
Current Ratio	4.14	4.32	3.18	2.83
Net Capital Turnover Ratio	0.91	2.66	2.94	2.91

Jay Bee Laminations Ltd	Sep-24	FY2024	FY2023	FY2022
Revenue From operations (₹ in lakhs)	15,317.22	30,290.97	24,666.47	14,125.12
Total revenue (₹ in lakhs)	15,359.25	30,349.56	24,748.86	14,167.39
Op. EBITDA (₹ in lakhs)	2,293.49	3,229.39	2,165.35	1,118.13
Op. EBITDA Margin (%)	14.97%	10.66%	8.78%	7.92%
Profit after tax (₹ in lakhs)	1,441.17	1,935.27	1,360.00	595.17
PAT Margin (%)	9.41%	6.39%	5.51%	4.21%
Return on Equity (ROE) (%)	14.45%	36.42%	37.10%	21.76%
Return on Capital Employed (ROCE) (%)	15.57%	46.61%	42.38%	29.59%
Debt To Equity Ratio	0.18	0.38	0.72	0.90
Current Ratio	2.51	1.85	1.70	1.44
Net Capital Turnover Ratio	1.78	6.44	7.41	5.85

Amba Enterprises Ltd	Sep-24	FY2024	FY2023	FY2022
Revenue From operations (₹ in lakhs)	17,264.36	28,213.52	21,812.86	21,951.62
Total revenue (₹ in lakhs)	17,280.71	28,278.26	21,847.22	21,989.92
Op. EBITDA (₹ in lakhs)	579.98	877.26	685.37	907.43
Op. EBITDA Margin (%)	3.36%	3.11%	3.14%	4.13%
Profit after tax (₹ in lakhs)	379.21	616.59	472.77	639.96
PAT Margin (%)	2.20%	2.19%	2.17%	2.92%
Return on Equity (ROE) (%)	10.17%	18.78%	17.04%	28.61%
Return on Capital Employed (ROCE) (%)	14.14%	24.50%	21.68%	34.19%
Debt To Equity Ratio	0.05	0.33	0.11	0.16
Current Ratio	1.84	2.20	2.60	3.19
Net Capital Turnover Ratio	5.21	10.24	9.75	12.17

Elec Steel Processing Industries. Ltd	Sep-24	FY2024	FY2023	FY2022
Revenue From operations (₹ in lakhs)	10,627.17	16,350.07	14,805.72	7,935.16
Total revenue (₹ in lakhs)	10,698.34	16,472.63	14,906.14	7,961.61
Op. EBITDA (₹ in lakhs)	1,432.90	913.41	1,085.16	491.35
Op. EBITDA Margin (%)	13.48%	5.59%	7.33%	6.19%

Elec Steel Processing Industries. Ltd	Sep-24	FY2024	FY2023	FY2022
Profit after tax (₹ in lakhs)	931.11	497.44	650.08	192.63
PAT Margin (%)	8.76%	3.04%	4.39%	2.43%
Return on Equity (ROE) (%)	44.18%	35.70%	52.48%	16.92%
Return on Capital Employed (ROCE) (%)	30.72%	23.62%	43.81%	20.64%
Debt To Equity Ratio	2.63	3.63	2.83	1.92
Current Ratio	1.15	1.19	1.59	1.51
Net Capital Turnover Ratio	11.09	13.56	10.30	6.01

SALES COMPARISION

Sales (in Lakhs)	Sep-24	FY2024	FY2023	FY2022
Vilas Transcore Ltd	16,243.42	30,974.06	28,260.51	23,302.93
Jay Bee Laminations Ltd	15,317.22	30,290.97	24,666.47	14,125.12
Amba Enterprises Ltd	17,264.36	28,213.52	21,812.86	21,951.62
Elec Steel Processing Industries. Ltd.	10,627.17	16,350.07	14,805.72	7,935.16

17. Government Schemes and Policies for Industry Growth

Policy Support

Make in India	To make India a hub for manufacturing, design and innovation
Atmanirbhar Bharat (Self-Reliant India)	Objective: To make India self-reliant in critical sectors, including electrical steel and transformer components.
Modified Special Incentive Package Scheme (M-SIPS)	Objective: To promote electronics manufacturing, including electrical components
Ease of Doing Business	Simplification of procedures, rationalisation of legal provisions, digitalisation of government processes and de-criminalisation of minor, technical or procedural defaults
National Steel Policy (NSP) 2017	Objective: To increase steel production capacity and promote the production of value-added steel products like CRGO and CRNGO.
Scheme for Promotion of Manufacturing of CRGO Electrical Steel	Objective: To promote domestic manufacturing of CRGO steel, which is currently heavily imported.
Bureau of Energy Efficiency (BEE) Standards	Objective: To promote energy-efficient electrical equipment, including transformers.
Production-Linked Incentive Scheme	Objective: To boost domestic manufacturing and exports in key sectors, including advanced materials and electrical equipment
Renewable Energy and Smart Grid Initiatives	Objective: To promote renewable energy and smart grid infrastructure.
SAMARTH Udyog Bharat 4.0	Objective: To promote Industry 4.0 technologies in manufacturing.

Conclusion-The Indian government offers a wide range of schemes to support manufacturers of electrical steel products like transformer laminations, cores, and coils. By leveraging these initiatives, manufacturers can reduce costs, improve product quality, and enhance their competitiveness in both domestic and global markets. Staying updated on these schemes and aligning business strategies with government policies will be key to long-term success in this sector

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read 'Forward-Looking Statements' on page 21 for a discussion of the risks and uncertainties related to those statements. You should also read 'Risk Factors', 'Restated Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 33, 276 and 279, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see 'Financial Statements' on page 216. The manner in which operational and financial performance indicators are calculated and presented, and the assumptions and estimates underlying, and used in such calculation, may vary from that used by other similarly placed companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and are cautioned that they should consult their own advisors and evaluate such information in the context of the Restated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus.

OVERVIEW

Our company is engaged in the business of manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils using Cold Rolled Grain Oriented (“CRGO”) and Cold Rolled Non-Grain Oriented (“CRNGO”) steel. We cater to domestic and international markets. These products serve as essential transformer components that enhance transformer efficiency by reducing energy losses through low hysteresis and eddy currents. They ensure optimal performance in various transformers used for power transmission and distribution. We provide customised solutions to our clients based on their specific design requirements for transformers. Over the past three decades, we have continuously improved our processes to deliver quality components that support efficient transformer performance.

Our Company was originally established as a partnership firm, “M/sElec Steel Processing Industries”, on April 1, 1994, by Harshad Narbherambhai Bagadia, Kirit Narbherambhai Bagadia, and Jagruti Jaykant Bagadia. It was later converted into a private limited company, “Elec Steel Processing Industries Private Limited”, on August 8, 2022, in accordance with the Companies Act, 2013, and registered with the Registrar of Companies, Central Registration Centre. Subsequently, the Company was later converted into a public limited entity, and its name was changed to “Elec Steel Processing Industries Limited”, pursuant to a Special Resolution passed at the Extra Ordinary General Meeting on November 16, 2024. A fresh Certificate of Incorporation was issued on December 30, 2024, by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number (“CIN”) of the Company is U31100GJ2022PLC134606.

Our business operates on a B2B model, supplying customised transformer laminations, toroidal cores and assembled cores to transformer manufacturers and power equipment companies. We source our raw materials viz. CRGO and CRNGO steel as per design requirements, process it into transformer laminations, assemble cores and toroidal cores based on client specifications. The manufacturing process involves cutting, annealing, assembling and testing to optimise electrical performance and reduce energy losses. We work closely with clients to customise designs that meet technical and regulatory requirements for different types of transformers. Factors like functional stability, durability, and efficiency are carefully considered during design and manufacturing to meet industry standards and performance expectations.

Our manufacturing units are equipped with in-house facilities for slitting, cutting, assembling, and testing CRGO and CRNGO electrical steel products. We have quality testing equipment for raw materials and finished goods to ensure compliance with recognized international and Indian quality standards. Operating from our facilities in Por, Vadodara, Gujarat, we cater to transformer manufacturers for products up to the 400 kV class, utilising 77.42% of our installed capacity as of September 30, 2024. Our production setup includes machinery such as slitting machines, annealing furnaces, power presses, Computer Numerical Control (“CNC”) cut-to-length lines and quality testing equipment for testing material properties and energy losses. With a combined installed manufacturing capacity of 19,650 MT, we produce various transformer components as per designs and dimensions given by our clients.

Our company is guided by the leadership of our promoters, Harshad Narbherambhai Bagadia and Parasbhai Harshadbhai Bagadia, who serve as Whole Time Director and Managing Director, respectively. They have combined experience of over five decades in the transformer components industry, bringing extensive knowledge, technical expertise, and a deep understanding of industry standards and evolving market demands. They are responsible for shaping the company's strategic direction and business plans. Their extensive experience not only gives us a competitive edge in driving product improvement but also strengthens our ability to make sound decisions in challenging industrial environments. Their expertise in precision manufacturing has contributed to a structured production setup and skilled workforce. Under their leadership, the company has advanced its capabilities in assembled core and transformer laminations manufacturing, reinforcing long-term growth and industry relevance.

KEY FINANCIAL INFORMATION

Below is the key financial information for the past three financial years and for the period ended September 30, 2024:

Financial KPI of our Company

Sr No.	Metric	As of and for the period ended September 30, 2024*	As of and for the Fiscal		
			2024	2023	2022
1	Revenue From operations (₹ in Lakhs)	10,627.17	16,350.07	14,805.72	7,935.16
2	Total Income (₹ in Lakhs)	10,698.34	16,472.63	14,906.14	7,961.61
3	Operating EBITDA (₹ in Lakhs)	1,432.90	913.41	1,085.16	491.35
4	Operating EBITDA Margin (%)	13.48%	5.59%	7.33%	6.19%
5	Profit After Tax (₹ in Lakhs)	931.11	497.44	650.08	192.63
6	PAT Margin (%)	8.76%	3.04%	4.39%	2.43%
7	Return on Equity (ROE) (%)	44.18%	35.70%	52.48%	16.92%
8	Return on Capital Employed (ROCE) (%)	30.72%	23.62%	43.81%	20.64%
9	Debt to Equity Ratio	2.63	3.63	2.83	1.92
10	Current Ratio	1.15	1.19	1.59	1.51
11	Working Capital Turnover Ratio	11.09	13.56	10.30	6.01

*Not annualised

Notes:

- As certified by M/s Lalpuria Shah & Associates, Chartered Accountants pursuant to their certificate dated March 19, 2025. The Audit committee in its resolution dated March 17, 2025 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- Operating EBITDA Margin refers to Operating EBITDA during a given period as a percentage of revenue from operations during that period.
- PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Long-term Debt.
- Debt to Equity ratio is calculated by dividing the total debt by total equity.
- 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 current assets by current liabilities.

- j) *Working Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).*

OUR STRENGTHS

Established Business Operations

The company started as a partnership in 1994 and has grown steadily over the years while expanding its operations to serve a wider market. It initially focused on producing Transformer Laminations and later introduced toroidal cores, assembled cores and slit coils to align with changing customer demands and industry trends. We believe that strong commitment to quality, compliance, and sustainable growth has strengthened our position in the industry by adhering to legal and regulatory standards that ensure smooth and efficient operations. We maintain quality control measures that uphold industry benchmarks and continues to explore opportunities for expansion. As part of its long-term growth strategy, it has planned the manufacturing of Current Transformers and Potential Transformers to better serve customer needs.

Long Standing Relationship with Customers

We have built strong relationships with transformer manufacturers in India and across the globe, driven by our commitment to quality and precision. Our transformer laminations and assembled cores cater to diverse industry needs. Transformer manufacturers select suppliers through thorough evaluations of manufacturing expertise and facility capabilities. Our ability to meet these standards has made us a reliable partner for transformer companies. With precision-engineered products, we help enhance transformer efficiency by minimising core losses and improving energy performance. We work closely with our customers to manufacture our products that align with their specific requirements like efficiency, accuracy and reducing production time. Our track record of delivering quality products, has helped us secure repeat orders from our clients and developing customer relationships. The table given below outlines the key metrics related to our client:

Particulars	For the period ended	For the year ended		
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Number of active clients	96	120	134	137
Clients from whom we earned revenue of 100 lakhs or more	17	19	25	18
Clients from whom we earned revenue of 50 lakhs or more	27	30	37	36
Clients from whom we earned revenue of 25 lakhs or more	38	52	57	52

Below is the revenue from top 5 and top 10 customers for the previous 3 financial years and and for the period ended September 30, 2024:

Particulars	For the period ended		For the year ended					
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount (₹ in lakhs)	% of Revenue from operations	Amount (₹ in lakhs)	% of Revenue from operations	Amount (₹ in lakhs)	% of Revenue from operations	Amount (₹ in lakhs)	% of Revenue from operations
Top 1	2,382.99	22.42%	3,911.12	23.92%	1,968.08	13.29%	1,497.29	18.87%
Top 3	4,985.41	46.91%	7,438.65	45.50%	5,061.22	34.18%	2,767.04	34.87%
Top 5	6,452.67	60.72%	9,553.40	58.43%	6,838.24	46.19%	3,332.00	41.99%
Top 10	8,128.51	76.49%	12,137.04	74.23%	9,832.26	66.41%	4,402.87	55.49%

Quality Control

Quality control is carefully maintained at every stage of the process, starting from the procurement of raw materials and continuing through production until the final dispatch of products. Our quality control team ensures that all manufacturing activities comply with quality standards and established manufacturing practices. Before the manufacturing process begins, the materials procured by the company undergoes thorough inspections to confirm that they meet the design specifications. Each stage has its set of quality control parameters that material must fulfil to proceed further in the manufacturing cycle.

Once manufacturing is complete, our products go through thorough testing to ensure they meet the parameters specified by customers before being dispatched. Our Quality Control department maintains full traceability of raw materials utilized and test results, allowing any customer concerns to be addressed efficiently and to make continuous process improvements. All our products conform to IS 3024:2015 standards ensuring products meets quality and performance criteria. To reinforce our commitment to quality, we have implemented internal quality management systems and hold ISO 9001:2015 certification, which helps us maintain consistent standards. As a result of these quality measures, our quality control procedures ensure minimal rejections, allowing us to maintain consistency in delivering quality products to our customers.

Historical Product Rejection Rates for the Last Three Financial Years and for the period ended September 30, 2024:

Product	For the period ended September 30, 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)
Revenue from Operations (A)	10,627.17	16,350.07	14,805.72	7,935.16
Sales Return (B)	21.59	112.77	117.15	27.64
Sales Return % (B/A)	0.20%	0.69%	0.79%	0.35%

Strategically located manufacturing facilities



Our manufacturing facilities in Por, Vadodara, are strategically located near well-established transformer manufacturers, ensuring easy access to customers with a strong supply chain and industry experts. The city is well-connected through the Golden Quadrilateral highway, allowing smooth transportation to major cities like Mumbai, Delhi, and Ahmedabad. This strategic connectivity enhances the efficiency of raw material sourcing and product distribution. Our manufacturing facilities are strategically located approximately 10 km from the Inland Container Depot (ICD) Varnama, dry port near Vadodara, Gujarat. Our strategic location enables efficient access to major ports, ensuring smooth and seamless international shipments. Similarly, Mundra Port, situated approximately 450 km from our manufacturing units, serves as a key gateway to global markets, facilitating seamless trade. Nhava

Sheva Port, located around 450 km away, provides additional export connectivity. With these well-connected ports, we ensure timely, reliable, and efficient deliveries, strengthening our global supply chain.

Experienced Leadership and Management

Our company is guided by the leadership of our promoters, Harshad Narbherambhai Bagadia and Parasbhai Harshadbhai Bagadia, who serve as Whole Time Director and Managing Director. They are responsible for shaping the company's strategic direction and business plans, ensuring strong client relationships. Their deep industry knowledge, combined with a commitment to continuous learning, has been instrumental in the company's steady growth. Under their leadership, we are well-positioned to leverage market opportunities and drive future expansion. Their extensive experience not only gives us a competitive edge in driving product improvement but also strengthens our ability to make sound decisions in challenging or uncertain industrial environments. This combination of visionary leadership and deep industry knowledge enables our company to navigate evolving market trends and ensure the long-term growth and success of our company. For more details on the educational background, professional experience, and credentials of our Board of Directors and Key Managerial Personnel, please refer to the "Our Management" section in the Draft Red Herring Prospectus, starting on page 191.

OUR STRATEGIES

Expansion of our manufacturing facility in Vadodara at Unit-IV

We plan to enhance our manufacturing capabilities by introducing advanced automated CNC machines for slitting and transformer laminations. This investment will allow us to process higher volumes of electrical steel with greater precision and efficiency, enabling us to handle increased production demands while ensuring faster delivery. By integrating automation into these processes, we aim to optimise material utilisation, improve consistency, and enhance overall production speed. These advancements will strengthen our ability to meet growing market demand while maintaining quality standards. Our expansion aligns with our long-term strategy to scale operations efficiently and strengthen our position in the industry. For more details on our planned expansion, refer to the chapter "Objects of the Offer" on page 99.

Expanding our Product Range

We plan to expand our product range by venturing into CT/PT ("**Current Transformer/Potential Transformer**") transformer manufacturing, building on our expertise in toroidal core production. As part of this forward integration, we aim to incorporate winding, insulation, and precision testing to develop complete instrument transformers for metering and protection applications. This expansion will allow us to leverage our in-house toroidal core production while adding value through manufacturing processes, ensuring greater control over quality and performance.

To support this initiative, we intend to implement oil-immersed and cast resin insulation technologies while upgrading our testing infrastructure to meet industry standards. Our strategy includes integrating coil winding, vacuum impregnation, and high voltage testing to manufacture reliable and efficient transformers. By adding these capabilities, we aim to strengthen our product portfolio and cater to the rising demand for instrument transformers in power utilities, industrial substations, and renewable energy projects. Our in-house toroidal core production gives us a distinct advantage over many CT/PT manufacturers who rely on external suppliers. This ensures better quality control, customisation, and efficiency while optimising magnetic properties through precision slitting and annealing. This planned expansion will enhance our ability to deliver quality solutions while optimising our existing manufacturing strengths.

Increasing our Global Presence

We are currently exporting our products to 10 countries, with key markets including Oman and Canada. As part of our global expansion strategy, we plan to participate in international trade expos and industry conferences to showcase our expertise, connect with potential customers, and stay updated on emerging trends. Expanding into new markets requires the ability to meet diverse technical specifications, and to support this, we are investing in advanced CNC machines. These machines will enhance our production capabilities by improving precision, ensuring consistency, and increasing efficiency. With automated processing, we can manufacture transformer components that meet the specific requirements of different global markets, enabling us to cater to a wider range of customers. By integrating advanced manufacturing technology with our international growth efforts, we aim to strengthen our global presence and scale our operations to meet increasing demand.

Below is our breakup of revenue from operation for the past three financial years and for the period ended September 30, 2024:

Product	For the period ended	For the year ended		
	30-Sep-24	March 31, 2024	March 31, 2023	March 31, 2022
	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)
Domestic	9,179.57	11,745.55	10,270.35	6,952.36
Export	1,447.60	4,604.53	4,535.37	982.81
Total revenue from operations	10,627.17	16,350.07	14,805.72	7,935.16

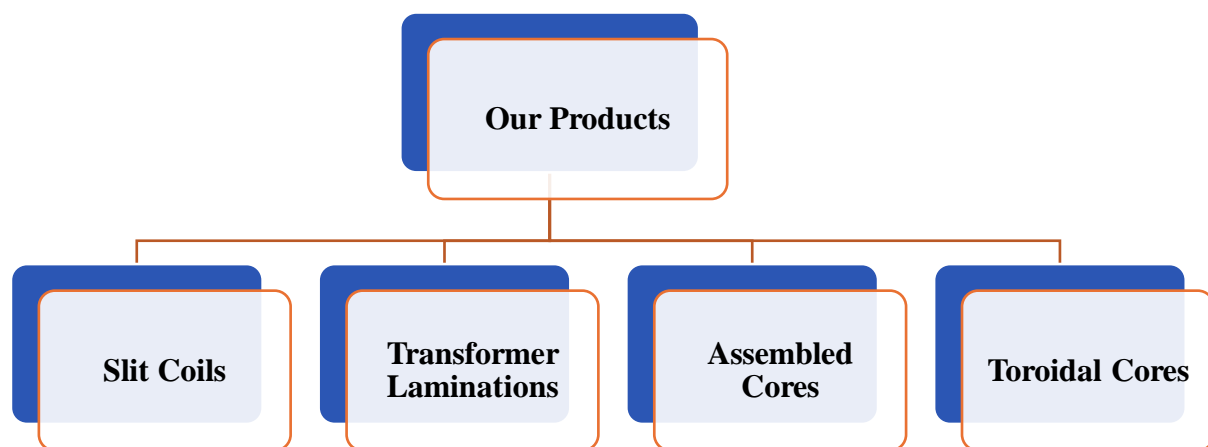
Improving Operational Efficiency

We aim to improve operational efficiency by creating a more streamlined and well-connected workflow. Reducing delays and minimising waste would help us make better use of resources, while stronger relationships with reliable suppliers would ensure a steady supply of quality materials at optimal costs. This, in turn, would allow for smoother production and greater consistency in our output. At the same time, quality checks at every stage would not only improve customer relationships but also enhance precision, ensuring that our operations run without disruptions.

By providing regular training to our workforce, we would help our team develop new skills and adapt to evolving industry needs, leading to improved productivity and better handling of processes. Efficient inventory management would further support smooth operations by maintaining optimal stock levels, preventing shortages. By continuously tracking performance and refining our manufacturing processes, we would improve our operational efficiency.

OUR PRODUCT PORTFOLIO

Our product portfolio comprises of 4 products, mainly slit coils transformer laminations, assembled cores and toroidal cores. Each category is suited to meet specific requirements of transformer industry.



Below is the revenue bifurcation of our revenue from product portfolio for the previous three financial years and for the period ended September 30, 2024:

Product	For the period ended		For the year ended					
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount(₹ in lakhs)	% of total revenue from operations	Amount(₹ in lakhs)	% of total revenue from operations	Amount(₹ in lakhs)	% of total revenue from operations	Amount(₹ in lakhs)	% of total revenue from operations
Transformer Laminations	7,750.91	72.93%	13,400.07	81.96%	11,102.86	74.99%	5,586.17	70.40%

Product	For the period ended		For the year ended					
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount(₹ in lakhs)	% of total revenue from operations	Amount(₹ in lakhs)	% of total revenue from operations	Amount(₹ in lakhs)	% of total revenue from operations	Amount(₹ in lakhs)	% of total revenue from operations
Toroidal Cores	299.11	2.81%	441.12	2.70%	455.08	3.07%	411.65	5.19%
Assembled Cores	1,076.97	10.13%	1,832.85	11.21%	1,805.74	12.20%	1,073.07	13.52%
Slit Coils	1,302.32	12.25%	310.97	1.90%	1,029.60	6.95%	643.20	8.11%
Others (Scrap and Job Work)	197.86	1.86%	365.05	2.23%	412.44	2.79%	221.08	2.79%
Total revenue from operation	10,627.17	100.00%	16,350.07	100.00%	14,805.72	100.00%	7,935.16	100.00%

Slit Coils

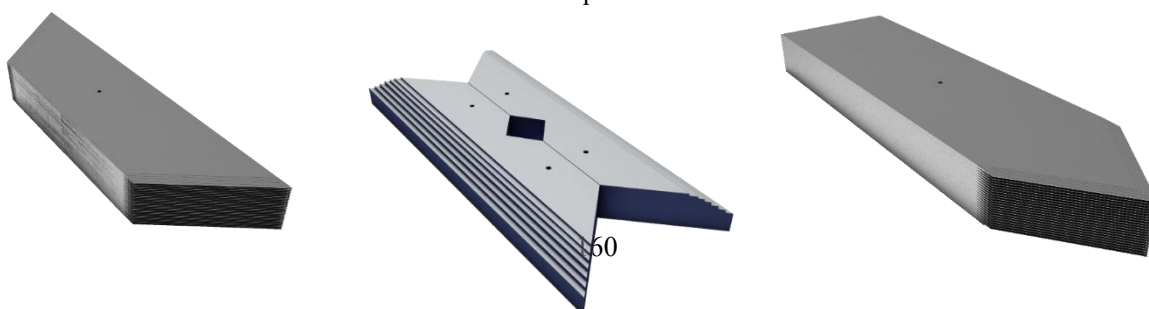
Slit Coils are an essential component in transformer manufacturing, created by cutting larger steel sheets into narrow strips of specific widths. The process involves using specialised machines to ensure precise dimensions and smooth edges. These coils are primarily used for making transformer laminations and winding transformer cores, playing a key role in ensuring efficient energy transfer and reliable performance. Their quality and uniformity make them suitable for a range of transformer applications. We provide slit coils in a variety of lengths, catering to different industry requirements.



Transformer Laminations

Transformer lamination is a component, which is used in transformer cores, designed to minimize energy losses caused by eddy currents. Transformer laminations are thin, precisely processed steel sheets are stacked to create an efficient magnetic path while restricting unwanted current flow. By reducing eddy currents, laminations help lower heat generation, improve energy efficiency, and enhance transformer performance.

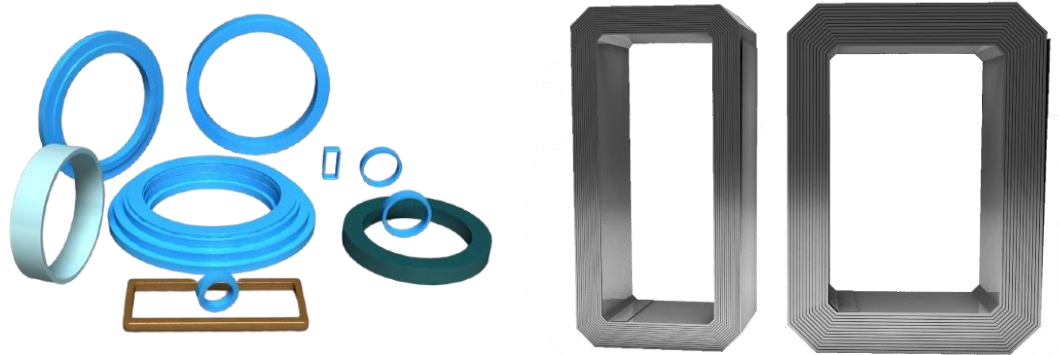
We manufacture a comprehensive range of transformer laminations including custom shapes, tailored to meet diverse customer requirements including horizontal step lap and vertical step lap. We provide transformer laminations for manufacturers of 10 kVA to 50 MVA transformers. Our transformer laminations are used in power, distribution, and industrial transformers, ensuring optimal energy transfer and reliable operation. Our transformer laminations are designed to accommodate varying voltage, frequency, and application-specific needs, our laminations also help minimize core losses, support effective thermal management, and enhance long-term transformer durability. We focus on precision engineering and quality control, which helps our transformer laminations contribute to the efficient and sustainable operation of transformers.



Toroidal Cores

Toroidal cores are a specialised type of transformer core, known for their circular or doughnut-shaped design, which provides efficient magnetic performance. These cores are made from continuous strips of steel, wound into a closed loop to create a uniform magnetic path. The toroidal shape helps reduce magnetic flux leakage and minimises energy losses, making it a preferred choice for specific applications. This design also offers improved space utilisation and reduced electromagnetic interference compared to conventional core types.

We offer toroidal cores in a variety of sizes and materials, catering to diverse transformer requirements. These cores are widely used in power transformers, current transformers, and specialised electronic devices. Their compact design and low-profile nature make them suitable for applications requiring reduced noise levels and efficient energy transfer. Toroidal cores also ensure lower operating losses and improved thermal performance, enhancing reliability in demanding environments. These characteristics make them a versatile and efficient solution in modern electrical systems.



Assembled Cores

Assembled cores are transformer cores made by stacking pre-cut transformer laminations to create a complete magnetic structure. These cores help transfer energy efficiently by providing a continuous path for the magnetic flux while reducing energy losses caused by eddy currents. The laminated design also helps to minimise heat generation, making the transformer more efficient. Proper alignment of laminations during assembly ensures good magnetic performance and reliable operation.

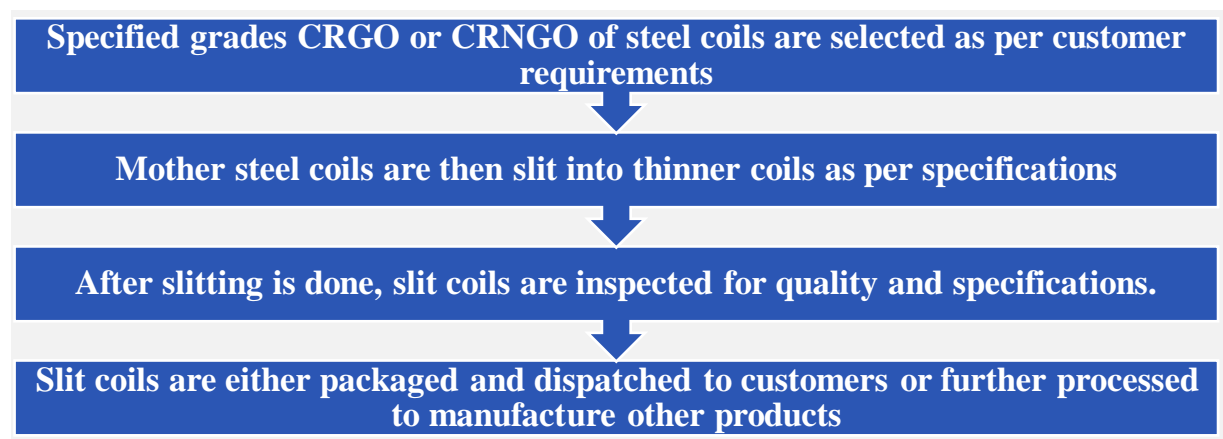
Assembled cores are used in power transformers, distribution transformers, and industrial equipment. We provide customised assembled cores for transformers with voltage capacities ranging from 25 kVA to 20MVA, depending on the application. These cores are available in various shapes, including rectangular, square, and custom designs, to fit different transformer configurations like 2 limb cores, 3 limb cores and 5 limb cores. Their design supports efficient energy transfer, reduces noise, and ensures durability during long-term use. These cores are suitable for applications in power grids, industrial plants, and renewable energy systems, providing reliable performance across a wide range of needs.



KEY MANUFACTURING PROCESS

Our manufacturing process for slit coils, transformer laminations, assembled cores and toroidal cores follows a structured approach, ensuring each product is produced to the required quality and performance standards. In this section, we detail the manufacturing steps involved in producing transformer laminations, toroidal cores, assembled cores, and slit coils.

Slit Coils



Raw Material Selection

CRGO and CRNGO steel mother coils grades are selected as per the requirements of the customer. The raw materials undergo quality checks to ensure they meet required standards, and proper storage is maintained to prevent rust or contamination before they are processed.

Slitting

Our slitting process involves cutting large steel coils into narrower coils of precise width using high-precision slitting machines. This ensures smooth edges, accurate dimensions, and maintains the material's surface quality for efficient transformer performance. By controlling the slitting process carefully, we minimise material stress and ensure consistency in every coil. The maximum coil width is 1250 mm, and we can produce slit coils tailored to meet the specific requirements of our customers.

Inspection

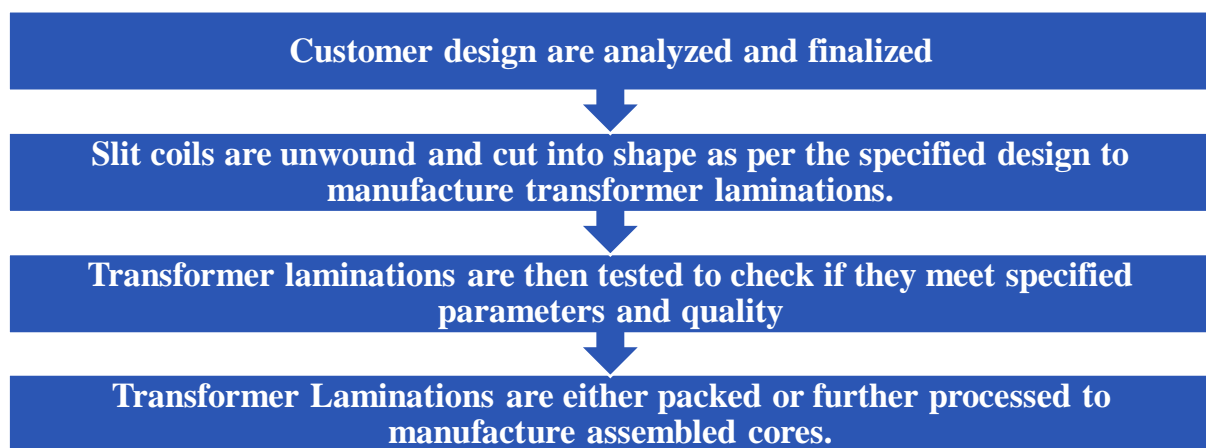
To ensure CRGO slit coils meet strict transformer manufacturing standards, the following quality tests are conducted:

Inspection Type	Parameters Checked	Tools/Standards Used
Visual Inspection	Surface defects (scratches, dents, rust, stains, oxidation)	Visual Assessment
	Edge quality (burrs, cracks, uneven trimming)	Visual Assessment
	Proper winding and coil shape	Visual Assessment
Dimensional Inspection	Width and thickness tolerances	Micrometres, Vernier Callipers
Magnetic Property Testing	Magnetic permeability and core loss measurement	IS649, IEC 60404-2, ASTM343, Epstein frame or Single Sheet Tester("SST")
Electrical Insulation Testing	Insulation coating effectiveness	Visual Assessment
Flatness & Camber Inspection	Ensures coils lie flat and have minimal curvature	Visual Assessment
Burr Height & Edge Quality	Burr height for precision lamination applications (< 5µm)	Measurement tools

Packaging or Further Processing

After inspection, the coils are packed using protective materials to prevent mechanical damage and moisture exposure. Labels with product details and batch numbers are attached to facilitate easy traceability during transportation and storage. Slit coils are either dispatched to the customers or used as input in manufacturing other products like transformer laminations, toroidal cores and assembled cores

Transformers Laminations



Planning and Designing

The design phase is crucial in ensuring transformer laminations meet efficiency and performance standards. We collaborate with our clients to determine the optimal lamination shapes, sizes, and material grades based on transformer specifications. Key considerations during this phase include:

Consideration	Description
Customer Requirements	Analysing customer-provided drawings and design specifications.
Electrical Performance	Minimising core losses and ensuring high magnetic permeability.
Mechanical Requirements	Ensuring laminations fit precisely into transformer cores with minimal gaps.
Material Utilisation	Optimising raw material usage to reduce wastage during cutting and slitting.

Once the design is completed, the technical parameters are reviewed, and a detailed design plan is generated. A designated reviewer approves the plan before proceeding to production. After final approval, detailed technical drawings and production guidelines are prepared to ensure accuracy and efficiency during manufacturing.

Cutting

Slit coils are used as input for manufacturing transformer laminations. The slit coils are unwound and cut into precise shapes based on transformer design specifications using both manual methods and automated CNC cutting machines. The process begins with cutting a sample to ensure that dimensions and design requirements are accurately met. Once verified, full-scale production commences.

Cutting Method	Description	Key Advantages	Best Suited For
Manual Cutting	Skilled operators use specialised tools for precise cutting.	High precision for small batches, customised solutions.	Small production runs, customised solutions.
CNC Cutting	Automated machines programmed for efficiency and uniformity.	Consistent quality, minimal material wastage, speedy production.	Large-scale production, high-volume requirements.

Testing

Transformer laminations are rigorously tested for dimensional accuracy, surface smoothness, and compliance with design specifications. Magnetic properties, such as core loss and permeability, are evaluated to ensure the material meets transformer application requirements.

Parameter	Description	Purpose
Dimensional Accuracy	Measures length, width, thickness, and edge burrs.	Ensures precision and minimal core loss.
Surface Quality Inspection	Detects defects such as scratches, dents, oxidation.	Maintains material integrity and performance.
Magnetic Property Testing	Core loss measurement and magnetic permeability analysis using Epstein Frame or Single Sheet Tester (SST).	Optimises transformer efficiency and reduces energy loss.
Electrical Insulation Testing	Franklin test for surface insulation resistance and dielectric strength evaluation.	Prevents interlaminar eddy currents and enhances insulation.
Flatness & Camber Inspection	Ensures laminations lie flat and are properly aligned for uniform stacking.	Prevents misalignment and improves core assembly.
Burr Height & Edge Quality	Ensures smooth edges, maintaining burr height below $<5\mu\text{m}$.	Reduces risk of short circuits and mechanical stress.
Holing Dimension Check	Verifies punched hole dimensions for precise alignment.	Ensures accurate transformer core assembly.
Step Lap Dimensions	Measures vertical or horizontal step-lap dimensions with minimal deviation.	Ensures proper stacking and reduces core loss.

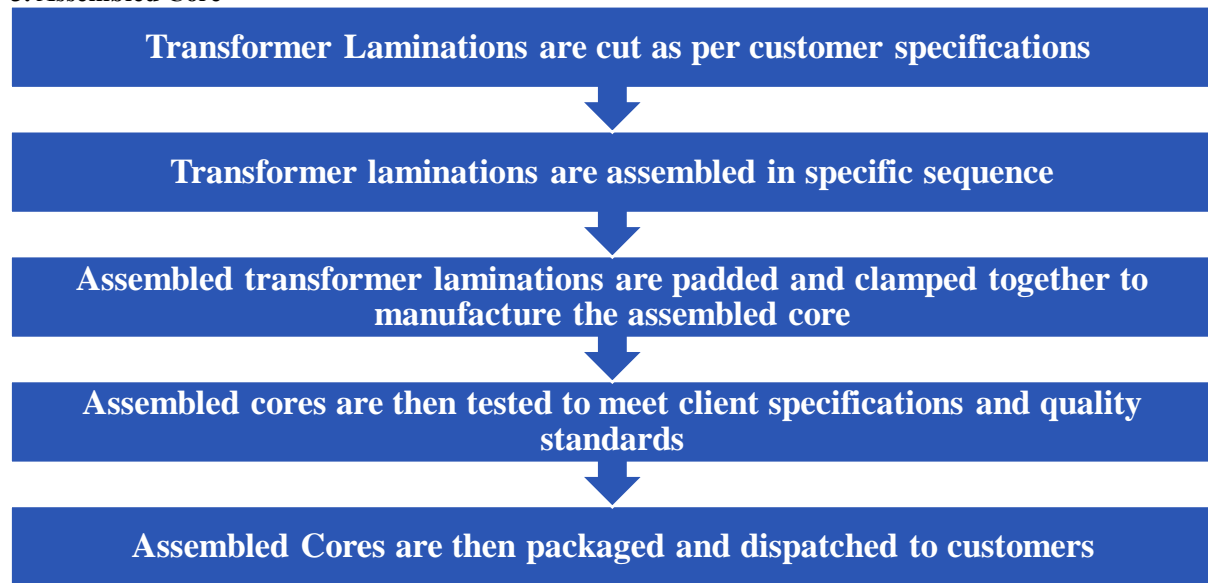
By implementing these testing procedures, we ensure that our transformer laminations deliver efficiency, low energy losses, and long-term durability.

Packaging or Further Processing

The packaging process is carefully designed to protect transformer laminations from damage, moisture, and contamination. Before packaging, transformer laminations intended for assembled core manufacturing move directly to the next stage of production. Those prepared for dispatch are first wrapped in anti-corrosion paper and polyethylene sheets to safeguard against oxidation and moisture. They are then carefully stacked to maintain stress-free alignment and minimise deformation. High-strength strapping secures the stacks, which are enclosed in sturdy wooden crates for added protection.

To further control moisture, silica gel packs and vacuum-sealed wrapping are used to absorb excess humidity. The packaged laminations are stored in a climate-controlled environment before dispatch. Each package is clearly labelled with product details, batch numbers, and inspection reports, ensuring complete traceability.

3. Assembled Core



Planning and Designing

The design phase is crucial in ensuring transformer laminations meet efficiency and performance standards. We collaborate with our clients to determine the optimal lamination shapes, sizes, and material grades based on transformer specifications. Key considerations during this phase include:

Consideration	Description
Customer Requirements	Analysing customer-provided drawings and design specifications.
Electrical Performance	Minimising core losses and ensuring high magnetic permeability.
Mechanical Requirements	Ensuring laminations fit precisely into transformer cores with minimal gaps.
Material Utilisation	Optimising raw material usage to reduce wastage during cutting and slitting.

Once the design is completed, the technical parameters are reviewed, and a detailed design plan is generated. A designated reviewer approves the plan before proceeding to production. After final approval, detailed technical drawings and production guidelines are prepared to ensure accuracy and efficiency during manufacturing.

Core Stacking

Prepared Transformer laminations are stacked in a specific sequence to form a magnetic circuit. Technicians ensure precise alignment to minimize gaps and overlaps, maintaining optimal magnetic performance. The stacking pattern follows the transformer's design specifications to ensure consistency and efficiency.

Core Clamping

After stacking, laminations are secured using clamping mechanisms to ensure structural integrity. Proper and uniform pressure is applied to minimise vibrations, prevent mechanical stress, and maintain core stability during operation. Additionally, anti-vibration measures may be incorporated to further enhance stability, ensuring optimal performance and durability of the transformer core.

Testing and Packaging

The assembled core undergoes testing to ensure compliance with quality standards. Precision instruments are used to verify critical parameters, ensuring reliability and performance.

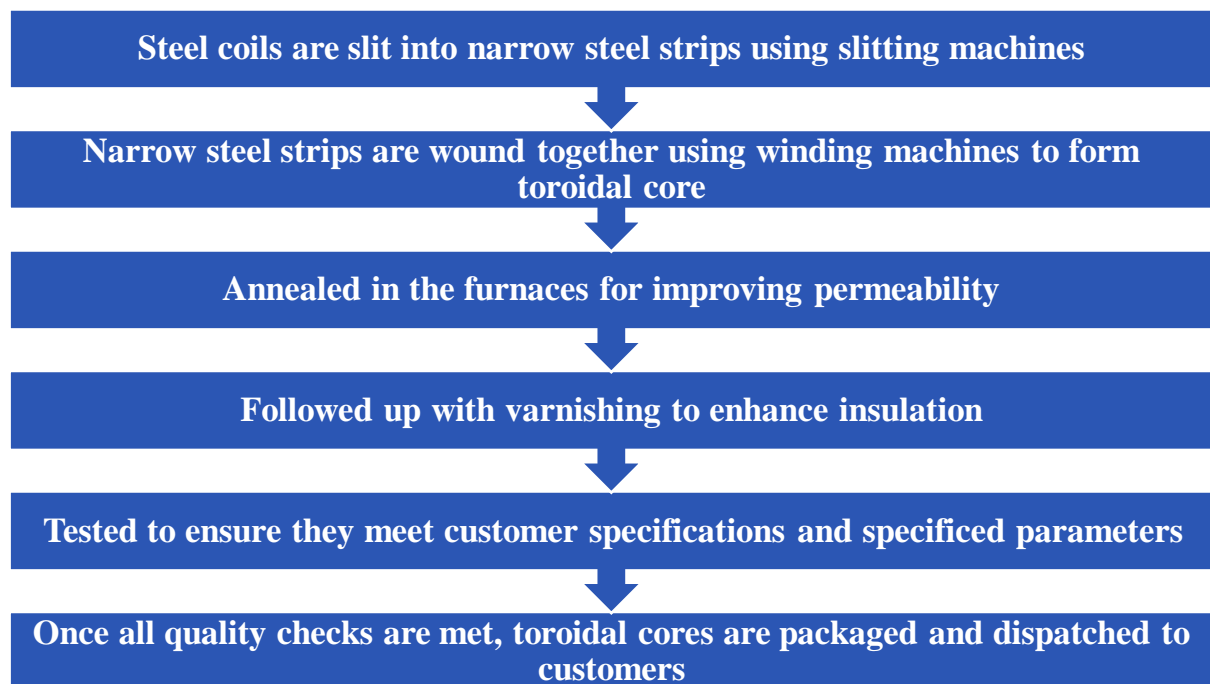
Test Parameter	Description	Purpose
Core Loss & Magnetic Properties	Measures core loss and flux density under standard conditions.	Ensures energy efficiency and optimal magnetic performance.

Test Parameter	Description	Purpose
Dimensional Accuracy	Verifies hole dimensions and step-lap deviations (vertical/horizontal).	Confirms adherence to design tolerances for precise assembly.
Structural Integrity	Checks core alignment, flatness, and stress distribution.	Prevents mechanical stress and ensures stability during operation.

Any deviations identified during testing are promptly addressed, and all results are documented for quality assurance and customer reference.

After Testing, proper packaging is done to prevent damage during handling, storage, and transportation. To maintain the structural integrity of the core, reinforced crates, protective wraps, and cushioning materials are used. The cores are then placed in shock-resistant packaging with foam inserts and reinforced supports to minimise impact during transit. Each package is clearly labelled with product details, batch numbers, and handling instructions, ensuring easy identification and traceability. This meticulous packaging process ensures that core assemblies reach customers in optimal condition, ready for integration into transformers.

Toroidal Cores



Raw Material Selection

CRGO steel is chosen for its superior magnetic efficiency, high permeability, and low core losses. The material undergoes strict quality checks to ensure compliance with major international and Indian Standards.

Selection Criteria	Description
Grade & Composition	Ensures appropriate silicon content and grain orientation for minimal core loss.
Surface Coating	Verifies insulation coatings for dielectric strength and corrosion resistance.
Dimensional Accuracy	Checks thickness, width, and surface quality against specifications.
Magnetic Properties	Tests core loss (W/kg), permeability (μ), and flux density (Bmax).

The material is stored in controlled environments to prevent contamination, oxidation, or moisture absorption.

Slitting

Steel coils are precision-slit into narrow strips using slitting machines, ensuring accuracy and consistency. The following key parameters are closely monitored:

Parameter	Description
Width Tolerances	Maintains tight width tolerances of ± 0.02 mm to ensure uniform core performance.

Parameter	Description
Edge Smoothness	Delivers smooth, burr-free edges to prevent interlaminar short circuits and reduce losses.
Quality Checks	Each slit strip is checked for edge smoothness, burr height (typically <5µm), and uniformity before proceeding.

This meticulous process ensures the strips are ready for the next stage of production.

Core Winding

Slit strips are wound into toroidal shapes using semi-automated winding machines, with precise tension control to maintain accuracy. During this process, uniform layering is ensured to achieve consistent magnetic flux distribution, while careful tension control prevents material deformation and mechanical stress buildup. After winding, each core undergoes visual and dimensional inspections to confirm shape accuracy and alignment before proceeding to the annealing stage.

Annealing

Annealing is a crucial process that relieves internal stresses and enhances the core's magnetic properties. The process involves controlled heating and cooling cycles, where the core is heated to 800°C – 850°C in an inert atmosphere and then slowly cooled to ensure grain structure refinement. This process helps reduce core losses by improving permeability and minimising hysteresis losses. Adhering to recognized international standards ensures the proper annealing cycles are followed. After annealing, the cores are inspected for dimensional stability and magnetic properties before moving on to the next stage.

Varnishing & Coating

To protect toroidal cores from environmental factors and mechanical damage, they are coated with varnish. The coating process begins with the application of varnish, where cores are spray-coated with insulating varnish to enhance insulation and reduce vibrations. The varnish is then cured at controlled temperatures to ensure proper adhesion and durability. This coating also provides corrosion and moisture resistance, ensuring the longevity and reliability of the cores, particularly in high-humidity environments. Quality checks are carried out, including adhesion tests, dielectric strength measurements, and visual inspections to ensure the coating meets all required standards.

Testing & Quality Assurance

Each toroidal core undergoes quality checks before dispatch, following renowned international and Indian testing standards. The core is evaluated against the following parameters:

Testing Parameter	Description	Purpose
Core Loss Measurement	Evaluated at specific flux densities (e.g., 1.5T at 50 Hz) using Epstein Frame or Single Sheet Tester (SST).	Ensures compliance with transformer efficiency requirements.
Permeability Test	Measures the core's ability to conduct magnetic flux, typically using an LCR meter or impedance analyser.	Confirms the core's magnetic efficiency for optimal performance.
Dimensional Accuracy	Checked with callipers, micrometres, and coordinate measuring machines (CMM) to ensure cores meet tolerance limits (< ±0.1 mm).	Ensures precision in manufacturing and that cores meet design specifications.
Inductance & Excitation Current Testing	Ensures proper functioning under operational conditions.	Verifies the core's performance under transformer load conditions.

Testing Parameter	Description	Purpose
Flatness & Circularity Check	Confirms uniform toroidal shape with minimal distortion (<0.2 mm deviation).	Ensures that the toroidal shape is consistent and free from significant distortion.

Cores that fail any of these tests are either reprocessed or rejected to maintain the integrity and quality of the product

Packaging & Dispatch

Approved toroidal cores are securely packed to prevent mechanical damage, moisture ingress, and contamination during handling and transportation. To protect against contamination, the cores are wrapped in anti-corrosion paper and vacuum-sealed to control moisture. For shock absorption, they are placed in foam-lined crates and cartons, which help prevent damage during transit. Each package is clearly labelled with product specifications, batch numbers, quality certificates, and handling instructions.

GEOGRAPHICAL PRESENCE

We have presence across India, supplying our products to transformer manufacturers in various states. Our reach extends to both large-scale operations and regional businesses, ensuring we meet the diverse needs of the Indian market.

Below is the state wise revenue bifurcation for the past three financial years and for the period ended September 30, 2024:

State	For the year ended							
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue in Rs Lakhs	% of Revenue from Operations	Revenue in Rs Lakhs	% of Revenue from Operations	Revenue in Rs Lakhs	% of Revenue from Operations	Revenue in Rs Lakhs	% of Revenue from Operations
Andhra Pradesh	2,704.13	29.46%	4,470.37	38.06%	1,317.72	12.83%	179.05	2.58%
Gujarat	4,095.63	44.62%	3,285.66	27.97%	5,088.65	49.55%	3,754.74	54.01%
Dadra Nagar Haveli and Daman and Diu	840.33	9.15%	1,444.39	12.30%	1,695.80	16.51%	857.40	12.33%
Maharashtra	479.65	5.23%	557.74	4.75%	461.59	4.49%	665.58	9.57%
Kerala	35.39	0.39%	524.16	4.46%	310.33	3.02%	297.94	4.29%
Telangana	136.76	1.49%	447.29	3.81%	283.26	2.76%	162.52	2.34%
Uttar Pradesh	326.23	3.55%	265.35	2.26%	323.31	3.15%	160.74	2.31%
Rajasthan	276.78	3.02%	258.28	2.20%	159.13	1.55%	187.39	2.70%
Assam	117.81	1.28%	126.88	1.08%	23.78	0.23%	3.06	0.04%
Delhi	5.88	0.06%	119.46	1.02%	224.11	2.18%	299.36	4.31%
Haryana	49.04	0.53%	110.99	0.94%	59.02	0.57%	31.64	0.46%
Karnataka	26.16	0.28%	62.45	0.53%	111.46	1.09%	65.96	0.95%
Tamil Nadu	9.82	0.11%	47.29	0.40%	191.66	1.87%	251.52	3.62%
Madhya Pradesh	5.11	0.06%	24.41	0.21%	18.53	0.18%	35.45	0.51%
West Bengal	-	-	0.80	0.01%	-	-	-	-
Punjab	70.83	0.77%	-	-	-	-	-	-
Odisha	-	-	-	-	1.98	0.02%	-	-
Total	9,179.57	100.00%	11,745.54	100.00%	10,270.35	100.00%	6,952.35	100.00%

We also have a growing international footprint, exporting our products to several countries. Our global reach includes markets in the Middle East and North America. Through strategic partnerships and a focus on quality, we have expanded our presence in international markets.

Below is the revenue bifurcation of our exports based on country wise for the past 3 financial years and for the period ended September 30, 2024:

Countries	For the period ended		For the year ended					
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue in Rs Lakhs	% of Revenue from Operations	Revenue in Rs Lakhs	% of Revenue from Operations	Revenue in Rs Lakhs	% of Revenue from Operations	Revenue in Rs Lakhs	% of Revenue from Operations
Oman	1,242.39	85.82%	3,527.53	76.61%	3,145.13	69.35%	276.83	28.17%
Canada	198.26	13.70%	650.92	14.14%	621.38	13.70%	416.47	42.38%
UAE	-	-	224.98	4.89%	638.52	14.08%	-	-
Egypt	-	-	56.36	1.22%	-	-	83.79	8.53%
Brazil	-	-	55.46	1.20%	60.97	1.34%	66.20	6.74%
China	-	-	38.40	0.83%	-	-	-	-
SEZ	2.21	0.15%	32.23	0.70%	38.15	0.84%	19.30	1.96%
Uganda	-	-	13.56	0.29%	-	-	47.39	4.82%
Bulgaria	3.34	0.23%	5.10	0.11%	31.23	0.69%	17.88	1.82%
Kenya	-	-	-	-	-	-	35.89	3.65%
Nepal	-	-	-	-	-	-	19.06	1.94%
United Kingdom	1.40	0.10%	-	-	-	-	-	-
Total	1,447.60	100.00%	4,604.53	100.00%	4,535.37	100.00%	982.81	100.00%

OUR LOCATION

Below is the list of our Manufacturing facilities and corporate office:

Particulars	Address	Description	Land area sq mtrs	Built-up area Sq. mtrs	Relationship with Licensor
Unit I	96 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India.	The Lease Deed, executed on December 18, 1995, is for a duration of 99 (ninety) years, set to expire on November 31, 2094, and covers the Company's registered office and manufacturing facility.	1850 sq mtrs	914.31 Sq mtrs	On a leasehold arrangement with the Gujarat Industrial Development Corporation (GIDC).
Unit II	35 & 46 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India.	The Lease Deed, executed on August 25, 1999, is for a duration of 99 (ninety) years, set to	2000 sq mtrs	2118.05 Sq. mtrs	On a leasehold arrangement with the Gujarat Industrial

Particulars	Address	Description	Land area sq mtrs	Built-up area Sq. mtrs	Relationship with Licensor
		expire on June 31, 2094, and covers the Company's and manufacturing facility.			Development Corporation (GIDC).
Unit III	763 GIDC Industrial Estate, Makarpura, Vadodara - 390 010, Gujarat, India.	The Rent Agreement, executed on August 01, 2022, is for a duration of 44 (forty-four) years, set to expire on March 31, 2027, covers the Company's manufacturing unit.	705.51 sq mtrs	352.75 Sq. mtrs	On a leasehold arrangement with the Paras Trans Elec Stamping.
Unit IV	Sub Plot No. Div. "B", Atmiya-11 Industrial Park, block No.858/A, 990,991 & 1008 in the village of Por, Taluka and District Vadodara - 391 243, Gujarat, India.	The Agreement of Sale, dated September 11, 2023, pertains to both the company-owned unit and the proposed unit for expansion.	10223.59 sq mtrs	3436.29 Sq. mtrs	The property is owned by Elec Steel Processing Industries Limited.
Corporate office	103, Chandrakala Tower, Opp. Bhavan's School, Shri R.J.Marg, Vadodara - 390 004, Manjalpur, Gujarat, India.	The Lease Deed, executed on March 15, 2025, is for a tenor of 11 months, set to expire on November 30, 2025, covers the Company's Corporate Office.	148.65 Sq. mtrs	148.65 Sq. mtrs	On a leasehold arrangement with Paras Resources.
Work in progress	Moje-Makarpura, R S No.152 ,Hypeshot No.02 GF and FF, Near Kataria Showroom, Vadodara – 396 195, Gujarat, India.	The Sale Deed executed on May 20, 2024, pursuant to Agreement of Sale, dated March 10, 2021.	143.98 Sq. mtrs	143.98 Sq. mtrs	The property is owned by Elec Steel Processing Industries Limited.

There is no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company), our Company, our Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and our Group Companies and their directors. All transactions done with related parties are done at arm's length price.

EXPORT OBLIGATION

As of the date of this Draft Red Herring Prospectus, our Company has a pending average export obligation of ₹1032.20 Lakhs under the EPCG Scheme, which we are expected to fulfil by the year-end.

Annual Overview Average Export Performance and Obligation Fulfilment as on March,17 2025:

Financial Year	Average 'Export Obligation' Amount (₹ in Lakhs)	Shortfall of Last Year (₹ in Lakhs)	Opening Export Obligation (₹ in Lakhs)	Export Fulfilled (Fob Value) Amount (₹ in Lakhs)	Shortfall at end of Year Amount (₹ in Lakhs)
2022-23	791.54	-	791.54	1,030.87	-
2023-24	791.54	-	791.54	819.46	-
2024-25	3,088.23	-	3,088.23	2056.03	1032.20

Performance Review of Export Fulfilment and Compliance with EPCG Guidelines:

EPCG License No.	Date	Duty Saved Amount (₹ in Lakhs)	Required Export Obligation Amount (₹ in Lakhs)	Export Sales fulfilled till March 31, 2024 Amount (₹ in Lakhs)	Pending Export Obligation Amount (₹ in Lakhs)
3431003409	22.02.2023	52.30	313.83	323.06	-
3431003410	22.02.2023	27.98	167.86	187.41	-
3431005238	31.07.2024	18.89	113.35	-	113.35
3431005518	09.10.2024	40.41	242.44	-	242.44

CAPACITY UTILIZATION

Below is the detail of Capacity utilization of our manufacturing units for the past three financial years and for the period ended September 30, 2024:

Particulars	Period	Installed Capacity	Actual Production	Utilization (%)
Transformer Laminations, Assembled Cores, Toroidal Cores, Coils	For the period ended September 30, 2024*	9,825	7,606.82	77.42%
	FY 2023-24	19,650	10,668.98	54.30%
	FY 2022-23	19,650	8,929.07	45.44%
	FY 2021-22	15,900	6,190.43	38.93%

*Annualized Production capacity as on September 2024 was 19,650 MT. However, considering 6 months only installed capacity is reduced to half.

RAW MATERIALS

Our company primarily uses CRGO and CRNGO electrical steel as key raw materials. CRGO steel is essential for transformer cores due to its high magnetic permeability and low core loss, which helps enhance energy efficiency. CRNGO steel, on the other hand, is used for various applications requiring non-oriented magnetic properties. Both materials play a crucial role in ensuring the efficiency, durability, and reliability of electrical systems, contributing significantly to energy conservation and improved performance.

Below table provides the details of different grades of CRGO steel used in various products:

Classification Category	Grade	Thickness (mm)	Maximum Core Loss (W/kg)
Domain Refined	20HP65D	0.2	0.65
Domain Refined	20HP70D	0.2	0.7
Domain Refined	23HP75D	0.23	0.75
Domain Refined	23HP80D	0.23	0.8
Domain Refined	23HP85d	0.23	0.85
Domain Refined	23HP90d	0.23	0.9
Domain Refined	23HP95d	0.23	0.95
Hi-Permeability	23HP100	0.23	1

Classification Category	Grade	Thickness (mm)	Maximum Core Loss (W/kg)
Hi-Permeability	27HP100	0.27	1
Hi-Permeability	27HP110	0.27	1.1
Conventional	23CG110	0.23	1.1
Conventional	27CG120	0.27	1.2
Conventional	27CG130	0.27	1.3
Conventional	30CG120	0.3	1.2
Conventional	30CG130	0.3	1.3

Below are the country wise import of raw materials for the past 3 financial years and for the period ended September 30, 2024:

Particulars	For the period ended		For the fiscal year ended March 31					
	September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased
China	1,994.53	20.03%	2,424.50	17.85%	175.72	1.59%	-	-
Belgium	1,372.73	13.79%	1,816.90	13.38%	84.20	0.76%	-	-
UAE	388.19	3.90%	1,677.86	12.35%	1,166.86	10.54%	368.44	5.28%
Japan	56.61	0.57%	319.16	2.35%	1,072.93	9.69%	285.14	4.09%
Singapore	-	-	155.87	1.15%	132.28	1.19%	-	-
Australia	3.96	0.04%	-	-	-	-	-	-
Germany	221.00	2.22%	-	-	-	-	-	-
Korea	214.30	2.15%	-	-	-	-	-	-
USA	-	-	-	-	-	-	148.37	2.13%
Total	4,251.32	42.70%	6,394.29	47.08%	2,631.99	23.77%	801.95	11.50%

Below are the state wise domestic purchase of raw materials for the past 3 financial years and for the period ended September 30, 2024:

Particulars	For the period ended		For the fiscal year ended March 31					
	September 30, 2024		2024		2023		2022	
	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased	Amount (₹ in Lakhs)	% of Raw Material Purchased
Gujarat	3,578.23	35.94%	5,778.92	42.55%	6,823.05	61.61%	4,330.78	62.10%
Delhi	1,180.48	11.86%	1,140.17	8.39%	1,369.53	12.37%	1,579.05	22.64%
Maharashtra	944.79	9.49%	268.51	1.98%	184.50	1.67%	147.63	2.12%
Haryana	-	-	-	-	-	-	0.68	0.01%
Karnataka	-	-	-	-	-	-	74.09	1.06%
Madhya Pradesh	-	-	-	-	0.21	0.002%	0.69	0.01%
Rajasthan	1.40	0.01%	-	-	-	-	-	-
Tamil Nadu	-	-	-	-	64.73	0.58%	38.93	0.56%
Total	5,704.90	57.30%	7,187.60	52.92%	8,442.01	76.23%	6,171.85	88.50%

Below are the details of our top suppliers for the past 3 financial years and for the period ended September 30, 2024:

Particulars	For the period ended		For the year ended					
	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount (₹ in lakhs)	% of Purchase of Raw Materials	Amount(₹ in lakhs)	% of Purchase of Raw Materials	Amount(₹ in lakhs)	% of Purchase of Raw Materials	Amount(₹ in lakhs)	% of Purchase of Raw Materials
Top 1	3,109.28	31.23%	4,115.54	30.30%	3,378.34	30.51%	2,824.67	40.50%
Top 3	5,360.83	53.84%	7,225.02	53.20%	6,730.77	60.78%	4,290.43	61.52%
Top 5	6,391.86	64.20%	9,343.95	68.80%	8,191.91	73.97%	5,113.93	73.33%
Top 10	8,134.31	81.70%	11,901.42	87.63%	9,933.19	89.70%	6,118.55	87.74%

Below is the breakup of purchases of raw materials for the previous 3 financial years and for the period ended September 30, 2024:

Product	For the period ended September 30, 2024		For the year ended					
			March 31, 2024		March 31, 2023		March 31, 2022	
	Amount(₹ in lakhs)	% of purchase of Raw Materials	Amount(₹ in lakhs)	% of purchase of Raw Materials	Amount(₹ in lakhs)	% of purchase of Raw Materials	Amount(₹ in lakhs)	Amount(₹ in lakhs)
Domestic	5,704.90	57.30%	7,187.60	52.92%	8,442.01	76.23%	6,171.85	88.50%
Import	4,251.32	42.70%	6,394.29	47.08%	2,631.99	23.77%	801.95	11.50%
Total Purchases	9,956.22	100.00%	13,581.89	100.00%	11,074.00	100.00%	6,973.80	100.00%

PLANT AND MACHINERY

The table below set forth provides plant and machineries are installed at our existing manufacturing unit:

Sr. No.	Description of Plant/ Machinery/	Quantity
1.	8 CNC Cut to Length - 25mm to 600 mm cutting capacity.	8
2.	Overhead Cranes - 5 tons to 15 tons	9
3.	Power Press Machines 10 tons to 60 tons	14
4.	Shearing machines - 14" to 81"	15
5.	Weighing Scale - 200 kg to 5 Tons	9
6.	AIR COMPRESSOR - 7 kgs	5
7.	Winding Machine	7
8.	T-Core Annealing Furnace – 5kgs to 1500kgs	12
9.	Slitting Line Machine	4

**As certified by M/s D.M. Vaidya & Associates, Chartered Engineer (Mechanical), Reg. No.: AM-094930-5, Independent Chartered Engineers vide certificate dated March 18, 2025.*

INVENTORY MANAGEMENT

We manage our inventory with a focus on efficiency and reliability to support our finished goods. By maintaining the right stock levels of steel coils, insulation materials, and frame parts, we ensure smooth production. We use demand forecasting and coordinate with suppliers to keep stock movement well-organised. Our inventory management systems provide real-time updates for accurate inventory management. Standard procedures and streamline handling make workflow more efficient and reducing delays. Monthly stock statements help with inventory management and material planning for effective production planning.

LOGISTICS

Our raw materials, including electrical steel coils and insulation materials, are sourced from trusted suppliers and transported by road, rail, or sea, depending on the best option for cost and timing. For transportation, we rely on third-party logistics providers, both for local deliveries and long-distance shipments. Our import based raw materials are transported by rail to nearby dry port. Finished goods are primarily transported by sea for exports, while roadways are used for domestic distribution. Real-time tracking helps us monitor shipments and address any issues quickly.

UTILITIES

The Registered Office and existing manufacturing facilities rely on several essential utilities for its operations:

Electricity

The plant has a stable connection to the local grid, with backup generators in place to prevent disruptions. The requirement of power for our operation and registered office is met through Madhya Gujarat Vij Company Limited. Diesel generators are used to provide backup electricity during power outages, ensuring uninterrupted production.

Water

While water is not directly utilized in our manufacturing processes, we rely on local authorities for the provision of potable and sanitary water essential for our operations at our registered office and manufacturing facilities

Other utilities

Our offices and manufacturing units are well equipped with computer systems, internet and other facilities, which are required for functioning of our company.

MARKETING

Our marketing and sales strategy focuses on reaching potential clients through various methods. We take part in trade expos both locally and internationally, where we set up booths to showcase our latest products. These expos give us the chance to present our capabilities directly to potential customers and industry professionals. Along with hosting booths, we also attend expos to network with key industry players, learn about new market trends, and find potential business opportunities.

Another important part of our strategy is our active participation in tenders. We carefully identify private-sector opportunities that align with our products and services, ensuring we focus on the most relevant projects. Once these opportunities are identified, we create detailed and competitive bids that highlight our technical expertise, successful project execution, and recognised quality certifications.

TECHNICAL COLLABORATION

We do not have any Collaboration/Tie Ups/ Joint Ventures as on date of this draft prospectus.

INFORMATION TECHNOLOGY

We believe that an appropriate information technology infrastructure is important to support the growth of our business. We use ERP Tally software for financial reporting. We also use the SolutionOne for tracking our raw materials usage and real time monitoring of our production efficiency.

COMPETITION

Our company operates in a competitive environment alongside domestic manufacturers of transformer components. While the industry is competitive, fulfilling client demands goes beyond standard production, as it requires elaborate customisation, quality and precision engineering. Factors such as product quality, pricing, raw material sourcing, manufacturing efficiency, regulatory compliance, and evolving customer needs all influence market dynamics.

We differentiate ourselves by delivering quality transformer components, supported by stringent quality norms and optimised production processes. Our ability to customise solutions with a focus on reliability and precision ensures that meet the specific requirements of our clients. By continuously optimising our manufacturing processes, we strengthen our position in the market

QUALITY CONTROL

Our Company believes that adhering to stringent quality control procedures. The maintenance of quality is observed at every stage, from procurement of raw materials to dispatch of finished goods. A dedicated quality control team ensures compliance with manufacturing practices and quality standards. Prior to commencing the manufacturing process, materials purchased by the Company undergo quality checks to ensure they meet specified standards. Finished products undergo testing by the in-house team to ensure they align with customer specifications. The products are thereafter packed and dispatched after meeting relevant standards and designs specified by the customer. The Quality Control department maintains full traceability of raw materials to address customer complaints effectively. Quality control measures include usage of various recognized international and Indian standards like IS649, IEC 60404-2, ASTM343 for testing magnetic permeability, Epstein frame or Single Sheet Tester (SST) for core loss measurement.

INSURANCE

The table below sets forth particulars of our insurance coverage:

Sr. No.	Name of The Insurance Company	Validity Period	Description Cover Under The Policy	Policy No.	Sum Insured (₹ in Lakhs)
1.	The New India Assurance Co. Ltd.	11 th June 2025	Building including plinth, basement and additional structures	21330011244300000012	1,000.00 (Also includes 800.00 for 3 rd Party property like raw material, finished goods etc)
2.	The New India Assurance Co. Ltd.	11 th June 2025	Building including plinth, basement and additional structures. Plant and Machinery, furniture fixtures and fittings and other equipment	21330011244300000011	1,851.70
3.	The New India Assurance Co. Ltd.	29 th October 2025	Building, Plant and Machinery and Stocks	21330011244300000034	3,899.13
4.	The New India Assurance Co. Ltd.	11 th June 2025	Finished Goods	21330011248000000169	50.00
5.	The New India Assurance Co. Ltd.	5 th May 2025	Marine Cargo Open Policy	21330021240200000001	2,000.00
6.	The New India Assurance Co. Ltd.	17 th June 2025	Marine Cargo Open Cover	21330021240300000004	350.00
7.	The New India Assurance Co. Ltd.	11 th June 2025	Burglary	21330046240100000038	153.00
8.	The New India Assurance Co. Ltd.	17 th March 2026	Building including plinth, basement and additional structures	21330011248000000772	450.00

Sr. No.	Name of The Insurance Company	Validity Period	Description Cover Under The Policy	Policy No.	Sum Insured (₹ in Lakhs)
Total					9,753.83

Details of our total insurance coverage vis-à-vis our net assets as on September 30, 2024, is set out below:

Particulars	As on September 30, 2024
Insurance coverage* (A)	9,753.83
Net assets** as per Restated Financial Information (B)	7,726.63
Net tangible assets*** (C)	7,719.62
Insurance coverage times the net assets (A/B)	1.26
Insurance coverage times the net tangible assets (A/C)	1.26

* Insurance coverage = Total insurance coverage amounts by considering insurance policies of property, equipment, vehicles, stock, erection and all risk insurance.

**Net assets = Property, Plant and Equipment (net block) + Capital Work in Progress + Intangibles (net block) + Investment Property (Buildings net block) + Inventories

*** '***' Net Tangible Assets' means Net Assets - Intangibles (net block).

As certified by our Statutory Auditor, M/s Lalpuria Shah & Associates, pursuant to a certificate dated March 17, 2025

HUMAN RESOURCES

The following table sets forth a breakdown of our employees by function as of January 31, 2025:



Function	No. Of Employees
Production	156
Packing	20
Administration	19
Account	5
Quality	3
Store	3
Sales & Marketing	3
Finance	2
IT	2
Purchase	2
Legal	1
HR	1
Maintenance	1
Total	218

Additionally, our Company also appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. As of January 31, 2025, we had 75 contract labourers.

INTELLECTUAL PROPERTY

Below are the details of the trademarks registered in the name of our Company:

Sr. No.	Brand Name/Logo/Trademark	Application Number/Registration No.	Date of Application	Class	Status
1	Elec Steel	6883344	February 28, 2025	6	Pending

Sr. No.	Brand Name/Logo/Trademark	Application Number/Registration No.	Date of Application	Class	Status
2	 ELEC STEEL PROCESSING INDUSTRIES LIMITED	6884322	March 01, 2025	6	Pending
3		6884321	March 01, 2025	6	Pending

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 294 of this Draft Red Herring Prospectus.

The Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act primarily regulates the formation, financing, functioning, and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial, and managerial aspects of companies. The provisions of the Act state the eligibility, procedure, and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance, and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI Regulations

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market, and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

Tax Related Regulations

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as interstate transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination-based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring importing or export any goods is first required to get it registered and obtain

an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty, and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs -duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance

Regulations related to Foreign Trade and Investment

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder.

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations, and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case a FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Laws related to Overseas Investment by Indian Entities

Overseas investment by Indian Entities is governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has issued notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022, have issued Foreign Exchange Management (Overseas Investment)

Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2023

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023, and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

Business/Trade Related Laws/Regulations

The “One Nation One Grid’ for affordable power to states initiated by the Finance Minister Nirmala Sitharaman in the union budget 2019. This plan’s motive was to provide free electricity connections to the poor and at a very low cost to others. The above-stated plan was reinstated in a different form after the Prime Minister Narendra Modi launched the Saubhagya- ‘Pradhan Mantri Sahaj Bijli Har Ghar Yojana’ in September 2017 which had the primary goal to provide electricity connections to all households in rural and urban areas.

An indication of a major change in the power distribution sector of India as the two leading public sector businesses namely NTPC and Power grid corporation of India have allied to set up National Electricity Distribution Company.

The Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018 and amendments thereto

The BIS Act and rules made thereunder establishes, publishes, and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems, and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

Steel Scrap Recycling Policy 2019

The Ministry of Steel, Government of India has introduced the Steel Scrap Recycling Policy, 2019 (“Policy”) which envisages a framework to facilitate and promote establishment of metal scrapping centers in India. The policy aims to ensure scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe, and environmentally sound manner. The policy aims to achieve the following objectives – (i) to promote circular economy in the steel sector, (ii) to promote a formal and scientific collection, dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap; (iii) processing and recycling of products in an organized, safe and environment friendly manner; (iv) to evolve a responsive ecosystem by involving all stakeholders; (v) to produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports; (vi) To decongest the Indian cities from ELVs and reuse of ferrous scrap; (vii) to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous & Other Wastes (Management & Transboundary Movement) Rules , 2016 issued by MoEF & CC; and (viii) to promote 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including nonferrous scraps, through authorized centers / facility.

National Steel Policy, 2017 (“NSP 2017”)

The NSP 2017, notified on May 8, 2017, seeks to enhance domestic steel consumption, ensure high quality steel production, and create a technologically advanced and globally competitive steel industry in India. As per the NSP 2017, the Ministry of Steel will facilitate research and development in the sector, through the establishment of Steel Research and Technology Mission of India (SRTMI). The initiative is aimed to spearhead research and development of national importance in the iron and steel sector, by utilizing tripartite synergy amongst industry, national research, and development laboratories and academic institutes. The NSP 2017 covers, inter alia, steel

demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management. Through policy measures the Ministry of Steel will ensure availability of raw materials such as iron ore, coking coal, natural gas, etc. at competitive rates. The NSP 2017 envisions that in the steel industry, an environment will be created to promote domestic steel and thereby create a scenario where production meets the anticipated pace of growth in consumption, through a technologically advanced and globally competitive steel industry.

Steel and Steel Products (Quality Control) Orders

The Steel and Steel Products (Quality Control) Second Orders are passed in exercise of Section 16 of the Bureau of Indian Standards Act. The Quality Control Second Order provides that no person shall sell, manufacture, distribute or store steel products specified in the schedule thereto unless the products contain a certification mark of the Bureau of Indian Standards by obtaining a certification marks license and conforming to the specified standards. However, this does not apply to steel products manufactured for export which conform to the specifications of the foreign buyer. The Quality Control Second Orders specifies quality specifications for steel for various categories of steel products. All manufacturers of steel and steel products are required to apply to the Bureau of Indian Standards for certification and ensure compliance with the Quality Control Orders, the latest in force being Steel and Steel Products (Quality Control) Order, 2020.

The Electricity Act 2003

The Electricity Act repealed all the earlier enactments pertaining to the power sector and provides for the requirement of licenses or permission for the activity of generation of power. The Electricity Act mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. The Electricity Act, inter alia, provides for regulatory interventions for promotion of renewable energy (RE) sources through a) determination of tariff; b) specifying renewable purchase obligation (RPO); c) facilitating grid connectivity and; d) promotion and development of market.

Further with the growth in the requirement of electricity and power and with an aim to meet the power generation and distribution aims, the Power Ministry has proposed Draft Electricity Bill in 2021 which proposes to delicense the distribution and strengthening the dispute resolution mechanism to enhance the sector's financial viability. The Bill is under consideration with certain major amendments.

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") aims at regulating labor employed in factories. A "factory" is defined as any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places. Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety, and welfare of all workers while they are at work in the factory.

Laws related to Environmental Laws

National Environmental Policy, 2006

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

Environment (Protection) Act, 1986 as amended (“EPA”)

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

The Public Liability Insurance Act, 1991 (the “PLI Act”) and the Public Liability Insurance Rules, 1991 (the “PLI Rules”)

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

Laws relating to Intellectual Property

Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

Designs Act, 2000

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

The Patents Act, 1970

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

Employment Laws

Code on Wages, 2019

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few sections of the Code have yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

The Occupational Safety, Health, and Working Conditions Code, 2020

The Occupational Safety, Health, and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labor (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health, and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health, and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers, and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal, or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security, and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

**The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes*

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the "ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death, or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Gujarat Minimum Wages Rules, 1961 ("GWA Rules")
- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labor (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labor Regulation and Abolition) Act, 1970 (CLRA) and Contract Labor (Regulation and Abolition) Central Rules, 1971 (Contract Labor Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

Other General Regulations

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Other regulations

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

Property Related Laws

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was initially established as a partnership firm named “Elec Steel Processing Industries” on April 1, 1994, by Harshad Narbherambhai Bagadia, Kirit Narbherambhai Bagadia, and Jagruti Narbherambhai Bagadia. Subsequently, the partnership firm was converted into a private limited company, “Elec Steel Processing Industries Private Limited”, on August 8, 2022, in accordance with the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre. The status of the Company was changed to public limited company and the name of our Company was changed to “Elec Steel Processing Industries Limited” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on November 16, 2024. The fresh certificate of incorporation consequent to conversion was issued on December 30, 2024, by Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre, Ministry of Corporate Affairs. The Corporate Identification Number of our Company is U31100GJ2022PLC134606.

Harshad Narbherambhai Bagadia and Parasbhai Harshadbhai Bagadia were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapter titled “Our Business”, “Industry Overview”, “Our Management”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 154, 122, 191, 216 and 279 respectively of this Draft Red Herring Prospectus.

Our Company has 9 (Nine) shareholders as on the date of filing of this Draft Red Herring Prospectus.

Change in Our Registered Office

Our Registered Office is situated at Plot No. 96, POR GIDC, AT-POR Village-POR, Taluka-Vadodara, Vadodara, Gujarat - 391243, India. There has been no change of our Registered Office since inception of our Company.

The Company in its Board meeting held on January 30, 2025, has passed resolution to keep and maintain the books of accounts of the Company at Corporate Office situated at 103, Chandrakala Tower B/H Angan, Makarpura Rd, Pratapnagar, Vadodara - 390004, Gujarat, India.

Major Events and Milestones of Our Company

The table below sets forth some of the major events in the history of our Company:

Year	Key Events/Milestones/Achievements
1994	Formation of company as a partnership firm
1996	Obtained the registration and license to commence manufacturing operations at Unit I.
2006	Obtained the registration and license to commence manufacturing operations at Unit II
2015	Obtained the registration and license to commence manufacturing operations at Unit III
2019	Crossed revenue of ₹ 50,00,00,000/- (Indian Rupees Fifty Crores Only)
2021	Received ISO 9001:2015 certificate from Certification Partner Global
2022	Incorporation of our Partnership Firm as a Private Limited Company
2023	Acquisition of Unit-IV
2024	Obtained the registration and license to commence manufacturing operations at Unit IV
2024	Crossed revenue of ₹ 100,00,00,000/- (Indian Rupees One Hundred Crores Only)
2024	Certificate of Conformity from BIS for Stampings/Laminations/Cores of Transformers
2024	Became one star export house recognized by Ministry of Commerce & Industry
2024	Conversion of our Company from Private Limited to Public Limited Company

Manufacturing Units/Facilities

Unit	Address and Usage
Unit I	The registered office and manufacturing unit located at 96 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India

Unit	Address and Usage
Unit II	The manufacturing unit located at 35 & 46 GIDC Industrial Estate, Por-Ramangamdi, Por, Vadodara - 391 243, Gujarat, India
Unit III	The manufacturing unit located at Unit No. C1/B is situated at 763 GIDC Industrial Estate, Makarpura, Vadodara - 390 010
Unit IV	The manufacturing unit located at Sub Plot No. Div. "B", Atmiya-11 Industrial Park, block No.858/A, 990,991 & 1008 in the village of Por, Taluka and District Vadodara - 391 243, Gujarat, India.

Main Objects of Our Company

The main object of our Company as contained in our Clause III (A) of Memorandum of Association of our Company is as follows:

- (a) *To carry on in India or elsewhere the business of manufacturing, buying, selling, reselling, hiring, altering, importing, exporting, assembling, distributing, serving, repairing, stocking, supplying, leasing, wholesaling, Individualizing, fabricating, designing, developing, modifying, renovating, job working or otherwise deal in all descriptions and specifications, dimensions, capacities, applications & uses of all kinds of Transformers, Transformer Laminations, Toroidal Cores, Wound cores, Transformer Assembled Cores, Core Coil Assembly (C.C.A), Parts of Transformers, Transformers and Slit Coils of CRGO/CRNGO Electrical Steel, Cores for Distribution Transformers, Power Transformer, various Types and capacity of current transformers (CT & PT) & Other various types of Special Purpose Transformers, voltage stabilizers and other components & parts in India and/or abroad and to do all acts and things necessary for the attainment of the above objects.*
- (b) *To convert and register the existing Partnership firm ELEC STEEL PROCESSING INDUSTRIES as a Private limited company under Section 366 of the Companies Act, 2013. The partners are carrying on partnership business as manufacturer of Torodial cores, Transformer Core laminations, assembled cores, slit cores, core coil assembly, wound cores, etc. as per customer specification and required grade in the name and style of ELEC STEEL PROCESSING INDUSTRIES and the said firm is registered in the year 1995. The firms registration no. is GUJ/VDD/10798.*
- (c) *To continue and run the business carried on by ELEC STEEL PROCESSING INDUSTRIES, a partnership firm as a Company upon its registration and conversion as a Private Company under Part I of Chapter XXI of the Companies Act, 2013 and as a going concern, together with all its Assets and Liabilities.*

Amendments to Memorandum of Association

Except as mentioned below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type	Nature of Amendment
November 16, 2024	Extra Ordinary General Meeting	<ol style="list-style-type: none"> a. Clause V of the MoA was amended to upon the increase in Authorised Share Capital of our Company from ₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of face value of ₹ 10/- each. b. Clause III(b) - Insertion of sub-clauses 2, 3, 4, 5, 8, 10, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 34, 35, 36, 37 & 38 and renumbering of other clauses under clause III(a) which are necessary for furtherance of the Objects specified in clause III(b). c. Clause I – Pursuant to conversion of our Company from ‘Private Limited’ to ‘Public Limited’ by way of Special Resolution including deletion of word Private from its name wherever it appears.

Change in Name Clause

Date of Amendment	Particular	Reason
December 30, 2024	Change in name of company from “Elec Steel Processing Industries Private Limited” to “Elec Steel Processing Industries Limited”	Conversion of our Company from Private Limited to Public Limited

Our Holding Company

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

Our Subsidiary Company

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

Acquisition of Businesses/Undertakings, Merger, Amalgamation or Revaluation of Assets in last 10 Years

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation, or revaluation of assets in the last ten years except as mentioned under the Major Events table forming part of this chapter.

Significant Financial or Strategic Partnerships

We do not have any financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

Lock outs and strikes

There have been no lock outs or strikes at any of the location of our Company as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

There has been no time and cost overruns in the Company as on date of this Draft Red Herring Prospectus.

Launch of key products or services, entry or exit in new geographies

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 154 of this Draft Red Herring Prospectus.

Changes in the activities of our company during the last five years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/banks

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Draft Red Herring Prospectus.

Joint Ventures

As on the date of this Draft Red Herring Prospectus, there are no joint ventures of our Company.

Shareholders’ Agreement

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Red Herring Prospectus.

Agreements with key managerial personnel, senior management, director, promoters or any other employee

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management, Directors, or employees 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.

Guarantees given by our promoters

Except as disclosed in the chapter titled “*Financial Indebtedness*” on page 269 of this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Red Herring Prospectus.

Material Agreements

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any material agreement / contract as on the date of this Draft Red Herring Prospectus.

That there are no other agreements/arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

Strategic Partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any Strategic Partners.

Financial Partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any other financial partners.

Non-Compete agreement

As on the date of this Draft Red Herring Prospectus, our Company does not have any non-compete agreement.

Injunction and Restraining Order

As on the date of this Draft Red Herring Prospectus, our Company does not have any Injunction and Restraining Order

Special Rights

As of the date of this Draft Red Herring Prospectus, our Company does not possess any special rights or privileges.

Capacity/facility creation, location of plants

As of the date of this Draft Red Herring Prospectus, our Company has not yet created any additional capacity or facilities, nor has it finalized the location for any new plants.

Associate Company

As of the date of this Draft Red Herring Prospectus, our Company does not have any Associate Company

Changes in the management

For details on changes in the management, please refer to the chapter titled “*Our Management*” on page 191 of this Draft Red Herring Prospectus.

Changes in accounting policies in last three (3) years

During the reporting period of restated financials, there has been no change in the accounting policies of the company. However, the valuation of gratuity provision has been carried out in accordance with Accounting Standard (AS) 15 – Employee Benefits, using the Projected Unit Credit Method.

This change in the valuation approach is aimed at providing a more accurate estimation of the company's gratuity obligation by taking into account present value of defined benefit obligations, actuarial assumptions, and employee service periods. The impact of this valuation adjustment has been appropriately reflected in the Restated Financial Statements, ensuring compliance with the applicable accounting standards. This adjustment does not represent a change in accounting policy but rather an alignment of valuation methodology with AS 15 requirements.

All relevant disclosures related to this valuation have been incorporated in the financial statements to provide a transparent and fair view of the company's financial position and employee benefit obligations.

Agreements with Key Managerial Personnel, Senior Management, Directors or Promoters or any other employee

As of the date of this Draft Red Herring Prospectus, our Company does not have any material agreements with Key Managerial Personnel, Senior Management, Directors, Promoters, or any other employees that would significantly impact the operations or governance of the Company.

OUR MANAGEMENT

Board of Directors

Under Articles of Association of our Company, the number of Directors (excluding Debenture Directors, Government Directors, Ex-officio Directors, if any) shall be not less than 3 and not more than 15. As on date of this Draft Red Herring Prospectus, our Board consists of 5 (Five) Directors, out of which 2 (Two) are Executive Directors, 1 (One) is Non-Executive Non-Independent Director and 2 (Two) are Non-Executive Independent Directors which includes a woman Director.

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term, DIN and Date of Appointment	Age	Other Directorships
Harshad Narbherambhai Bagadia Designation: Whole-time director (Non-Independent) Address: 14 A, Sudamapuri Society, Near Jain Temple, Manjalpur, Vadodara - 390011, Gujarat, India. Date of Birth: May 29, 1949 Nationality: Indian Term: 5 (five) years w.e.f, November 15, 2024 Date of First Appointment: August 8, 2022 DIN: 01535197	76	Indian Private Limited Company: Nil Indian Public Limited Company: Nil Foreign Company: Nil
Parasbhai Harshadbhai Bagadia Designation: Managing Director (Non-Independent) Address: 14 A, Sudamapuri Society, Near Jain Temple, Manjalpur, Vadodara - 390011, Gujarat, India Date of Birth: July 13, 1978 Nationality: Indian Term: 5 (five) years w.e.f, November 15, 2024 Date of First Appointment: August 8, 2022 DIN: 09699701	46	Indian Private Limited Company: Nil Indian Public Limited Company: Nil Foreign Company: Nil
Dhyanesh Bagadia Designation: Non-Executive Director (Non-Independent) Address: 14 A, Sudamapuri Society, Near Jain Temple, Manjalpur, Vadodara - 390011, Gujarat, India. Date of Birth: September 29, 1979	45	Indian Private Limited Company: Nil Indian Public Limited Company: Nil Foreign Company: Nil

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term, DIN and Date of Appointment	Age	Other Directorships
Nationality: Indian Term: Liable to retire by rotation Date of First Appointment: November 15, 2024 DIN: 10802889		
Dinesh Lalbhai Nanavati Designation: Non-Executive Director (Independent) Address: A/301, Park Avenue, Atmajyoti Ashram Road, Ellorapark, Subhanpura, Vadodara – 390 023, Gujarat, India. Date of Birth: November 15, 1954 Nationality: Indian Term: 5 (five) years w.e.f. December 30, 2024. Date of First Appointment: December 30, 2024 DIN: 10856131	71	Indian Private Limited Company: Nil Indian Public Limited Company: Nil Foreign Company: Nil
Komal Vishal Thakkar Designation: Non-Executive Director (Independent) Address: 95, Galaxy Bungalows, Beside Nilamber Scerene, Near Navrachana International, Bhayli, Vadodara - 391410, Gujarat, India. Date of Birth: June 19, 1987 Nationality: Indian Term: 5 (five) years w.e.f. December 30, 2024. Date of First Appointment: December 30, 2024 DIN: 06765690	37	Indian Private Limited Company: Professional News Private Limited Indian Public Limited Company: Nil Foreign Company: Nil

Brief profile of our directors

Harshad Narbherambhai Bagadia (DIN 01535197) is Whole Time Director of the Elec Steel Processing Industries Limited and member of Audit Committee as well as Corporate Social Responsibility Committee of the Board of Directors of the Company. He is a founder of the Company who has planted the seed of Elec Group in the year 1994. He by academic qualifications is a graduate in Bachelor of Science from the University of Bombay.

He founded the Elec Steel Processing Industries in 1994 as a registered partnership firm and converted this into private limited company in the year 2022. He oversees corporate functions, including business development, Finance and Import-Export operations. His deep understanding of global trade and import-export operations has streamlined international business processes, ensuring seamless cross-border transactions and long-term partnerships. With over five decades of industry experience, He has built a strong financial and operational foundation for the company.

Parasbhai Harshadbhai Bagadia (DIN 09699701) is Managing Director of the Elec Steel Processing Industries Limited and member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee of

the Board of Directors of the Company. He is part of Elec Group since 1999 and is one of the Board Member of the Company since its incorporation. He has completed certified course of a Masters Diploma in Software Development certificate from Impress School of Computers, a Diploma in Export-Import Management from The Indian Institute of Export and has completed professional programs in Marketing and Finance from The centre for Entrepreneurship Development. His strategic and hands-on management approach, has enabled our company to achieve consistent growth and build lasting partnerships with clients and suppliers and played a pivotal role in Company. He oversees core business functions, including sales, marketing, production, procurement, and quality management. Under his spearheaded, the company has expanded from a single production facility to four manufacturing units, driven by a focus on operational excellence and customer satisfaction.

Dhyanesh Bagadia (DIN 10802889) is a Non-Executive Non-Independent Director of the Company w.e.f., November 15, 2024 and member of Nomination and Remuneration Committee of the Board of Directors of the Company w.e.f., December 30, 2024. He is graduate from Sardar Patel University in Bachelor of Science and Master of Computer Applications from Visveswaraiah Technological University, Belgaum.

He was associated with Prescient Infotech Private Limited (2004 to 2006) as software engineer and Prescient Infotech Inc. (2006 to 2007) as Sr. software engineer wherein he was involved in design, development and testing of various systems including but not limited to Java / J2EE technologies. Thereafter, he was associated with Syntel Inc. from 2007 to 2011 as Project Lead. Further, he was associated with Akraya, Inc. as software engineer during 2011 to 2014 during which he was leading the team, analyze business and system requirements and provide solutions to it including but not limited to coding, testing and supporting development project tasks etc. Thereafter, he was associated with Kohls, from the month June 2014 till April 2024, as Mobile Engineering Tech Lead, during which he was managing mobile platform/application for Kohls.

Dinesh Lalbhai Nanavati (DIN 10856131) is Non- Executive Independent Director of the Company w.e.f., December 30, 2024 and Chairman of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibilities Committee of the Board of Directors of the Company w.e.f., December 30, 2024. He is a graduate from Gujarat University with a Bachelor of Commerce and a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of India. He is carrying on his practice as Chartered Accountant in the name and style of M/s. D L Nanavati & Co. since the year 1989 and he is also a partner in Nanavati & Associates, Chartered Accountants firm since 21st December 2019, both are located in Vadodara, Gujarat.

Komal Vishal Thakkar (DIN 06765690) is Non- Executive Independent Director of the Company w.e.f., December 30, 2024 and Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company w.e.f., December 30, 2024. She is a post graduate in Commerce and Chartered Accountant, holding fellow membership of the Institute of Chartered Accountants of India. She is partner of Vadodara based chartered accountant firm named M/s KVT & Associates, Chartered Accountants and has around 15 years of experience as a qualified chartered accountant.

Confirmations

As on the date of this Draft Red Herring Prospectus:

- None of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013, except for that:
 - Harshad Narbherambhai Bagadia and Parasbhai Harshadbhai Bagadia are father-son.
 - Harshad Narbherambhai Bagadia and Dhyanesh Bagadia are father-son.
 - Parasbhai Harshadbhai Bagadia and Dhyanesh Bagadia are brothers.
- There are no arrangements or understanding with major shareholders, customers, suppliers, or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered any service contracts with our Company which provides for benefits upon termination of employment.

- None of the Directors are categorized as a willful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI (ICDR) Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a promoters or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- 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 them to become or to help them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Details of Borrowing Powers of Directors

As per Articles of Association of our Company, subject to the provisions of the Act and the Articles of Association of the Company, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow money from time to time including but not limited to fund based and non-fund based credit facilities from Bankers and other eligible lenders, loans, fixed deposits etc. for the purpose of the business of the Company to be secured in such manner and upon such terms and conditions as the Board of Directors may think fit.

The Board of Directors are vested with the power to borrow, pursuant to Section 179(3)(d) of the Companies Act, 2013. However, pursuant to Section 180(1)(c) Companies Act, 2013 and the rules made thereunder that any sum or sums of monies, which 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), exceeds the aggregate of the paid-up capital of the Company, free reserve & security premium, the approval of shareholders by way of Special Resolution will be required. The Company has passed a special resolution dated January 25, 2025 for approval of borrowing limits not exceeding 5,00,00,00,000 (Rupees Five Hundred Crore Only).

Arrangements with major Shareholders, Customers, Suppliers or Others

As on the date of this Draft Red Herring Prospectus the Company has not entered into any arrangement, agreement, or understanding with our major shareholders, customers, suppliers, or any other parties for the selection of our directors or the appointment of members to our senior management team.

Service Contracts

As of the date of this Draft Red Herring Prospectus, the directors of our Company have not entered into any service agreements with the Company that entitle them to benefits upon the termination of their employment.

Remuneration of our Directors

The following compensation has been approved for Managing Director & Whole time Director

Harshad Narbherambhai Bagadia

The compensation payable to our Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to him as resolved in the shareholders meeting held on November 16, 2024 is stated hereunder:

The total remuneration payable to Harshad Narbherambhai Bagadia, Whole-time Director, shall not exceed a sum of ₹ 96.00 Lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from November 15, 2024, to November 15, 2027.

Parasbhai Harshadbhai Bagadia

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to him as resolved in the shareholders meeting held on November 16, 2024 is stated hereunder:

The total remuneration payable to Parasbhai Harshadbhai Bagadia, Managing Director, shall not exceed a sum of ₹ 96.00 Lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from November 15, 2024, to November 15, 2027.

Remuneration/Compensation paid to Directors by our company:

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2024 is as follows:

Sr. No.	Name of the Director	Remuneration (₹ in lakhs)
1	Harshad Narbherambhai Bagadia	120.00
2	Parasbhai Harshadbhai Bagadia	180.02

Payment of Sitting Fees Non-Executive / Independent Directors

Pursuant to a resolution passed by our Board on January 24, 2025, our Non-Executive / Independent Directors are entitled to receive a sitting fee of ₹ 12,000 each for attending meeting of our Board and for every meeting of the various committees of our Board.

The abovementioned remuneration and perquisites are subject to the ceiling laid down in Section 197 and Schedule V of the Companies Act and all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee and with the approval of the Central Government as per the proviso to Section 197(1) of Companies Act, 2013.

Except as stated in this DRHP, no amount or benefit has been paid by our Company within the 2 (two) preceding years or is intended to be paid or given by our Company to any of our Company's officers including our Directors and key managerial personnel.

Except as mentioned in their appointment letter, none of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors in accordance with the terms of their appointment.

We do not have any Subsidiary Company as defined under Section 2(87) of the Companies Act, 2013.

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

Relationship between our Directors, KMP and SMP

Our Directors, Parasbhai Harshadbhai Bagadia and Dhyanesbhai Bagadia are the brothers and both are son of Harshad Narbherambhai Bagadia. Apart from that none of our directors or KMPs or SMPs are related to each other.

Shareholding of Directors in our Company

Sr. No	Name of Directors	No. of equity Shares	As a % of Pre-Offer Share Capital
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00
3.	Dhyanesh Bagadia	-	-
Total		1,48,99,400	93.12

None of our Directors hold any employee stock options.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company as well as remuneration payable to immediate relatives for the services they rendered and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Offer and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

All our Directors who are also Selling Shareholders under Offer For Sale are interested to the extent of Equity Shares, being offered by them in the present Offer.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue.

All our Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and shareholding of their relatives and directorship in our Company and the dividend declared, if any, by our Company. For further details, see “*Capital Structure*”, “*Our Management*”, “*Summary of the Offer Document - Related Party Transactions*” and “*Financial Information*” beginning on pages 85, 191, 27 and 216, respectively of this Draft Red Herring Prospectus.

Interest in the property of our Company

Save and except as stated otherwise in Related Party Transaction in the chapter titled “*Financial Information*” and “*Our Business*” beginning on pages 216 and 154 respectively of this Draft Red Herring Prospectus, Our directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of our Company

Save and except as stated otherwise in Related Party Transaction in the chapter titled “*Financial Information*” beginning on page 216 of this Draft Red Herring Prospectus, Our Directors do not have any other interests in our

Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Details of Service Contracts

None of our Directors have entered into any service contracts with our Company except for acting in their individual capacity as Director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

Bonus or Profit-Sharing Plan for the Directors

There is no bonus or profit-sharing plan for the Directors of our Company.

Contingent and Deferred Compensation Payable to Directors

No Director has received or is entitled to any contingent or deferred compensation.

Other Indirect Interest

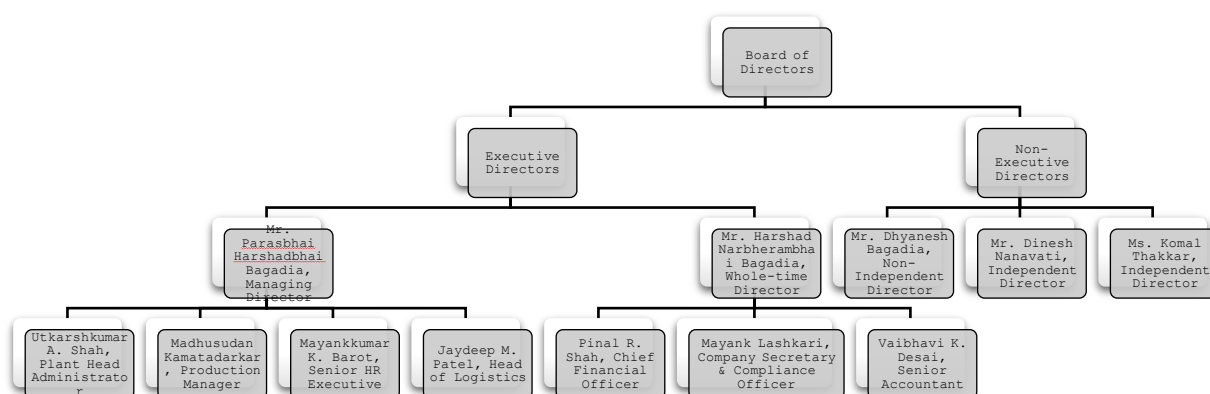
Save and except as stated otherwise in Related Party Transaction in the chapter titled “*Financial Information*” beginning on page 216 of this Draft Red Herring Prospectus, No Director has indirect interest except shares and remuneration.

Changes in the Board for the Last Three Years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Sr. No.	Name of Director	Date of Event	Reason for Change
1.	Harshad Narbherambhai Bagadia	August 8, 2022	Appointed as Executive Director
2.	Parasbhai Harshadbhai Bagadia	August 8, 2022	Appointed as Executive Director
3.	Harshad Narbherambhai Bagadia	November 15, 2024	Change in Designation to Whole Time Director
4.	Parasbhai Harshadbhai Bagadia	November 15, 2024	Change in Designation to Managing Director
5.	Dhyanesh Bagadia	November 15, 2024	Appointment as Additional Non-Executive Director
6.	Dhyanesh Bagadia	November 16, 2024	Regularization of appointment as Non-Executive Director
7.	Komal Vishal Thakkar	December 30, 2024	Appointment as Additional Non-Executive Independent Director
8.	Dinesh Lalbhai Nanavati	December 30, 2024	Appointment as Additional Non-Executive Independent Director
9.	Komal Vishal Thakkar	January 25, 2025	Regularization as Non- Executive Independent Director
10.	Dinesh Lalbhai Nanavati	January 25, 2025	Regularization as Non- Executive Independent Director

Management Organization Structure



Corporate Governance

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of Independent Directors, Woman Director on our Board, constitution of an Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility

Unless otherwise stated, the Company Secretary of our Company will act as secretary of the committees of the Board.

Details of each of these committees are as follows

A. Audit Committee

The members of the Audit Committee are as below:

Sr. No.	Name of Member	DIN	Designation in Committee	Category
1	Dinesh Lalbhai Nanavati	10856131	Chairman	Non-Executive Independent Director
2	Komal Vishal Thakkar	06765690	Member	Non-Executive Independent Director
3	Harshad Narbherambhai Bagadia	01535197	Member	Whole Time Director

The Audit Committee was constituted by way of resolution passed by our Board of Directors on December 30, 2024.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (i) to investigate any activity within its terms of reference;
- (ii) to seek information from any employee;
- (iii) to obtain outside legal or other professional advice;
- (iv) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (v) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a internal or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments

- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.
- (23) Establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- (24) Reviewing the functioning of the vigil mechanism.
- (25) Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations].

The Audit Committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations
- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

The Company Secretary of our Company shall act as Secretary to the Audit Committee.

B. Nomination & Remuneration Committee

The members of the Nomination & Remuneration Committee are as below:

Sr. No.	Name of Member	DIN	Designation in Committee	Category
1	Dinesh Lalbhai Nanavati	10856131	Chairman	Non-Executive Independent Director
2	Komal Vishal Thakkar	06765690	Member	Non-Executive Independent Director
3	Dhyanesh Bagadia	10802889	Member	Non-Executive Director

The Nomination & Remuneration Committee was constituted by way of resolution passed by our Board of Directors on December 30, 2024.

The scope and function of the Nomination & Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Nomination & Remuneration Committee include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.

A. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- a. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. 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.

1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. Use the services of an external agencies, if required;
- b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. Consider the time commitments of the candidates.

- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors, key managerial personnel and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) Recommend to the board all remuneration, in whatever form, payable to directors, key managerial personnel and senior management.
- (7) Analysing, monitoring and reviewing various human resources and compensation matters.
- (8) Deciding 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.
- (9) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.
- (10) Perform 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, if applicable.
- (11) Administering, monitoring and formulating detailed terms and conditions the employee stock option scheme/ plan approved by the Board and the members of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any.
- (12) 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.
- (13) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

The Company Secretary of our Company shall act as Secretary to the Nomination and Remuneration Committee.

C. Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are as below:

Sr. No.	Name of Member	DIN	Designation in Committee	Category
1	Dinesh Lalbhai Nanavati	10856131	Chairman	Non-Executive Independent Director
2	Komal Vishal Thakkar	06765690	Member	Non-Executive Independent Director
3	Parasbhai Harshadbhai Bagadia	09699701	Member	Managing Director

The Stakeholders Relationship Committee was constituted by way of resolution passed by our Board of Directors on December 30, 2024.

The scope and functions of the Stakeholder Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee includes the following:

1. Resolving the grievances of the security holders of the company including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or non-receipt of balance sheet, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the company in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
 - i. Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
 - ii. To carry out any other function as prescribed under the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as and when amended from time to time.

The Company Secretary of our Company shall act as Secretary to the Stakeholders Relationship Committee.

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are as below:

Sr. No.	Name of Member	DIN	Designation in Committee	Category
1	Dinesh Lalbhai Nanavati	10856131	Chairman	Non-Executive Independent Director
2	Harshad Narbherambhai Bagadia	01535197	Member	Whole Time Director
3	Parasbhai Harshadbhai Bagadia	09699701	Member	Managing Director

The CSR Committee was constituted by way of resolution passed by our Board of Directors on December 30, 2024. The scope and functions of the CSR Committee is in accordance with Section 135 of the Companies Act, 2013.

The terms and reference of the CSR Committee include the following:

- i. formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- ii. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- iii. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

- iv. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- v. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- vi. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- vii. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

The Company Secretary of our Company shall act as Secretary to the Corporate Social Responsibility Committee.

Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of National Stock Exchange of India Limited.

Details of Key Managerial Personnel

In addition to our Parasbhai Harshadbhai Bagadia, Managing Director and Harshad Narbherambhai Bagadia, Whole Time Director, whose details are provided under Chapter “*Our Management*” beginning on page 191 of this Draft Red Herring Prospectus, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Pinal Ronak Shah
Designation	Chief Financial Officer
Date of Appointment at current Designation	December 30, 2024
Qualification	M.Com, PGD (Finance Management), PGD (Industrial Psychology)
Functions and areas of experience in the Issue	Finance / Accounts
Previous Employment	TAM Media Research Private Limited Siamp India Private Limited Maruti Koatsu Cylinder Limited
Overall Experience	15 Years
Remuneration paid in F.Y. (2023-24)	Not Applicable

Name	Mayank Lashkari
Designation	Company Secretary and Compliance Officer
Date of Appointment at current Designation	January 20, 2025
Qualification	Company Secretary
Functions and areas of experience in the Issue	Legal, Secretarial and Compliance
Previous Employment	Reliance Home Finance Limited, Aneja Associates, Libord Finance Limited, C.J. Gelatine Products Ltd., ISE Securities & Services Ltd.
Overall Experience	12 Years
Remuneration paid in F.Y. (2023-24)	Not Applicable

Details of our Senior Managerial Personnel

Name	Jaydeep Mahendrabhai Patel
Designation	Head of Logistics
Date of Appointment at current Designation	July 12, 2010

Qualification	B.com
Functions and areas of experience in the Issue	Managing the stock and Logistics work
Previous Employment	Gujarat Narmada Valley Fertilizers Co. Ltd
Overall Experience	15+ Years
Remuneration paid in F.Y. (2023-24)	4,53,000

Name	Madhusudan Dwarkanath Kamatadarkar
Designation	Production Manager
Date of Appointment at current Designation	November 1, 2022
Qualification	Bachelor of Arts
Functions and areas of experience in the Issue	Progressive Leadership Experience in manufacturing lamination and Good in customer relation.
Previous Employment	NLMK India Services Center Private Limited
Overall Experience	20+ years
Remuneration paid in F.Y. (2023-24)	7,80,000

Name	Mayankkumar Kishorchandra Barot
Designation	Senior HR Executive
Date of Appointment at current Designation	June 12, 2024
Qualification	Bachelor of Computer Application & Master of Business Administration
Functions and areas of experience in the Issue	Good Communication and Interpersonal Skills
Previous Employment	Sumandeep Vidyapeeth; Parul University; Parul Sevashram Hospital; Aadicura Superspeciality Hospital; Samanvay Hospitals; Welcare Hospital
Overall Experience	11+ Years
Remuneration paid in F.Y. (2023-24)	Not Applicable

Name	Utkarshkumar Ashokbhai Shah
Designation	Plant Head Administrator
Date of Appointment at current Designation	July 19, 2024
Qualification	B.com; Post Graduate Diploma in Financial Management (PGDFM); and Post Graduate Diploma in Management (PGDIM)
Functions and areas of experience in the Issue	Business Development, Negotiation, Project Execution.
Previous Employment	Thyssenkrupp Electrical Steel India Private Limited Unique Infrastructures EJOT-Octagon Fastening Systems Private Limited Tata BlueScope Steel Pvt. Ltd.
Overall Experience	15+ years
Remuneration paid in F.Y. (2023-24)	Not Applicable

Name	Vaibhavi Kandarp Desai
Designation	Senior Accountant
Date of Appointment at current Designation	August 16, 2022
Qualification	B.com

Functions and areas of experience in the Issue	Experienced in Tally data entry, taxation, GST return, bank reconciliation, and online tax payments.
Previous Employment	Bipinbhai C. Patel (Proprietor)
Overall Experience	12+ Years
Remuneration paid in F.Y. (2023-24)	3,31,500

Shareholding of the KMP and SMP

Except as disclosed below, none of our KMP / SMP is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of KMP	No. of Equity Shares Held	% of pre-Offer paid-up Equity Share capital
1.	Harshad Narbherambhai Bagadia	76,99,400	48.12%
2.	Parasbhai Harshadbhai Bagadia	72,00,000	45.00%
Total		1,48,99,400	93.12%

Sr. No.	Name of SMP	No. of Equity Shares Held	% of pre-Offer paid-up Equity Share capital
1.	Jaydeep Mahendrabhai Patel	100	0.00%
2.	Vaibhavi Kandarp Desai	100	0.00%
Total		200	0.00%

Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Draft red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia/ rewards. Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Interest of KMP and SMP

None of our Key Management Personnel or Senior Management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel or Senior Management may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares in future.

Changes in Our Company's Directors / KMP During the Last Three Years

The following have been the changes in the Directors / KMP during the last three years:

Sr. No.	Name of Director / KMP	Date of Change	Reason
1.	Harshad Narbherambhai Bagadia	August 8, 2022	Appointed as First Director
2.	Parasbhai Harshadbhai Bagadia	August 8, 2022	Appointed as First Director
3.	Harshad Narbherambhai Bagadia	November 15, 2024	Change in Designation to Managing Director
4.	Parasbhai Harshadbhai Bagadia	November 15, 2024	Change in Designation to Whole Time Director
5.	Dhyanesh Bagadia	November 15, 2024	Appointment as Additional Non- Executive Director
6.	Dhyanesh Bagadia	November 16, 2024	Regularization of Appointment as Non- Executive Director

Sr. No.	Name of Director / KMP	Date of Change	Reason
7.	Dinesh Lalbhai Nanavati	December 30, 2024	Appointment as Additional Non- Executive Independent Director
8.	Komal Vishal Thakkar	December 30, 2024	Appointment as Additional Non- Executive Independent Director
9.	Pinal Ronak Shah	December 30, 2024	Appointed as Chief Financial Officer
10.	Mayank Lashkari	January 20, 2025	Appointed as Company Secretary and Compliance Officer
11.	Dinesh Lalbhai Nanavati	January 25, 2025	Regularisation of Appointment as Non-Executive Independent Director
12.	Komal Vishal Thakkar	January 25, 2025	Regularisation of Appointment as Non-Executive Independent Director

The following have been the changes in Senior Management during the last three years:

Sr. No.	Name of SMP	Date of Change	Reason
1.	Vaibhavi Kadar Desai	August 16, 2022	Change in Designation to Senior Accountant
2.	Madhusudan Dwarkanath Kamatadarkar	November 1, 2022	Change in Designation to Production Manager
3.	Mayankkumar Kishorchandra Barot	June 12, 2024	Appointed as Sr. HR Executive / Admin
4.	Utkarshkumar Ashokbhai Shah	July 19, 2024	Appointed as Plant Head Administrator

Other Confirmation

Any arrangement or understanding with its major shareholders, customers, suppliers or others, pursuant to which any of the KMP and SMP was selected: NA

Any portion of the compensation or otherwise was paid to KMP and SMP pursuant to a bonus or profit-sharing plan: NA

Service Contracts with KMP and SMP: NA

Contingent and Deferred Compensation Payable to KMP and SMP: NA

We confirm that as on date of this Draft Red Herring Prospectus, none of our Subsidiaries have any conflict of interest with the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Directors, KMP and SMP.

Loans given/ availed by KMP / SMP of Our Company

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to “*Financial Information*” page 216 of this Draft Red Herring Prospectus.



Scheme of Employee Stock Options or Employee Stock Purchase

There is no Employee Stock Option Plan (ESOP)/ Employee Stock Purchase Scheme ESPS scheme as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus (i.e., pre-issue holding) our Company has 3 (three) promoters out of which, Parasbhai Harshadbhai Bagadia holds 72,00,000 (45.00%) and Harshad Narbherambhai Bagadia holds 76,99,400 (48.12%) aggregating up to 1,48,99,400 (One Crore Forty Eight Lakhs Ninety Nine Thousand Four Hundred) Equity Shares which constitute 67.73% of the issued and paid-up Equity Share capital of our Company. Our Promoters and certain members of Promoter Group will continue to hold the majority of our post-issue paid-up equity share capital of our Company.

The details of our Promoters are as under:

<p>Harshad Narbherambhai Bagadia</p> 	<p>Harshad Narbherambhai Bagadia, aged 76 is the Promoter and Whole-Time Director of our Company. For the complete profile of our promoter, 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 “<i>Our Management</i>” on page 191 of this Draft Red Herring Prospectus.</p> <p>Date of Birth: May 29, 1949</p> <p>Nationality: Indian</p> <p>PAN: ADGPB2370K</p> <p>Residential Address: 14 A, Sudamapuri, Near Jain, Temple, Manjalpur, Vadodara - 390011, Gujarat, Bharat.</p> <p>Other Interests:</p> <ul style="list-style-type: none"> • Paras Trans Elec Stampings (Partnership) • Convolt Technologies (Partnership)
<p>Parasbhai Harshadbhai Bagadia</p> 	<p>Parasbhai Harshadbhai Bagadia, aged 46 is the Promoter and Managing Director of our Company. For the complete profile of our promoter, 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 “<i>Our Management</i>” on page 191 of this Draft Red Herring Prospectus.</p> <p>Date of Birth: July 13, 1978</p> <p>Nationality: Indian</p> <p>PAN: ABVPB9549B</p> <p>Residential Address: 14 A, Sudamapuri, Near Jain, Temple, Manjalpur, Vadodara - 390011, Gujarat, Bharat.</p> <p>Other Interests:</p> <ul style="list-style-type: none"> • Convolt Technologies (Partnership)
<p>Dhyanesh Bagadia</p>	

	<p>Dhyanesht Bagadia, aged 45 is the Promoter and Non-Executive Director of our Company. For the complete profile of our promoter, 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” on page 191 of this Draft Red Herring Prospectus.</p> <p>Date of Birth: September 29, 1979</p> <p>Nationality: Indian</p> <p>PAN: ACQPB6203N</p> <p>Residential Address: 14 A, Sudamapuri Society, Near Jain Temple, Vadodara, 390011, Gujarat, India</p> <p>Other Interests:</p> <ul style="list-style-type: none"> • iGlobal Software (Partnership Firm)
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Confirmations / Declarations:

1. We confirm that the Permanent Account Number(s), Bank Account Number(s), Aadhar Card Number(s), Passport Number(s) and Driving License Number(s) of our Promoters have been submitted to the NSE Emerge on which the equity shares of the Company are proposed to be listed at the time of filing of this Draft Red Herring Prospectus.
2. None of our Promoters, Promoter Group are 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.
3. No material regulatory or disciplinary action is taken by the SEBI or stock exchanges or regulatory authorities against our Promoters in last 5 (five) financial years the past 1 (one) year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
4. Neither our Promoters nor members of the Promoters’ Group have been declared as wilful defaulters by the RBI or any other governmental authority nor there are any violations of securities laws committed by them in the past or are currently pending against them
5. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
6. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of this Draft Red Herring Prospectus against our Promoter. The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 289 of this Draft Red Herring Prospectus
7. There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Promoters or Promoter Group, and Company promoted by the promoters during the past 3 (three) years.
8. We confirm that as on date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Promoters or members of our Promoter Group.

9. That there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or nondisclosure of which may have bearing on the investment decision.

10. Change in Control of our Company

There has not been any change in the control of our Company in the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus.

11. Interest of Promoters

Interest of Promoters in the Properties of our Company

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our Company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates, if any or held by the companies, firms and trusts, if any in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*”, “*Our Management*” and “*Our Business*” beginning on pages 85, 216, 191 and 154 of this Draft Red Herring Prospectus.

The Unit III manufacturing facilities is presently held by Paras Tans Elec Stamping, which is a promoter group entity. The Company has leased the said unit from Paras Tans Elec Stamping in accordance with the Lease Agreement dated August 1, 2022 for the period of 56 months commencing from August 1, 2022 and which shall expiry on March 31, 2027.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 216 of this Draft Red Herring Prospectus.

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled “*Capital Structure*” on page 85 of this Draft Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 154 of this Draft Red Herring Prospectus our Promoters does not have any interest in any land or 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 with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Except as stated otherwise in this Draft Red Herring Prospectus, our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of remuneration, commission, and reimbursement of expenses payable to them as per the terms of their appointment, the Articles of Association of our Company, and relevant provisions of Companies Act. For further information on our Promoter’ compensation and other details please refer to the chapter titled “*Our Management*” on page 191 of this Draft Red Herring Prospectus.

Except as mentioned in this chapter and chapters titled “Our Business”, “History and Certain Corporate Matters”, “Our Management” and “Restated Financial Statements” beginning on pages 154, 186, 191 and 216 respectively, our Promoters do not have any other interest in our Company.

Interest in our Company arising out of being a member of a firm or company

Except as stated otherwise in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest of Promoters in our Company other than as a Promoter

Our Promoters are also interested to the extent of their directorships, shareholding, respectively, in the Company. They are interested to the extent of any remuneration and reimbursement of expenses payable to them from our Company. For further information on remuneration please refer to section titled “Our Management” beginning on page 191 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements, or arrangement in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the Contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

12. Related Party Transactions:

Except as stated in the Chapter titled “*Financial Information*” on page 269 of this Draft Red Herring Prospectus, our Company has not entered related party transactions with our Promoter.

13. Common Pursuits of Promoters:

Except as disclosed below, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

- A. Paras Trans Elec Stampings,
- B. Convolt Technology,
- C. iGlobal Software (Partnership Firm), and
- D. Paras Resources

14. Payment of amounts or benefits to the Promoters or Promoter Group during the last two years:

Except as stated in the Chapter titled “*Financial Information*” on page 269 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus.

15. Guarantees provided by our Promoters:

Except as stated in the chapter titled “*Financial Indebtedness*” and section titled “*Restated Financial Statements*” beginning on page 269 and 216 of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

16. Other Ventures of our Promoters:

Except as stated in the this chapter under the promoter information table beginning from page 208, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Draft Red Herring Prospectus.

- A. Paras Trans Elec Stampings,
- B. Convolt Technology,

- C. iGlobal Software (Partnership Firm), and
- D. Paras Resources

OUR PROMOTER GROUP

Individuals forming part of our Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than the Promoters, are as follows:

Sl.	Relationship	Parasbhai Harshadbhai Bagadia	Dhyanesh Bagadia	Harshad Narbherambhai Bagadia
1.	Father	Harshad Narbherambhai Bagadia		Late Narbheram Jethalal Bagadia
2.	Mother	Ranjan Harshad Bagadia		Late Kalavati Narbherambhai Bagadia
3.	Spouse	Poonam Paras Bagadia	Sweta Dhyanesh Bagadia	Ranjan Harshad Bagadia
4.	Brother	Dhyanesh Bagadia	Parasbhai Harshadbhai Bagadia	Kirit Narbherambhai Bagadia Dilip Narbherambhai Bagadia Jaykant Narbherambhai Bagadia Arun Narbherambhai Bagadia.
5.	Sister	-		Ekta Mukesh Sanghvi Chandrika Kanaiyalal Gathani
6.	Son	-	Mitansh Bagadia Jinay Bagadia	Dhyanesh Bagadia Parasbhai Harshadbhai Bagadia
7.	Daughter	Hitanshi Paras Bagadia Kashvi Paras Bagadia	-	-
8.	Father-in-law	Late Mansukhlal Prabhudas Hemani	Kaushik Mohanlal Doshi	Late Prabhudas Manekchand Modi
9.	Mother-in-law	Late Nayna Mansukhlal Hemani	Jyoti Kaushik Doshi	Late Madhuben Prabhudasbhai Modi
10.	Brother-in-law	Ashish Mansukhlal Hemani Dharmesh Mansukhlal Hemani	-	Prakash Prabhudasbhai Modi Late Praful Prabhudasbhai Modi Late Dinesh Prabhudasbhai Modi
11.	Sister-in-law	-	Dhara Sunny Gathani	Surekha Bhupat Lakhani Smita Navnit Kamdar Chandrika Chandresh Mehta Bhartiben Rohitbhai Mehta

Entities forming part of the Promoter group pursuant to Regulation 2(1) (pp)(iv) of the SEBI (ICDR) Regulations:

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter group.

Sl.	Name of Entity
1.	Paras Trans Elec Stampings (Partnership)
2.	Convolt Technologies (Partnership)
3.	Paras Resources (Proprietorship)
4.	Harshad Narbherambhai Bagadia (HUF)
5.	iGlobal Software (Partnership Firm)
6.	Ashish Mansukhlal Hemani (HUF)
7.	Hemani & Co (Proprietorship)
8.	Dharmesh Mansukhlal Hemani (HUF)
9.	Ankit Sales Corporation (Proprietorship)
10.	Magnetic Metal Industries (Partnership)
11.	Fibro Lamination (Partnership)
12.	Arun Narbheram Bagadia (HUF)
13.	Kirit Narbheram Bagadia (HUF)
14.	Kay Kay Enterprises (Proprietorship)
15.	Spinex Physical Therapy (Proprietorship)

Other than as disclosed here, our Company has no companies or entities that form part of our Promoter Group.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please refer the chapter titled “*Capital Structure*” beginning on page 85 of this Draft Red Herring Prospectus.

Companies with which the Promoters have disassociated in the last three years

Our promoters have not been disassociated from any of the entities in preceding three years.

Litigation details pertaining to Our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 289 of this Draft Red Herring Prospectus.

Experience of Promoters in the line of business:

Our Promoters are well experienced in the Company’s line of business. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

Exemption from compliance with provisions of securities laws

As on the date of this Draft Red Herring Prospectus, the Company has not filed for any exemption under Regulation 300(1)(c) of the SEBI (ICDR).

OUR GROUP COMPANIES

The definition of 'Group Companies' as per the SEBI (ICDR) Regulations, shall include such companies (other than promoters(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated March 17, 2025, there are no Group Companies of our Company.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board to the Shareholders for their approval in the Annual General Meeting, at their discretion, subject to compliance with the provisions of the Companies Act, including the rules made thereunder and other relevant regulations, if any, each as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act. The dividend distribution policy of our Company was approved and adopted by our Board on December 30, 2024.

The declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors on the basis of which our Company may declare dividend shall inter alia include profits earned and available for distribution during the financial year, accumulated reserves, including retained earnings, earning stability and past dividend trends and current and projected cash balance and cash flows. The external factors on the basis of which our Company may declare the dividend shall inter alia include economic and market environment, both domestic and global, government and regulatory provisions, including taxation, inflation rates and cost of raising funds from alternate sources.

Our Company has not paid / declared any dividend in last three years from date financial years and for the period ended September 30, 2024, as applicable, and the period between last audited period and the date of the filing the Draft Red Herring Prospectus.

For further details, please refer to section titled “*Financial Information*” beginning on page 269 of this Draft Red Herring Prospectus.

Our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities.

SECTION VII – FINANCIAL INFORMATION

RESTATED FINANCIALS STATEMENTS

**Independent Auditor’s Examination Report on Restated Financial Information of
Elec Steel Processing Industries Limited
(Formerly Known as Elec Steel Processing Industries Pvt Ltd)**

To,
The Board of Directors,
Elec Steel Processing Industries Limited
96, GIDC Industrial Estate,
Por - Ramangamdi,
Vadodara.

Dear Sir(s),

1. We have examined the attached Restated Financial Information of **Elec Steel Processing Industries Limited (Formerly known as Elec Steel Processing Industries Private Limited)** (the “Company” or the “Issuer”), comprising the Restated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, 2023 and 2022, the Restated Statement of Profit and Loss, the Restated Cash Flow Statement for the six months period ended September 30, 2024 and for the years ended March 31, 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on March 17, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus (“Offer Documents”) prepared by the Company in connection with its proposed SME Initial Public Offer of Equity Shares (“SME IPO”) prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

Management’s Responsibility for the Restated Financial Information

2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and the Registrar of Companies, Gujarat, in connection with the proposed SME IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in **ANNEXURE: D(2)(1)** to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditor’s Responsibilities

3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with the company in accordance with our engagement letter dated **18th October, 2024** in connection with the proposed SME IPO of the Company.

- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed SME IPO of the company.
4. These Restated Financial Information have been compiled by the management from:
- a) Audited Revised Special Purpose Interim financial statements of the company for the six months period ended September 30, 2024 and Audited financial statements as at and for the year ended March 31, 2024 prepared in accordance with Accounting Standard, specified under section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India which has been approved by the Board of Directors at their meeting held on March 17, 2025.
 - b) The Restated Financial Information also contains the proforma financial information as at and for the year ended March 31, 2023 and March 31, 2022. The proforma financial information have been prepared by making adjustments to the audited Indian GAAP financial statements of erstwhile M/s Elec Steel Processing Industries converted in to the Private Limited w.e.f. 08/08/2022 as at the year ended on March, 2023 and March, 2022 which have been approved by the Board of Directors at their meeting held on March 17, 2025 as described in Note: 1 to the Restated Financial Information.
5. For the Purpose of our examination, we have relied on:
- Auditors' Report issued by us dated March 17, 2025, 05/09/2024, 01/09/2023 and 22/08/2022 respectively on the financial statements as at and for the six months period ended September 30, 2024 and as at and for the each of the years ended March 31, 2024, 2023 and 2022 as referred in paragraph 4 above;
6. The audit reports on the financial statements issued by us were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the year ended March 31, 2023:
- a) Gratuity provision was done till the date of the Balance Sheet on Notional Basis. However, as per AS 15, the provision of Gratuity should be determined through actuarial valuation using Projected Unit Cost Method and The quantum of the difference in provision could not be ascertained as sufficient appropriate evidence could not be obtained.
7. We, Lalpuria Shah & Associates, Chartered Accountants have been subjected to the Peer Review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid Peer Review Certificate issued by the "Peer Review Board" of the ICAI which is valid till 31st October, 2027.
8. Based on our examination and according to the information and explanations given to us, we report that the **"Restated Statement of Assets and Liabilities"** as set out in **Annexure A**, **"Restated Statement of Profit and Loss"** as set out in **Annexure B**, **"Restated Statement of Cash Flows"** as set out in **Annexure C**, to this report, of the company as at and for the period / year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively:
- a) have been prepared by the company and approved by the Board of Directors and have been arrived at after making such adjustments and regrouping to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure D** to this report.
 - b) have been made after giving effect to the matter(s) giving rise to modifications mentioned in paragraph [6] above]; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. At the request of the company, we have also examined the financial information (“Other Financial Information”) proposed to be included in the offer documents prepared by the management and approved by the Board of Directors of the company and annexed to this report:

Annexures of Restated Financial Statements of the Company:-

1	Restated Statement of Significant Accounting Policies, as restated	Annexure D(2)
2	Restated Statement of Share Capital, as restated	Annexure D(3)
3	Restated Statement of Reserve and Surplus, as restated	Annexure D(4)
4	Restated Statement of Long Term Borrowings, as restated	Annexure D(5)
5	Restated Statement of Long Term Provisions, as restated	Annexure D(6)
6	Restated Statement of Short Term Borrowings, as restated	Annexure D(7)
7	Restated Statement of Trade Payables, as restated	Annexure D(8)
8	Restated Statement of Other Current Liabilities, as restated	Annexure D(9)
9	Restated Statement of Short Term Provisions, as restated	Annexure D(10)
10	Restated Statement of Property, Plant and Equipment and Intangible Assets, as restated	Annexure D(11)
11	Restated Statement of Deferred Tax Assets, as restated	Annexure D(12)
12	Restated Statement of Other Non Current Assets, as restated	Annexure D(13)
13	Restated Statement of Inventories, as restated	Annexure D(14)
14	Restated Statement of Trade Receivables, as restated	Annexure D(15)
15	Restated Statement of Cash & Bank Balances, as restated	Annexure D(16)
16	Restated Statement of Short Term Loans and Advances, as restated	Annexure D(17)
17	Restated Statement of Revenue From Operations, as restated	Annexure D(18)
18	Restated Statement of Other Income, as restated	Annexure D(19)
19	Restated Statement of Cost of Material Consumed, as restated	Annexure D(20)
20	Restated Statement of Employee Benefit Expenses, as restated	Annexure D(21)
21	Restated Statement of Financial Costs, as restated	Annexure D(22)
22	Restated Statement of Other Expenses, as restated	Annexure D(23)
23	Restated Statement of Additional Information to the Financial Statements, as restated	Annexure D(24) (1 to 11)
24	Restated Statement of Accounting Ratios, as restated	Annexure D(24) (12)

10. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the revised special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.
11. This report should not in any way be construed as re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, National Stock Exchange and the Registrar of Companies, Gujarat in connection with the proposed SME IPO of the Company. Our report should not be used, referred to, or distributed for any other purpose without 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 Lalpuria Shah & Associates
Chartered Accountants
FRN:136086W

Mukesh V. Shah
(Partner)
(M No.:037661)

Place: Vadodara
Date: 17/03/2025
UDIN:25037661BMIGEE8511

ELEC STEEL PROCESSING INDUSTRIES LIMITED (FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED) (CIN: U31100GJ2022PLC134606)					
ANNEXURE - A : RESTATED STATEMENT OF ASSETS AND LIABILITIES					
(Rupees in Lakhs)					
Particulars	Note No	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3	800.00	800.00	800.00	1,332.72
(b) Reserves and Surplus	4	1,773.15	842.04	344.60	-
(2) Non-Current Liabilities					
(a) Long-term borrowings	5	2,098.17	2,136.42	1,372.96	814.11
(b) Long-term provisions	6	-	76.85	59.15	47.51
(3) Current Liabilities					
(a) Short-term borrowings	7	4,668.71	3,830.95	1,870.69	1,746.25
(b) Trade payables :-					
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	8	55.68	38.75	30.41	42.01
(ii) Total outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises	8	1,679.74	576.22	507.52	726.77
(c) Other current liabilities	9	61.90	45.52	129.62	24.43
(d) Short-term provisions	10	389.93	90.54	81.83	39.90
Total Rs.		11,527.27	8,437.28	5,196.79	4,773.70
II. ASSETS					
(1) Non-Current Assets					
(a) Property, Plant and Equipment and Intangible Assets	11				
(i) Property, Plant and Equipment		725.78	736.06	521.44	466.81
(ii) Intangible Assets		7.01	2.61	-	-
(iii) Capital work-in-progress		2,839.26	2,217.91	478.03	385.77
(iv) Intangible assets under development		-	-	-	-
(b) Non-current investments		-	-	-	-
(c) Deferred Tax Asset (Net)	12	19.75	34.72	16.59	13.65
(d) Other non current assets	13	21.33	6.14	7.34	6.97
(2) Current Assets					
(a) Inventories	14	4,154.57	2,214.42	1,575.46	1,927.50
(b) Trade receivables	15	2,555.38	2,521.70	2,112.83	1,376.01
(c) Cash and bank balance	16	276.15	166.04	126.74	162.73
(d) Short-term loans and advances	17	928.03	537.68	358.37	434.24
Total Rs.		11,527.27	8,437.28	5,196.79	4,773.70

ELEC STEEL PROCESSING INDUSTRIES LIMITED

(FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED)

(CIN: U31100GJ2022PLC134606)

Significant Accounting Policies 1 & 2

The Notes referred to above form an integral of Financial statements.

As per our report of even date attached

For Lalpuria Shah & Associates
Chartered Accountants
Firm Registration No. 136086W

On behalf of Board of Directors
For Elec Steel Processing Industries Limited

Mukesh V. Shah
Partner
(M. No 037661)

Whole Time Director
Harshad N. Bagadia
(Din: 01535197)

Managing Director
Paras H. Bagadia
(Din: 09699701)

Place:- Vadodara
Date:- 17/03/2025

Chief Financial Officer
Pinal R. Shah

Company Secretary
Mayank P. Lashkari
(M.No.: ACS 34448)

ELEC STEEL PROCESSING INDUSTRIES LIMITED (FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED) (CIN: U31100GJ2022PLC134606)					
ANNEXURE - B : RESTATED STATEMENT OF PROFIT AND LOSS					
(Rupees in Lakhs)					
Particulars	Note No	Period Ended 30.09.2024	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue:					
I. Revenue from operations	18	10,627.17	16,350.07	14,805.72	7,935.16
II. Other Income	19	71.17	122.56	100.42	26.45
III. Total Income		10,698.34	16,472.63	14,906.14	7,961.61
IV. Expenses:					
Cost of Material Consumed	20	8,369.82	13,559.71	12,235.11	6,438.16
Employee benefits expense	21	355.99	910.62	593.83	465.05
Finance costs	22	206.80	368.49	265.53	191.02
Depreciation and amortisation expense	11	71.12	126.02	56.81	64.85
Other expenses	23	430.53	842.05	817.92	497.31
Total Expenses		9,434.26	15,806.90	13,969.20	7,656.40
V. Profit before tax		1,264.08	665.73	936.95	305.22
VI. Tax expense:					
(1) Current tax		(305.19)	(180.68)	(290.18)	(126.24)
(2) Current tax of previous year adjustments		(12.81)	(5.74)	0.37	-
(3) Deferred tax (Liabilities)\Assets	24 (3)	(14.97)	18.13	2.94	13.65
VII. Profit/(Loss) for the period		931.11	497.44	650.08	192.63
VIII. Earnings per equity share:	24 (9)				
(1) Basic		5.82	3.11	4.06	1.20
(2) Diluted		5.82	3.11	4.06	1.20

ELEC STEEL PROCESSING INDUSTRIES LIMITED

(FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED)

(CIN: U31100GJ2022PLC134606)

Significant Accounting Policies 1 & 2

The Notes referred to above form an integral of Financial statements.

As per our report of even date attached

For Lalpuria Shah & Associates
Chartered Accountants
Firm Registration No. 136086W

On behalf of Board of Directors
For Elec Steel Processing Industries Limited

Mukesh V. Shah
Partner
(M. No 037661)

Whole Time Director
Harshad N. Bagadia
(Din: 01535197)

Managing Director
Paras H. Bagadia
(Din: 09699701)

Place:- Vadodara
Date:- 17/03/2025

Chief Financial Officer
Pinal R. Shah

Company Secretary
Mayank P. Lashkari
(M.No.: ACS 34448)

ELEC STEEL PROCESSING INDUSTRIES LIMITED (FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED) (CIN: U31100GJ2022PLC134606)				
ANNEXURE - C : RESTATED STATEMENT OF CASH FLOW				
(Rupees in Lakhs)				
Particulars	AS AT 30.09.2024	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 31.03.2022
A.Cash flows from operating activities				
Profit before Tax	1,264.08	665.73	936.95	305.22
Adjustments for:				
Depreciation	71.12	126.02	56.81	64.85
Unrealised Foreign Exchange Gain / Loss	20.88	8.75	9.12	5.14
Interest Paid on Finance	168.87	244.22	191.82	147.73
Loss of Discarded Fixed Assets	-	-	0.42	-
Loss on Sale of Fixed Assets	0.82	-	-	-
Working capital changes:				
(Increase) / Decrease in deposits	(15.19)	1.20	(0.37)	0.55
(Increase) / Decrease in loans & advances	(390.35)	(179.31)	75.88	(13.94)
(Increase) / Decrease in trade receivables	(33.68)	(408.87)	(736.81)	13.87
Unrealised Foreign Exchange Gain/Loss	(21.00)	(8.75)	(9.50)	(5.14)
(Increase) / Decrease in other assets	14.97	(18.13)	(2.94)	(13.65)
(Increase) / Decrease in inventories	(1,940.15)	(638.96)	352.04	(915.61)
Increase / (Decrease) in other current liabilities	16.39	(84.10)	105.19	3.69
Increase / (Decrease) in trade payables	1,120.45	77.03	(230.84)	370.70
Increase / (Decrease) in provisions	222.54	26.41	53.57	47.51
Cash generated from operations	499.74	(188.76)	801.33	10.91
Income taxes paid				
(1) Current tax	(318.00)	(186.42)	(289.81)	(126.24)
(2) Deferred tax Liabilities\ (Assets)	(14.97)	18.13	2.94	13.65
Net cash from operating activities	166.77	(357.06)	514.46	(101.67)
B.Cash flows from investing activities				
Sale / Purchase of property, plant and equipment	(687.41)	(2,083.14)	(204.11)	(163.49)
Net cash used in investing activities	(687.41)	(2,083.14)	(204.11)	(163.49)
C.Cash flows from financing activities				
Short term borrowing (net increase)	837.76	1,960.26	124.44	52.74
Interest Paid on Finance	(168.87)	(244.22)	(191.82)	(147.73)
Long-term borrowings (net increase)	(38.26)	763.46	558.85	147.54
Partners Capital (net)	-	-	(838.20)	196.26
Net cash used in financing activities	630.63	2,479.50	(346.73)	248.81

ELEC STEEL PROCESSING INDUSTRIES LIMITED (FORMERLY KNOWN AS ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED) (CIN: U31100GJ2022PLC134606)				
ANNEXURE - C : RESTATED STATEMENT OF CASH FLOW				
(Rupees in Lakhs)				
Particulars	AS AT 30.09.2024	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 31.03.2022
Net increase in cash and cash equivalents(A+B+C)	109.99	39.30	(36.38)	(16.35)
Unrealised Foreign Exchange on Cash & Cash Equivalent	0.12	-	0.39	-
Cash and cash equivalents at April, 2024	166.04	126.74	162.73	179.08
Cash and cash equivalents at September, 2024	276.15	166.04	126.74	162.73
The Notes referred to above form an integral of Cash Flow Note <div> <div> For Lalpuria Shah & Associates Chartered Accountants Firm Registration No. 136086W </div> <div> On behalf of Board of Directors For Elec Steel Processing Industries Limited </div> </div> <div> <div> Mukesh V. Shah Partner (M. No 037661) </div> <div> Whole Time Director Harshad N. Bagadia (Din: 01535197) </div> <div> Managing Director Paras H. Bagadia (Din: 09699701) </div> </div> <div> <div> Place:- Vadodara Date:- 17/03/2025 </div> <div> Chief Financial Officer Pinal R. Shah </div> <div> Company Secretary Mayank P. Lashkari (M.No.: ACS 34448) </div> </div>				

ELEC STEEL PROCESSING INDUSTRIES LIMITED
(Formerly Known as ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED)

**ANNEXURE NO: 1 & 2 :NOTES TO RESTATED SUMMARY STATEMENTS OF ASSETS AND
LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS**

1. CORPORATE INFORMATION

With effect from 08/08/2022 the partnership Firm namely "ELEC STEEL PROCESSING INDUSTRIES" was converted into a Private Limited Company named "ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED" vide CIN : U31100GJ2022PTC134606 under Chapter XXI of the Companies Act, 2013. Further, our Company was converted into Public Limited Company and consequently name of company was changed from "ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED" to "ELEC STEEL PROCESSING INDUSTRIES LIMITED" vide Special resolution passed by the Shareholders at the Annual General Meeting held on 16th November, 2024 and a fresh certificate of incorporation dated 30th December, 2024 vide CIN : U31100GJ2022PLC134606 issued by the Registrar of Companies, Ahmedabad.

The objects to be pursued by the company on its incorporation are:

To carry on India or elsewhere the business of manufacturing, buying , selling , reselling ,hiring , altering , importing , exporting , assembling, distributing , serving , repairing, stocking , supplying , leasing ,wholesaling , retailing , fabricating , designing , developing ,modifying , renovating ,job working or otherwise deal in all descriptions and specifications, dimensions, capacities, applications & uses of all kinds of Transformers, Transformer Laminations, Toroidal Cores, Wound cores, Transformer Assembled Cores, Core Coil Assembly (C.C.A), Parts of Transformers, Transformers and Slit Coils of CRGO/CRNGO Electrical Steel, Cores for Distribution Transformers, Power Transformer, various Types and capacity of current transformers (CT & PT) & Other various types of Special Purpose Transformers, voltage stabilizers and other components & parts in India and/or abroad and to do all acts and things necessary for the attainment of the above objects.

2. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF RESTATED FINANCIAL STATEMENTS

- The Restated Statement of Assets and Liabilities of Elec Steel Processing Industries Limited (herein after referred as "the Company") as at September 30, 2024 and March 31, 2024, 2023, 2022 and the Restated Statement of Profit and Loss and the Restated Statement of Cash flows for the period ended September 30, 2024 and for the years ended March 31, 2024, 2023, 2022 (together referred as "Restated Financial Information") has been prepared as per Accounting Standard (AS) specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Restated Financial Information have been compiled by the Company from the Audited Financial Statements of the Company for the respective years ("Audited Financial Statements") prepared under the generally accepted accounting principles followed in India ('Indian GAAP').

The profit and loss account for F.Y. 2022-23 is the combined figures of both partnership firm before conversion and of the Company after conversion.

The Restated Financial Information have been prepared under Indian GAAP defined above and in accordance with the requirements of:

- (a) section 26 of Part I of Chapter III of the Companies Act 2013 read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014,
- (b) item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992.
- (c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (“The Guidance Note”).

The Restated Financial Information have been extracted by the Management from the Audited Financial Statements and:

- The audit qualifications were addressed on these restated financial statements,
- there were no changes in accounting policies during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Financial Statements of the Company as at September 30, 2024 and for the year ended March 31, 2024 and the requirements of the SEBI Regulations, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

The Restated Financial Information are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs except when otherwise indicated.

These Restated Financial Information were approved by the Board of Directors of the Company on March 17, 2025.

2. USE OF ESTIMATES

The preparation of Restated Financial Statements requires the management to make certain estimates and assumptions that affect the amounts reported in the Restated Financial Statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent but the actual results may differ from them. They are reviewed on an on-going basis and any revision to accounting

estimates is recognised prospectively in current and future periods. Accounting estimates and assumptions that have a significant effect on the amounts reported in the Restated Financial Statements include:

- i) Defined Benefit obligations
- ii) Deferred Tax asset or liability

3. PROPERTY, PLANT AND EQUIPMENT (PPE) AND DEPRECIATION

Property, plant and equipments are initially recognised at cost. Cost includes purchase price, taxes and duties and other costs directly attributable to bringing the asset to the working condition for its intended use. However, cost excludes duties and taxes wherever credit of such duties and taxes is availed. It is thereafter carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided under the 'Written down value' method as per the useful life specified in Schedule II to the Companies Act, 2013. Residual values of assets are measured at not more than 5% of their original cost.

4. INTANGIBLE ASSET AND AMORTISATION

Intangible assets are stated at acquisition cost (excluding taxes wherein input tax credit is eligible), net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised over the useful life of the asset.

Company has used following useful life to amortise its intangible assets:

Intangible Assets	Estimated Useful Life
Computer Software	6 years

5. IMPAIRMENT OF ASSETS

The Carrying Amount of Assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exists or have decreased.

6. BORROWING COST & FINANCE CHARGES

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

7. INVESTMENTS

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly

acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

8. LEASES

As a Lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

9. INVENTORIES

Raw materials, components, stores and spares, and packing material are valued at lower of cost or net realisable value. However, these items are considered to be realisable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

Cost of inventories is computed on a weighted-average basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress and manufactured finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, Cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

10. EMPLOYEE BENEFITS

Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long Term Employee Benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on independent actuarial valuation. Actuarial gain / losses for the year are charged to statement of profit and loss.

Defined contribution plan:

Contributions to government administered Employee Provident Fund, a defined contribution scheme, Employee Deposit Linked Insurance and ESI Schemes is made and is charged to the Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions.

Gratuity:

For the year ended on 31st March, 2023 & 31st March, 2022, in the restated financial statements, provision for gratuity, which is in the nature of defined benefit plan, is provided based on valuations, as at the balance sheet date, made by an independent actuary as per the requirements of Accounting Standard -15 on "Employee Benefits". Actuarial gain/losses for the year are charged to Statement of Profit and Loss.

The Company has funded the Gratuity through L.I.C. w.e.f. 01/05/2024 and accordingly only the accrued liability payable to L.I.C. is provided as a provision.

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 with the company.

The Company has not contributed all ascertained liabilities to any fund. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'.

Leave Encashment:

It is the policy of the company to pay the leave salary at the calendar year end accumulation.

11. REVENUE RECOGNITION

- (A) **Sale of Goods:** Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates and excluding Sales Tax, Value Added Tax, Goods and Service Tax and gross of Excise Duty.
- (B) **Interest and Dividend:** Interest on investment is booked on a time proportion basis taking into account the amount invested and rate of interest.

Dividend income on investment is accounted for when the right to receive the payment is established as per Accounting Standard (AS) 9, 'Revenue Recognition'

- (C) **Revenue from services:** Revenue from services rendered is recognized as the service is performed based on agreements/arrangements with the concerned parties.

12. TAXES ON INCOME**Current Tax:**

Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax Provision:

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantively enacted regulations.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, except in case of unabsorbed losses and unabsorbed depreciation.

At each reporting date the Company reassesses the unrecognised deferred tax assets and reviews the deferred tax assets recognised.

13. FOREIGN CURRENCY TRANSACTIONS

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary assets and liabilities other than net investments in non integral foreign operations are translated at the exchange rate prevailing at the balance sheet date.

Exchange differences

Exchange differences arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise except those relating to liability for acquiring fixed assets from outside India.

14. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience.

Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the restated net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The Company has considered 80,00,000 shares and bonus shares allotted on such shares on 30/01/2025 in the ratio of 1:1 pursuant to board resolution dt. 25/01/2025 for calculating Basic and Diluted EPS for the year ended at 31st March, 2022.

16. GOVERNMENT GRANTS

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss.

Capital grants relating to specific fixed assets are reduced from the gross value of the respective Fixed Assets. Other capital grants are credited to Capital Reserve.

17. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing activities or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

18. SEGMENT REPORTING

With respect to Accounting Standard-17, the Management of the Company is of the view that the products offered by the Company are in the nature of Transformer Laminations, Cores and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the business of production of Lamination and its related products belong to one business segment only.

On Behalf of Board of Directors
Elec Steel Processing Industries Limited

Whole Time Director
HARSHAD N. BAGADIA
(DIN: 01535197)

Chief Financial Officer
PINAL R. SHAH

Managing Director
PARAS H. BAGADIA
(DIN: 09699701)

Company Secretary
MAYANK LASHKARI
(M.No.: ACS 34448)

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

NOTES TO ACCOUNTS:-

(Rupees in Lakhs)

NOTE NO. 3

RESTATED STATEMENT OF SHARE CAPITAL

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Authorized Share Capital 80,00,000 Equity shares Rs.10/- each with voting rights	800.00	800.00	800.00	-
(b) Issued,Subscribed & Fully paid up 80,00,000 Equity shares Rs.10/- each with voting rights	800.00	800.00	800.00	-
(c) Partners' Capital* Refer Note No:G	-	-	-	1,332.72
Total (Equity Shares of Rs.10/- each)	800.00	800.00	800.00	1,332.72

A. Reconciliation of number of ordinary shares outstanding

Particulars	As at 30.09.2024		As at 31.03.2024		As at 31.03.2023		As at 31.03.2022	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.	Nos.	Amount in Rs.	Nos.	Amount in Rs.
Shares outstanding at the beginning of the year	8,000,000	800.00	8,000,000	800.00	-	-	-	-
Add: Shares issued during the year *	-	-	-	-	8,000,000	800.00	-	-
Less: Shares bought back during the year	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	8,000,000	800.00	8,000,000	800.00	8,000,000	800.00	-	-

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

B. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of Share Holder	As at 30.09.2024		As at 31.03.2024		As at 31.03.2023		As at 31.03.2022		Percentage of Change
	Nos.	Percentage	Nos.	Percentage	Nos.	Percentage	Nos.	Percentage	
Harshad Narbherambhai Bagadia	4,400,000	55%	4,400,000	55%	4,400,000	55%	-	0%	0%
Paras Harshadbhai Bagadia	3,600,000	45%	3,600,000	45%	3,600,000	45%	-	0%	0%

C. Details of equity shares held by Promoters

Name of Promoter	As at 30.09.2024		As at 31.03.2024		As at 31.03.2023		As at 31.03.2022		Percentage of Change
	No.	% of Total Shares	No.	% of Total Shares	No.	% of Total Shares	No.	% of Total Shares	
Harshad Narbherambhai Bagadia	4,400,000	55%	4,400,000	55%	4,400,000	55%	-	0%	0%
Paras Harshadbhai Bagadia	3,600,000	45%	3,600,000	45%	3,600,000	45%	-	0%	0%

D. Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March	NIL
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E. Ordinary Shares allotted as fully paid bonus shares for the period of 5 years immediately preceding 31st March	NIL
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F. Rights, preference and restrictions attached to the Ordinary Shares-The Ordinary Shares of the Company, having par value of Rs.10.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

With effect from 08/08/2022 the partnership Firm namely "ELEC STEEL PROCESSING INDUSTRIES" has been converted into a Private Limited Company named "ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED" under Chapter XXI of the Companies Act, 2013. However, with effect from 13/09/2022 books of account are also converted from Partnership Firm to Private Limited Company.

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

G. Partners Capital as on 31.03.2022

Particulars	Harshad N. Bagadia	Paras H. Bagadia	Nishit J. Bagadia	Vikram K. Bagadia	Total
Closing Balance of Partners Capital as on 31.03.2022	366.95	463.60	209.48	292.69	1,332.72

* Before conversion, the partners, Nishit J. Bagadia and Vikram K. Bagadia retired from the partnership firm w.e.f. 08/06/2022

H. Increase in Authorised Share Capital: The Company has increased the authorised share capital to 2,50,00,000 equity shares Rs.10/- each with voting rights i.e. Rs.25,00,00,000/- pursuant to board resolution on 16/11/2024.

I. Issue Bonus Shares: The Company has issued bonus equity shares dt.30/01/2025 in the ratio of 1:1 pursuant to board resolution on 25/01/2025

J. Adjustments made in Restated Financial Statements:

Material Regrouping

Appropriate adjustments have been made in the restated summary statements, wherever required by a reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows in order to bring them in line with the regrouping as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities Exchange Board of India (Issuance of Capital & Disclosure Requirements) Regulation, 2018 (as

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

Reconciliation of Profit :

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Profit after Tax (Audited Financial Statements) - A	953.36	483.07	702.54	132.28
Restatement Expenses:				
- Gratuity (Note - 1)	-	(9.24)	55.94	(46.70)
Tax Adjustments:				
- Deferred Tax (Note - 2)	22.26	(5.12)	(3.48)	(13.65)
Total Adjustments - B	22.26	(14.36)	52.46	(60.35)
Restated Profit / (Loss) after Tax - (A-B)	931.11	497.44	650.08	192.63

Note - 1 : Gratuity Expense

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Gratuity as per Audited Statements (a)	-	40.04	(33.36)	107.50
Gratuity as per Restated Statements (b)	-	30.80	22.58	60.81
Adjustment to be made (b-a)	-	(9.24)	55.94	(46.70)

Note - 2 : Deferred Tax Expense

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Deferred Tax as per Audited Statements (a)	7.28	13.01	(0.54)	-
Deferred Tax as per Restated Statements (b)	(14.97)	18.13	2.94	13.65
Adjustment to be made (a-b)	22.26	(5.12)	(3.48)	(13.65)

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

Reconciliation of Equity :

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Equity (Audited Financial Statements) - A	2,573.15	1,619.78	1,136.71	1,272.38
Deferred Tax Liability (Note - 1)	-	-	(3.11)	-
Long Term Provision (Note - 2)	-	76.85	59.15	47.51
Other Current Liability (Note - 3)	-	-	-	7.76
Short Term Provision (Note - 4)	-	(238.26)	(328.32)	(216.12)
Deferred Tax Asset (Net) (Note - 5)	-	(22.26)	(14.03)	(13.65)
Short Term Loans & Advances (Note - 6)	-	161.41	278.40	114.16
Total Adjustments - B	-	(22.26)	(7.89)	(60.35)
Equity (Restated Financial Statements) - B	2,573.15	1,642.04	1,144.60	1,332.72

Note - 1 : Deferred Tax Liability

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
As per Audited Statements (a)	-	-	3.11	-
As per Restated Statements (b)	-	-	-	-
Adjustment to be made (b-a)	-	-	(3.11)	-

Note - 2 : Long Term Provision

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
As per Audited Statements (a)	-	-	-	-
As per Restated Statements (b)	-	76.85	59.15	47.51
Adjustment to be made (b-a)	-	76.85	59.15	47.51

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

Note - 3 : Other Current Liability

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
As per Audited Statements (a)	-	45.52	129.62	16.67
As per Restated Statements (b)	-	45.52	129.62	24.43
Adjustment to be made (b-a)	-	-	-	7.76

Note - 4 : Short Term Provision

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
As per Audited Statements (a)	-	328.80	410.14	256.02
As per Restated Statements (b)	-	90.54	81.83	39.90
Adjustment to be made (b-a)	-	(238.26)	(328.32)	(216.12)

Note - 5 : Deferred Tax Asset

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
As per Audited Statements (a)	-	12.47	2.57	-
As per Restated Statements (b)	-	34.72	16.59	13.65
Adjustment to be made (a-b)	-	(22.26)	(14.03)	(13.65)

Note - 6 : Short Term Loans & Advances

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
As per Audited Statements (a)	-	699.09	636.77	548.40
As per Restated Statements (b)	-	537.68	358.37	434.24
Adjustment to be made (a-b)	-	161.41	278.40	114.16

ELEC STEEL PROCESSING INDUSTRIES LIMITED								
NOTES FORMING PART OF ACCOUNTS								
NOTE 5:- RESTATED STATEMENT OF LONG TERM BORROWINGS								(Rupees in Lakhs)
Particulars	As at 30 September, 2024		As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
TERM LOAN								
FROM BANK								
(i) BOB CAR LOAN A/C 01980600002619 (TOYOTA INNOVA) #	7.59	-	8.92	-	11.41	-	13.60	-
(ii) BOB CAR LOAN A/C - 01980600003989 (CRUISER) @	6.11	-	7.55	-	10.21	-	-	-
(iii) BOB CAR LOAN A/C 01980600004353 (SWIFT) \$	0.55	-	1.68	-	4.70	-	-	-
(iv) BOB GEC LOAN SCHEME A/C 2505 (COVID-19 BOB LOAN 0198060002505) !	-	-	-	-	15.00	-	75.00	-
(v) BOB SCHEME LA533 LOAN 01980600003713 (COVID 19 TERM LOAN 2. 01980600003713) +	35.56	-	50.68	-	80.92	-	91.00	-
(vi) BOB CAR LOAN A/C - 01980600005263 (KIA) ?	14.62	-	17.67	-	-	-	-	-
(vii) BOB LOAN AC NO. 01980600005302 (AATMIYA-11 P&M) >	77.76	-	30.95	-	-	-	-	-
(viii) BOB PLOT LOAN A/C 01980600005034 (AATMIYA -11) <	1,176.81	-	1,111.68	-	-	-	-	-
(ix) BOB T/L-I-01980600004552 (BOB TL MACHINE LOAN A/C	114.48	-	136.02	-	-	-	-	-
(x) ICICI BANK LBBRD00005499501 ^	-	-	-	314.25	-	383.90	-	333.58
(xi) ICICI BANK LTD LOAN A/C TBBRD0007083873 '	367.40	-	-	-	-	-	-	-
(xii) BOB CAR LOAN AC 01980600005348 (BMW) "	40.84	-	-	-	-	-	-	-
FROM FINANCE COMPANY								
BAJAJ FINANCE LOAN A/C	-	-	-	-	-	-	-	8.57
ICICI BANK LOAN A/C 0039134727	-	-	-	-	-	-	-	5.17
SHRIRAM CITY UNION FINANCE LTD 300005 (SHREE RAM CITYA/C NO 01980200000454)	-	-	-	-	-	-	-	1.94
TATA CAPITAL FINANCIAL SERVICES LTD LOAN 436843	-	-	-	-	-	-	-	2.02
	1,841.72	-	1,365.14	314.25	122.24	383.90	179.60	351.28

ELEC STEEL PROCESSING INDUSTRIES LIMITED								
NOTES FORMING PART OF ACCOUNTS								
(Rupees in Lakhs)								
NOTE 5:- RESTATED STATEMENT OF LONG TERM BORROWINGS								
Particulars	As at 30 September, 2024		As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
FROM DIRECTORS*								
HARSHADBHAI N BAGADIA (LOAN A/C)	-	252.33	-	278.72	-	505.11	-	-
PARAS H BAGADIA (LOAN A/C)	-	4.11	-	103.83	-	290.24	-	-
FROM RELATIVES OF DIRECTORS *								
DHYANESH H.BAGADIA	-	-	-	42.39	-	42.20	-	84.84
POONAM PARAS BAGADIA	-	-	-	7.47	-	7.30	-	9.94
RANJAN.H.BAGADIA	-	-	-	24.62	-	21.97	-	-
FROM OTHERS *								
ANANDI KOUSHIKBHAI SHAH	-	-	-	-	-	-	-	1.43
ANKIT JAYKANT BAGADIA (DEPOSIT)	-	-	-	-	-	-	-	0.80
IEELA RAJUL SHAH	-	-	-	-	-	-	-	5.21
JAGRUTIBEN JAYKANTBHAI	-	-	-	-	-	-	-	6.97
JYOTSHNABEN SHREENIVAS	-	-	-	-	-	-	-	15.26
KIRITBHAI N.BAGADIA (HUF)	-	-	-	-	-	-	-	2.80
NIMIT R SANGHANI	-	-	-	-	-	-	-	94.83
PARAS RESOURCES	-	-	-	-	-	-	-	59.83
SWETA D.BAGADIA	-	-	-	-	-	-	-	0.27
VENUS TAPES (DEPOSIT)	-	-	-	-	-	-	-	1.05
	-	256.44	-	457.03	-	866.82	-	283.23
Total Rs.	1,841.72	256.44	1,365.14	771.28	122.24	1,250.72	179.60	634.51
(Rupees in Lakhs)								
Name of Lender	Purpose			Sanction Amount	Repayment Schedule		Security Offered	
(i) Bank of Baroda	Toyota Innova Car Loan			18.80	43 Months		Car	
(ii) Bank of Baroda	Cruiser Car Loan			14.82	37 Months		Car	
(iii) Bank of Baroda	Swift Car Loan			7.99	20 Months		Car	
(iv) Bank of Baroda	GEC Loan Scheme			180.00	3 Months		Loan Closed	
(v) Bank of Baroda	LA533 Loan Scheme			91.00	32 Months		No Additional Security	
(vi) Bank of Baroda	KIA Car Loan			19.50	60 Months		Car	
(vii) Bank of Baroda	ATMIYA-11 Plant & Machinery Loan			94.00	91 Months		Plant & Machinery	
(viii) Bank of Baroda	ATMIYA-11 Factory Land & Building Loan			1,443.81	83 Months		Land & Building	
(ix) Bank of Baroda	Plant & Machinery Loan			215.00	50 Months		Plant & Machinery	
(x) Bank of Baroda	BMW Car Loan			54.00	55 Months		Car	
(xi) ICICI Bank	Commercial Property Loan			-	12 Years		Loan Closed	
(xii) ICICI Bank	Shop & Offices Loan			384.90	13 years and 9 months		Shop & Offices	
*Borrowings from Related Parties:-There are no terms & conditions relating to Interest,Repayment Etc.								

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTES TO ACCOUNTS:-

NOTE NO.4

RESTATED STATEMENT OF RESERVES & SURPLUS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Profit & Loss Account				
Opening Balance	842.04	344.60	-	-
Add: Profit/(Loss) during the year				
Profit During the Year	931.11	497.44	650.08	192.63
Less: Profit before the conversion transferred to capital account which subsequently was bifurcated in share capital and unsecured loan on 12/09/2022 under Chapter XXI of the Companies Act,			(329.87)	(192.63)
Restated Adjustment in Reserve & Surplus			24.40	-
Total Rs.	1,773.15	842.04	344.60	-

NOTE NO. 6

RESTATED STATEMENT OF LONG TERM PROVISIONS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(a) Provision for employee benefits	-	76.85	59.15	47.51
(b) Others	-	-	-	-
Total Rs.	-	76.85	59.15	47.51

NOTE NO. 7

RESTATED STATEMENT OF SHORT TERM BORROWINGS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Cash Credit A/c				
Bank of Baroda	3,111.15	2,096.98	1,185.00	1,091.45
(Secured against Stock & Debtors (Primary), (collateral) charge on Property of the Company and property of relative of KMP & Personal Guarantee of the Directors)				
Import Pur Under SBLC A/c 1130 (SBLC A/c No 24790131101130)	833.22	1,256.63	598.74	124.19
Import Purchase Under LC	404.11	213.07	-	-
Raw Material Purchase Under LC	-	-	-	459.65
Current Maturities of Long Term Debt				
- Secured Borrowing	320.23	254.01	77.15	62.16
- Unsecured Borrowing	-	10.25	9.79	8.80
Total Rs.	4,668.71	3,830.95	1,870.69	1,746.25

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 8

RESTATED STATEMENT OF TRADE PAYABLES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(A) Undisputed outstanding dues of Micro Enterprises and Small Enterprises				
— Less than 1 year	55.68	38.75	30.41	42.01
— 1-2 years	-	-	-	-
— 2-3 years	-	-	-	-
— More than 3 years	-	-	-	-
Total Rs.	55.68	38.75	30.41	42.01
(B) Undisputed outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises				
— Less than 1 year	1,664.06	568.14	496.88	703.01
— 1-2 years	7.86	1.68	4.07	4.44
— 2-3 years	1.43	3.69	0.66	2.70
— More than 3 years	3.69	-	-	-
Total Rs.	1,677.04	573.52	501.61	710.15
(C) Disputed outstanding dues of Micro Enterprises and Small Enterprises				
— Less than 1 year	-	-	-	-
— 1-2 years	-	-	-	-
— 2-3 years	-	-	-	-
— More than 3 years	-	-	-	-
Total Rs.	-	-	-	-
(D) Disputed outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises				
— Less than 1 year	-	-	-	-
— 1-2 years	-	-	-	-
— 2-3 years	-	-	-	-
— More than 3 years	2.70	2.70	5.92	16.61
Total Rs.	2.70	2.70	5.92	16.61
Total Rs.	1,735.41	614.97	537.94	768.77

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006 have been identified on the basis of information available with the

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 9

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Statutory remittances	7.28	21.21	12.25	7.76
Advances from customers	54.63	24.30	117.37	16.67
Total Rs.	61.90	45.52	129.62	24.43

NOTE NO. 10

RESTATED STATEMENT OF SHORT TERM PROVISIONS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits	111.99	66.03	60.92	25.54
Current Tax Liability (Net)	271.57	19.27	11.78	12.08
Others	6.38	5.24	9.13	2.29
Total Rs.	389.93	90.54	81.83	39.90

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 12

RESTATED STATEMENT OF DEFERRED TAX ASSETS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Opening Balance of Deferred Tax (Asset)	34.72	16.59	13.65	-
Add:-Additions During the Year	4.09	18.77	6.05	13.65
Less:-Reversal During the Year	(19.06)	(0.64)	(3.11)	-
Total Rs.	19.75	34.72	16.59	13.65

NOTE NO. 13

RESTATED STATEMENT OF OTHER NON CURRENT ASSETS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(Unsecured considered good) Security Deposits	21.33	6.14	7.34	6.97
Total Rs.	21.33	6.14	7.34	6.97

NOTE NO. 14

RESTATED STATEMENT OF INVENTORIES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Raw material & Semi Finished Goods (Valued at cost or Net Realisable whichever is lower) Cost Formula Used:- Weighted Average price method	4,154.57	2,214.42	1,575.46	1,927.50
Total Rs.	4,154.57	2,214.42	1,575.46	1,927.50

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 15

RESTATED STATEMENT OF TRADE RECIEVABLES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(i) Undisputed Trade Receivables - Considered Good				
Less than 6 month	2,236.54	2,289.56	1,912.16	1,107.78
6 months - 1 year	107.40	63.33	51.19	29.78
1 - 2 years	40.54	27.97	28.44	39.39
2 - 3 years	25.62	20.73	15.38	113.34
More than 3 years	70.42	89.39	105.65	85.72
(ii) Undisputed Trade Receivables - Considered Doubtful				
Less than 6 month	-	-	-	-
6 months - 1 year	-	-	-	-
1 - 2 years	-	-	-	-
2 - 3 years	-	-	-	-
More than 3 years	-	-	-	-
(iii) Disputed Trade Receivables - Considered Good				
Less than 6 month	-	-	-	-
6 months - 1 year	-	-	-	-
1 - 2 years	19.40	-	-	-
2 - 3 years	1.36	-	-	-
More than 3 years	54.10	30.72	-	-
(iv) Disputed Trade Receivables - Considered Doubtful				
Less than 6 month	-	-	-	-
6 months - 1 year	-	-	-	-
1 - 2 years	-	-	-	-
2 - 3 years	-	-	-	-
More than 3 years	-	-	-	-
Total Rs.	2,555.38	2,521.70	2,112.83	1,376.01

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 16

RESTATED STATEMENT OF CASH & BANK BALANCE

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Cash & Cash Equivalents				
(a) Balances with Banks				
BOB A/C019805000000052	0.05	0.30	0.06	-
BOB (EEFC) A/C NO 247902000000695	77.26	0.08	0.16	30.61
(b) Cash-on-Hand	6.55	1.20	2.18	4.16
(c) Short Term Fixed Deposit	192.29	164.46	124.34	127.96
Total Rs.	276.15	166.04	126.74	162.73

NOTE NO. 17

RESTATED STATEMENT OF SHORT TERM LOANS & ADVANCES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(Unsecured and considered good)				
Advances to suppliers	638.02	318.69	329.14	348.35
Advances recoverable in Cash or kind	290.01	219.00	29.23	85.89
Total Rs.	928.03	537.68	358.37	434.24

NOTE NO.18

RESTATED STATEMENT OF REVENUE FROM OPERATIONS

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Revenue From Operations:				
Sale of Products				
- Domestic Sales	8,981.71	11,380.49	9,857.91	6,731.28
- Export Sales	1,447.60	4,604.53	4,535.37	982.81
Revenue From Other Operating Activities:				
Sale of Scrap				
- Domestic Sales	101.85	154.81	266.43	112.88
Sale of Services				
- Domestic Sales	96.01	210.25	146.01	108.20
Total Rs.	10,627.17	16,350.07	14,805.72	7,935.16

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 19

RESTATED STATEMENT OF OTHER INCOME

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
(a) Interest Income	9.01	12.11	4.23	9.68
(b) Foreign Exchange Rate Difference	55.08	104.49	90.24	15.89
(c) Other Income	7.07	0.96	1.86	0.87
(d) MDA Scheme Subsidy	-	5.00	4.09	-
Total Rs.	71.17	122.56	100.42	26.45

NOTE NO. 20

RESTATED STATEMENT OF COST OF MATERIAL CONSUMED

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Opening Stock of RM & WIP	2,214.42	1,575.46	1,927.50	1,011.89
Purchase of Raw Material				
- Domestic Purchase	5,704.90	7,187.60	8,442.01	6,171.85
- Import Purchase	4,251.32	6,394.29	2,631.99	801.95
Purchase of Services	-	-	-	-
- Job Work	131.61	143.16	87.07	27.02
Direct Expenses	-	-	-	-
- Consumable Goods	160.73	377.10	641.65	300.38
- Freight Exp.	19.39	11.92	24.86	21.39
- Packing Material	42.02	84.59	55.48	31.18
Sub Total	10,309.97	14,198.66	11,883.06	7,353.77
Less: Closing Stock of RM & WIP	4,154.57	2,214.42	1,575.46	1,927.50
Total Rs.	8,369.82	13,559.71	12,235.11	6,438.16

NOTE NO. 21

RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Salaries and Wages	252.33	544.41	442.17	339.69
Contribution to Provident and other funds	14.13	29.79	27.62	24.73
Director Remuneration / Interest	85.01	300.02	98.01	36.39
Staff Welfare Exp.	4.52	5.60	3.44	3.44
Gratuity Exp. (Provision)	(34.44)	30.80	22.58	60.81
Group Gratuity Scheme in LIC	34.44	-	-	-
Total Rs.	355.99	910.62	593.83	465.05

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

NOTE NO. 22

RESTATED STATEMENT OF FINANCE EXPENSES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Interest Expense	165.06	241.24	189.21	146.44
Interest on Vehicle Loan	3.81	2.98	2.61	1.29
Bank Charges / Commission	37.93	124.28	73.71	43.29
Total Rs.	206.80	368.49	265.53	191.02

NOTE NO. 23

RESTATED STATEMENT OF OTHER EXPENSES

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
Audit Fees	0.75	2.50	2.50	-
Bad Debts Written off	-	-	91.56	113.41
Communication Exp.	2.00	2.36	1.83	1.28
Contractual for Lamination Business	-	36.97	97.98	32.54
Conveyance Expenses	5.04	12.53	7.67	6.79
Discount	14.37	95.37	45.19	29.86
Donation	4.44	8.66	9.95	1.66
Exhibition Exp.	49.63	24.84	28.06	8.86
Factory & Office Expenses	12.59	23.69	15.29	10.35
Export Exp.	60.37	90.61	173.18	75.52
Import Exp.	60.27	106.59	52.94	24.66
Insurance Expenses	7.59	13.17	14.48	6.06
Marketing Charges	17.81	33.59	5.14	0.56
Misc Exp	9.97	22.61	7.09	6.09
Membership & Subsription	0.56	1.36	1.33	0.68
Postage & Courier Exp.	0.29	0.39	0.26	0.24
Power & Fuel Expenses	20.43	40.92	29.20	21.14
Preliminary Expenses	-	-	12.75	-
Printing & Stationery	2.29	3.12	2.75	1.70
Professional & Legal Charges	16.37	32.01	12.12	28.63
Rates & Taxes	1.48	10.41	3.45	8.62
Rent Cost	11.53	21.51	18.28	9.22
Repairs & Maintenance	10.52	33.89	33.71	15.96
Security Charges	11.99	16.46	11.81	2.45
Sales Promotion Exp.	0.76	4.98	2.03	1.68
Transportation Charges	88.48	186.81	116.46	78.54
Travelling Expenses	21.01	16.73	20.93	10.80
Total Rs.	430.53	842.05	817.92	497.31

ELEC STEEL PROCESSING INDUSTRIES LIMITED												
NOTES FORMING PART OF ACCOUNTS												
												(Rupees in Lakhs)
NOTE NO. 11												
RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS ON 30.09.2024												
Sr. No.	Name of Assets	Useful life as per Sch II	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As At 01.04.2024 Rs.	Addition Rs.	Deduction / Subsidy Rs.	As At 30.09.2024 Rs.	As At 01.04.2024 Rs.	For the Year Rs.	Deduction Rs.	As At 30.09.2024 Rs.	As At 30.09.2024 Rs.	As At 31.03.2024 Rs.
Tangible Assets												
1	Building	30	171.39	-	-	171.39	40.37	6.24	-	46.61	124.78	131.02
2	Computer	3	8.31	0.92	-	9.22	5.62	0.91	-	6.52	2.70	2.69
3	Furniture & Fixtures	10	48.56	-	-	48.56	13.91	4.50	-	18.41	30.15	34.65
4	Office Equipement	15	20.99	0.36	-	21.36	5.89	1.38	-	7.27	14.09	15.11
5	Plant & Machinery	15	608.04	0.45	-	608.49	149.86	41.59	-	191.45	417.05	458.18
6	Vehicles - Four Wheelers	8	83.05	61.18	4.95	139.28	30.75	15.71	2.28	44.19	95.09	52.30
7	Vehicles - Two Wheelers	10	1.82	-	-	1.82	0.86	0.12	-	0.99	0.83	0.95
8	Vehicles - Electric	8	0.75	-	-	0.75	0.34	0.06	-	0.40	0.35	0.41
9	GIDC Plot (Land)	0	40.74	-	-	40.74	-	-	-	-	40.74	40.74
	Total (A)		983.66	62.91	4.95	1,041.62	247.60	70.52	2.28	315.83	725.78	736.06
Intangible Assets												
10	Software	6	2.70	5.00	-	7.70	0.09	0.60		0.69	7.01	2.61
	Total (B)		2.70	5.00	-	7.70	0.09	0.60	-	0.69	7.01	2.61
Capital Work in Progress												
11	Aatmiya - 11 Under Construction	0	1,767.36	509.62	-	2,276.98	-	-		-	2,276.98	1,767.36
13	Shop/Office/ No.2 Under Construction	0	450.55	111.73	-	562.28	-	-		-	562.28	450.55
	Total (C)		2,217.91	621.36	-	2,839.26	-	-	-	-	2,839.26	2,217.91
	Grand Total Rs. (A+B+C)		3,204.27	689.26	4.95	3,888.58	247.69	71.12	2.28	316.52	3,572.06	2,956.58
Note:												
1) The Company does not have any restriction on the title of its property, plant and Equipment.												
2) The Title Deeds of immovable properties are held in the name of the Company and further no preceedings have been initiated during the year or are pending against the Company as at September 30, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.												
3) During the year the Company has not revalued its property, Plant and Equipment.												

ELEC STEEL PROCESSING INDUSTRIES LIMITED												
NOTES FORMING PART OF ACCOUNTS												
(Rupees in Lakhs)												
NOTE NO. 11												
RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS ON 31.03.2024												
Sr. No.	Name of Assets	Useful life as per Sch II	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As At 01.04.2023 Rs.	Addition Rs.	Deduction / Subsidy Rs.	As At 31.03.2024 Rs.	As At 01.04.2023 Rs.	For the Year Rs.	Deduction Rs.	As At 31.03.2024 Rs.	As At 31.03.2024 Rs.	As At 31.03.2023 Rs.
Tangible Assets												
1	Building	30	171.39	-	-	171.39	26.61	13.75		40.37	131.02	144.78
2	Computer	3	5.74	2.57	-	8.31	2.84	2.78		5.62	2.69	2.90
3	Furniture & Fixtures	10	34.79	13.77	-	48.56	3.98	9.93		13.91	34.65	30.81
4	Office Equipement	15	17.68	3.32	-	20.99	2.85	3.03		5.89	15.11	14.82
5	Plant & Machinery	15	308.53	299.51	-	608.04	68.68	81.18		149.86	458.18	239.85
6	Vehicles - Four Wheelers	8	61.67	21.38	-	83.05	16.02	14.73		30.75	52.30	45.65
7	Vehicles - Two Wheelers	10	1.82	-	-	1.82	0.53	0.33		0.86	0.95	1.29
8	Vehicles - Electric	8	0.75	-	-	0.75	0.15	0.19		0.34	0.41	0.60
9	GIDC Plot (Land)	0	40.74	-	-	40.74	-	-		-	40.74	40.74
	Total (A)		643.10	340.56	-	983.66	121.66	125.93	-	247.60	736.06	521.44
Intangible Assets												
10	Software	6	-	2.70	-	2.70	-	0.09		0.09	2.61	-
	Total (B)		-	2.70	-	2.70	-	0.09	-	0.09	2.61	-
Capital Work in Progress												
11	Aatmiya - 11 Under Construction	0	-	1,767.36	-	1,767.36	-	-		-	1,767.36	-
12	Shop/Office/ No.2 Under Construction	0	478.03	-	27.48	450.55	-	-		-	450.55	478.03
	Total (C)		478.03	1,767.36	27.48	2,217.91	-	-	-	-	2,217.91	478.03
	Grand Total Rs. (A+B+C)		1,121.13	2,110.62	27.48	3,204.27	121.66	126.02	-	247.69	2,956.58	999.46
Note:												
1) The Company does not have any restriction on the title of its property, plant and Equipment.												
2) The Title Deeds of immovable properties are held in the name of the Company and further no preceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.												
3) During the year the Company has not revalued its property, Plant and Equipment.												

ELEC STEEL PROCESSING INDUSTRIES LIMITED												
NOTES FORMING PART OF ACCOUNTS												
(Rupees in Lakhs)												
NOTE NO. 11												
RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS ON 31.03.2023												
Sr. No.	Name of Assets	Useful life as per Sch II	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As At 01.04.2022 Rs.	Addition Rs.	Deduction / Subsidy Rs.	As At 31.03.2023 Rs.	As At 01.04.2022 Rs.	For the Year Rs.	Deduction Rs.	As At 31.03.2023 Rs.	As At 31.03.2023 Rs.	As At 31.03.2022 Rs.
Tangible Assets												
1	Building	30	171.39	-	-	171.39	17.14	9.47	-	26.61	144.78	154.25
2	Computer	3	4.63	1.11	-	5.74	1.33	1.52	-	2.84	2.90	3.31
3	Furniture & Fixtures	10	15.44	19.35	-	34.79	1.52	2.46	-	3.98	30.81	13.92
4	Office Equipement	15	9.53	8.57	0.42	17.68	1.21	1.64	-	2.85	14.82	8.32
5	Plant & Machinery	15	251.27	57.66	0.40	308.53	37.86	30.81	-	68.68	239.85	213.41
6	Vehicles - Four Wheelers	8	36.84	27.59	2.76	61.67	5.53	10.50	-	16.02	45.65	31.31
7	Vehicles - Two Wheelers	10	1.82	-	-	1.82	0.27	0.26	-	0.53	1.29	1.54
8	Vehicles - Electric	8	-	0.75	-	0.75	-	0.15	-	0.15	0.60	-
9	GIDC Plot (Land)	0	40.74	-	-	40.74	-	-	-	-	40.74	40.74
	Total (A)		531.66	115.02	3.58	643.10	64.85	56.81	-	121.66	521.44	466.81
Capital Work in Progress												
10	Shop/Office/ No.2 Under Construction	0	385.77	92.25	-	478.03	-	-		-	478.03	385.77
	Total (B)		385.77	92.25	-	478.03	-	-	-	-	478.03	385.77
	Grand Total Rs. (A)		917.44	207.27	3.58	1,121.13	64.85	56.81	-	121.66	999.46	852.58
Note:												
1) The Company does not have any restriction on the title of its property, plant and Equipment.												
2) The Title Deeds of immovable properties are held in the name of the Company and further no preceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.												
3) During the year the Company has not revalued its property, Plant and Equipment.												
4) The Company is formed as result of conversion of partnerhsip firm into private limited company, accordingly, the WDV of the firm as on 01/04/2022 as per the income tax act is considered as opening balance for computing depreciation as per Companies Act, 2013.												

ELEC STEEL PROCESSING INDUSTRIES LIMITED												
NOTES FORMING PART OF ACCOUNTS												
(Rupees in Lakhs)												
NOTE NO. 11												
RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS ON 31.03.2022												
Sr. No.	Name of Assets	Useful life as per Sch II	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As At 01.04.2021 Rs.	Addition Rs.	Deduction / Subsidy Rs.	As At 31.03.2022 Rs.	As At 01.04.2021 Rs.	For the Year Rs.	Deduction Rs.	As At 31.03.2022 Rs.	As At 31.03.2022 Rs.	As At 31.03.2021 Rs.
Tangible Assets												
1	Building	30	171.39	-	-	171.39	-	17.14	-	17.14	154.25	171.39
2	Computer	3	1.81	2.82	-	4.63	-	1.33	-	1.33	3.31	1.81
3	Furniture & Fixtures	10	14.84	0.60	-	15.44	-	1.52	-	1.52	13.92	14.84
4	Office Equipement	15	6.59	2.94	-	9.53	-	1.21	-	1.21	8.32	6.59
5	Plant & Machinery	15	247.41	4.01	0.15	251.27	-	37.86	-	37.86	213.41	247.41
6	Vehicles - Four Wheelers	8	36.84	-	-	36.84	-	5.53	-	5.53	31.31	36.84
7	Vehicles - Two Wheelers	10	1.89	-	0.07	1.82	-	0.27	-	0.27	1.54	1.89
8	GIDC Plot (Land)	0	40.74	-	-	40.74	-	-	-	-	40.74	40.74
	Total (A)		521.51	10.37	0.22	531.66	-	64.85	-	64.85	466.81	521.51
Capital Work in Progress												
9	Shop/Office/ No.2 Under Construction	0	232.44	153.34	-	385.77	-	-		-	385.77	232.44
	Total (B)		232.44	153.34	-	385.77	-	-	-	-	385.77	232.44
	Grand Total Rs. (A)		753.95	163.71	0.22	917.44	-	64.85	-	64.85	852.58	753.95
Note:												
1) The Company does not have any restriction on the title of its property, plant and Equipment.												
2) The Title Deeds of immovable properties are held in the name of the Company and further no preceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.												
3) During the year the Company has not revalued its property, Plant and Equipment.												
4) The Company is formed as result of conversion of partnerhsip firm into private limited company, accordingly, the WDV of the firm as on 01/04/2021 as per the income tax act is considered as opening balance for computing depreciation as per Companies Act, 2013 and depreciation calculated as per the income tax act.												

ELEC STEEL PROCESSING INDUSTRIES LIMITED

NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

Note No.24 Additional Information to the Financial Statements

1. Expenditure / Revenue From Foreign Exchange

Particulars	For the period ended 30 Sept, 2024	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Value of imports calculated on CIF basis:				
Raw Material	4,112.66	6,271.67	1,524.76	797.20
Total Rs.	4,112.66	6,271.67	1,524.76	797.20
Value of Other Foreign Expenditure				
Exhibition Exp.	30.43	8.31	11.93	7.79
Export Sales Exp.	-	0.41	-	-
Total Rs.	30.43	8.72	11.93	7.79
Earnings in Foreign Exchange				
Export of Goods (on FOB Basis)	1,447.60	4,604.53	3,129.94	982.81
Total Rs.	1,447.60	4,604.53	3,129.94	982.81

2. Auditor Remuneration

Particulars	For the period ended 30 Sept, 2024	For the year ended 31 March, 2024	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) As an Auditor	-	1.50	1.50	0.40
(b) As an advisor or in any other Capacity	0.75	1.00	1.00	0.80
(c) Taxation Matter	-	1.00	0.75	0.35
Total Rs.	0.75	3.50	3.25	1.55

ELEC STEEL PROCESSING INDUSTRIES LIMITED

NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

3.Deferred Tax Liability /Asset

During the year,Company has accounted for deferred tax in accordance with the Accounting Standard-22"Accounting for Taxes on Income".This has resulted into Deferred Tax Liability of Rs.NIL & Deferred Tax Asset of Rs.19.75 Lakhs, Net Deferred Tax Effect during the year amounting to Rs.14.97 Lakhs as shown as under:-

Particulars	01/04/2024 To 30/09/2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
Deferred Tax Asset				
Opening Balance	34.72	16.59	13.65	-
Addition During The Year				
Difference of Depreciation	16.26	15.48	(12.34)	-
Tax Rate@25.168%	4.09	3.90	(3.11)	-
Reversal During The Year				
Preliminary Exp. allowable	2.57	2.57	2.57	
Reversal of Preliminary Exp for 3rd Year Year	(0.64)	(0.64)		
Reversal During The Year				
Disallowance u/s 43B(h) for payment not made within specified timelimit	(38.75)	38.75		
Tax at 25.168%	(9.75)	9.75	-	-
Addition During The Year				
Gratuity	(34.44)	20.35	13.82	54.25
Tax at 25.168%	(8.67)	5.12	3.48	13.65
Closing Balance	19.75	34.72	16.59	13.65
Net Effect	(14.97)	18.13	2.94	13.65

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

4. Disclosure required under section 13 of the Micro, Small and Medium Enterprise Development Act, 2006.

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
a) Principal amount unpaid to any Supplier as at the end of the accounting year.	55.68	38.75	30.41	42.01
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-	-	-
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-	-
d) The amount of interest due and payable for the year.	-	-	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-	-
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-	-
Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the designated directors. This has been relied upon by the auditors.				

5. Capital Work In Progress:

Particulars	As at 30.09.2024	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
<u>Projects in progress</u>				
Less than 1 year	2,388.72	1,739.88	92.25	153.34
1 - 2 years	(27.48)	92.25	153.34	232.44
2 - 3 years	92.25	153.34	232.44	-
More than 3 years	385.77	232.44	-	-
Total Rs.	2,839.26	2,217.91	478.03	385.77
<u>Projects temporarily suspended</u>				
Less than 1 year	-	-	-	-
1 - 2 years	-	-	-	-
2 - 3 years	-	-	-	-
More than 3 years	-	-	-	-
Total Rs.	-	-	-	-

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

6. Related Party disclosures

As per Accounting Standard 18, the disclosure of transaction with related party are given below-

A. List of Related Parties with whom the transactions are made during the period

I.Key Management Personnel / Promoter

Mr. Harshad Narbherambhai Bagadia (Wholetime Director)
Mr. Paras Harshadbhai Bagadia (Managing Director)
Mr. Dhyanesh Bagadia (Director) (w.e.f. 15.11.2024)
Mrs. Pinal Ronak Shah (Chief Financial Officer) (w.e.f. 30/12/2024)
Mr. Mayank P. Lashkari (Company Secretary) (w.e.f. 20/01/2025)

II.Entities owned by Key Management Personnel

Paras Trans Elec Stamping (Partnership Firm)
Paras Resources (Proprietor of Mr. Harshad Bagadia)
Convolt Technologies (Partnership Firm)
Iglobal Software (Partnership Firm)

III.Entities owned by relatives Key Management Personnel

Kiritbhai N. Bagadia (HUF)
Magnetic Metal Industries (Partnership Firm)
Fibro Lamination (Partnership Firm)
Ankit Sales Corporation (Proprietor of Mr. Jaykant Bagadia)

IV. Relatives of Key Management Personnel / Promoter

Mrs. Ranjan H. Bagadia
Mr. Jaykant Narbherambhai Bagadia
Mrs. Poonam Paras Bagadia
Mrs. Sweta D. Bagadia
Mr. Harshad Narbherambhai Bagadia (Partner)
Mr. Paras Harshadbhai Bagadia (Partner)
Mr. Nishit Jaykant Bagadia (Partner)
Mr. Vikram Kiritbhai Bagadia (Partner)

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

B. Transactions with Related Parties

Particulars	01/04/2024 To 30/09/2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
<u>Remuneration</u>				
Mr. Harshad Narbherambhai Bagadia (Director)	40.00	120.00	28.00	-
Mr. Paras Harshadbhai Bagadia (Director)	45.01	180.02	70.01	-
Mrs. Poonam Paras Bagadia	9.01	14.42	7.01	-
Mr. Harshad Narbherambhai Bagadia (Partner)	-	-	-	4.50
Mr. Paras Harshadbhai Bagadia (Partner)	-	-	-	4.50
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	4.50
Mr. Vikram Kiritbhai Bagadia (Partner)	-	-	-	4.50
<u>Interest on Capital</u>				
Mr. Harshad Narbherambhai Bagadia (Partner)	-	-	-	6.50
Mr. Paras Harshadbhai Bagadia (Partner)	-	-	-	3.58
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	3.15
Mr. Vikram Kiritbhai Bagadia (Partner)	-	-	-	5.16
<u>Advertisement Exp. (Net of GST)</u>				
Iglobal Software	-	0.20	3.35	-
<u>Exhibition Exp. (Net of GST)</u>				
Iglobal Software	-	-	5.35	-
<u>Prining & Stationery (Net of GST)</u>				
Iglobal Software	-	0.13	0.28	-
<u>Factory / Office Rent</u>				
Paras Trans Elec Stamping	4.90	8.91	4.73	7.72
Paras Resources	3.63	6.60	4.00	1.50
<u>Interest on Unsecured Loan</u>				
Mrs. Ranjan H. Bagadia	-	2.64	1.97	-
Poonam Paras Bagadia	-	0.85	0.51	2.08
Mr. Dhyanesb Bagadia	-	4.86	2.23	9.32
Paras Resources	-	-	-	7.01
Kiritbhai N. Bagadia (HUF)	-	-	-	0.30

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

Particulars	01/04/2024 To 30/09/2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
<u>Sales (Net of GST)</u>				
Convolt Technologies	41.61	50.66	-	-
Fibro Lamination	0.41	6.03	32.09	4.13
Ankit Sales Corporation	-	-	0.04	0.62
<u>Purchase (Net of GST)</u>				
Convolt Technologies	20.01	-	-	-
Fibro Lamination	-	13.61	37.08	-
Magnetic Metal Industries	-	-	1.24	-
<u>Purchase Labour Charges (Net of GST)</u>				
Fibro Lamination	4.62	8.12	5.13	-
Magnetic Metal Industries	-	-	0.44	0.41
<u>Sales Labour Charges (Net of GST)</u>				
Fibro Lamination	-	0.41	-	-
<u>Fixed Assets Purchase (Net of GST)</u>				
Ankit Sales Corporation	-	-	-	0.38
<u>Finance Taken</u>				
Mr. Harshad Narbherambhai Bagadia (Loan)	10.85	63.00	7.25	-
Mr. Paras Harshadbhai Bagadia (Loan)	110.00	117.15	28.70	-
Mr. Dhyanesh Bagadia (Loan)	-	30.00	-	7.50
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	15.00
Paras Resources	-	-	-	34.11
<u>Repayment of finance Taken</u>				
Mr. Harshad Narbherambhai Bagadia (Loan)	37.24	289.39	83.81	-
Mr. Paras Harshadbhai Bagadia (Loan)	209.72	303.55	91.01	-
Mrs. Poonam Paras Bagadia (Loan)	7.47	0.60	3.10	11.18
Mr. Dhyanesh Bagadia (Loan)	42.39	33.15	0.50	2.47
Mrs. Ranjan H. Bagadia	24.62	-	-	-
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	55.00
Paras Resources	-	-	-	13.41

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

Particulars	01/04/2024 To 30/09/2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
<u>Closing Balances</u>				
<u>Loan</u>				
Mr. Harshad Narbherambhai Bagadia (Loan)	252.33	278.72	505.11	-
Mr. Paras Harshadbhai Bagadia (Loan)	4.11	103.83	290.24	-
Mrs. Ranjan H. Bagadia (Loan)	-	24.62	21.97	-
Mrs. Poonam Paras Bagadia (Loan)	-	7.47	7.30	9.94
Mr. Dhyanesh Bagadia (Loan)	-	42.39	42.20	84.84
Paras Resources (Loan)	-	-	-	59.83
Kiritbhai N. Bagadia (HUF) (Loan)	-	-	-	2.80
Sweta D. Bagadia (Loan)	-	-	-	0.27
<u>Remuneration Payable</u>				
Mr. Harshad Narbherambhai Bagadia (Salary)	6.30	-	3.47	-
Mr. Paras Harshadbhai Bagadia (Salary)	2.26	2.46	6.29	-
Mrs. Poonam Paras Bagadia (Salary)	1.55	1.20	1.05	-
<u>Rent</u>				
Paras Trans Elec Stamping (Rent)	13.66	10.70	13.48	7.63
Paras Resources (Rent)	-	0.05	-	-
<u>Sales</u>				
Convolt Technologies (Sales)	19.17	0.18	-	-
Fibro Lamination (Sales)	36.84	38.93	47.23	43.96
Magnetic Metal Industries (Sales)	44.03	44.03	44.03	44.03
Ankit Sales Coporation (Sales)	0.05	0.05	0.05	-
<u>Advances</u>				
Mr. Jaykant Narbherambhai Bagadia (Advances)	5.00	5.00	5.00	5.00
<u>Purchases</u>				
Convolt Technologies (Purchase)	7.71	-	-	-
Magnetic Metal Industries (Purchase)	-	-	-	0.45
<u>Partners Capital</u>				
Mr. Harshad Narbherambhai Bagadia (Partner)	-	-	-	351.87
Mr. Paras Harshadbhai Bagadia (Partner)	-	-	-	448.51
Mr. Nishit Jayakant Bagadia (Partner)	-	-	-	194.39
Mr. Vikram Kiritbhai Bagadia (Partner)	-	-	-	277.61

ELEC STEEL PROCESSING INDUSTRIES LIMITED
NOTES FORMING PART OF ACCOUNTS

(Rupees in Lakhs)

7. Notes to Cash Flow Statement

- (1) The cash flow Statement has been prepared in accordance with requirements of accounting Standard-3 "CASH FLOW STATEMENT" notified under provision of the Act.
- (2) Figures in brackets indicate cash outflow.

8. Contingent Liability

Particulars	01/04/2024 To 30/09/2024	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
<u>Contingent Liabilities not acknowledged as debt</u>				
Direct Tax / Indirect Tax / Capital Commitment / Custom Duty	-	-	-	-
Total	-	-	-	-

ELEC STEEL PROCESSING INDUSTRIES LIMITED								
NOTES FORMING PART OF ACCOUNTS								
(Rupees in Lakhs)								
9. Disclosure under AS - 15 Employee Benefits								
Particulars	For the period ended 30/09/2024		For the year ended 31/03/2024		For the year ended 31/03/2023		For the year ended 31/03/2022	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
9(i) Funded status of the plan								
Present value	53.99	-	-	88.43	-	68.08	-	54.25
Fair value of plan assets	-	-	-	-	-	-	-	-
Unrecognised Past Service Cost	-	-	-	-	-	-	-	-
Net Liability (Asset)	53.99	-	-	88.43	-	68.08	-	54.25
9(ii) Profit and loss account for the period								
Current service cost	-	-	-	10.89	-	9.92	-	60.81
Interest on obligation	-	-	-	4.74	-	3.69	-	-
Expected return on plan assets	-	-	-	-	-	-	-	-
Net actuarial loss/(gain)	-	-	-	15.20	-	8.97	-	-
Recognised Past Service Cost-Vested	-	-	-	-	-	-	-	-
Recognised Past Service Cost-Unvested	-	-	-	-	-	-	-	-
Loss/(gain) on curtailments and settlement	-	-	-	-	-	-	-	-
Total included in 'Employee Benefit Expense'	-	-	-	30.83	-	22.58	-	60.81
Loss/(gain) on obligation as per 21(iii)	-	-	-	15.20	-	8.97	-	-
Loss/(gain) on assets as per 21(iv)	-	-	-	-	-	-	-	-
Net actuarial loss/(gain)	-	-	-	15.20	-	8.97	-	-
9(iii) Reconciliation of defined benefit obligation								
	-	-	-	-	-	-	-	-
Opening Defined Benefit Obligation	0.00	88.43	-	0.00	-	0.00	-	-
Transfer in/(out) obligation	85.57	(85.57)	-	-	-	-	-	-
Current service cost	-	-	-	10.86	-	9.92	-	60.81
Interest cost	-	-	-	4.74	-	3.69	-	-
Actuarial loss (gain)	-	-	-	15.20	-	8.97	-	-
Past service cost	-	-	-	-	-	-	-	-

ELEC STEEL PROCESSING INDUSTRIES LIMITED								
NOTES FORMING PART OF ACCOUNTS								
Loss (gain) on curtailments	-	-	-	-	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-	-	-	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Benefit paid from fund	-	-	-	-	-	-	-	-
Benefits paid by company	-	(2.85)	-	(10.44)	-	(8.76)	-	(6.55)
Closing Defined Benefit Obligation	85.57	0.00	-	20.35	-	13.82	-	54.25
9(iv) Reconciliation of plan assets								
Opening value of plan assets	-	-	-	-	-	-	-	-
Transfer in/(out) plan assets	-	-	-	-	-	-	-	-
Expected return	-	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-
Assets distributed on settlements	-	-	-	-	-	-	-	-
Contributions by employer	34.44	-	-	-	-	-	-	-
Contribution by employee	-	-	-	-	-	-	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-	-	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-
Closing value of plan assets	34.44	-	-	-	-	-	-	-
9(v) Composition of the plan assets								
Government of India Securities	0%	0%	0%	0%	0%	0%	0%	0%
State Government Securities	0%	0%	0%	0%	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%	0%	0%	0%	0%
Equity shares of listed companies	0%	0%	0%	0%	0%	0%	0%	0%
Property	0%	0%	0%	0%	0%	0%	0%	0%
Special Deposit Scheme	0%	0%	0%	0%	0%	0%	0%	0%
Policy of insurance	0%	0%	0%	0%	0%	0%	0%	0%
Bank Balance	0%	0%	0%	0%	0%	0%	0%	0%
Other Investments	0%	0%	0%	0%	0%	0%	0%	0%
Total	0%	0%	0%	0%	0%	0%	0%	0%

ELEC STEEL PROCESSING INDUSTRIES LIMITED								
NOTES FORMING PART OF ACCOUNTS								
9(vi) Reconciliation of net defined benefit liability								
Net opening provision in books of accounts	-	0.00	-	0.00	-	0.00	-	-
Transfer in/(out) obligation	85.57	(85.57)	-	-	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-	-	-	-	-
Employee Benefit Expense as per 21(ii)	-	-	-	30.80	-	22.58	-	60.81
Benefits paid by the Company	-	(2.85)	-	(10.44)	-	(8.76)	-	(6.55)
Contributions to plan assets	(34.44)	-	-	-	-	-	-	-
Closing provision in books of accounts	51.14	(88.43)	-	20.35	-	13.82	-	54.25
9(vii) Principle actuarial assumptions								
Discount Rate				7.25% p.a.		7.45% p.a.		7.25% p.a.
Expected Return on Plan Assets				Not Applicable		Not Applicable		Not Applicable
Salary Growth Rate				5% to 7% p.a.		7.00% p.a. Age 25 & Below : 4 % p.a. 25 to 35 : 4 % p.a. 35 to 45 : 4 % p.a. 45 to 55 : 4 % p.a. 55 & above : 4 % p.a.		7.00% p.a. Age 25 & Below : 4 % p.a. 25 to 35 : 4 % p.a. 35 to 45 : 4 % p.a. 45 to 55 : 4 % p.a. 55 & above : 4 % p.a.
Withdrawal Rates				1% to 3% Depending on Age				

ELEC STEEL PROCESSING INDUSTRIES LIMITED								
NOTES FORMING PART OF ACCOUNTS								
9(viii) Table of experience adjustments								
Defined Benefit Obligation	85.57	-	-	88.43	-	68.08	-	54.25
Plan Assets	(34.44)	-	-	-	-	-	-	-
Surplus/(Deficit)	(51.14)	-	-	(88.43)	-	(68.08)	-	(54.25)
Experience adjustments on plan liabilities	-	-	-	12.01	-	10.39	-	-
Actuarial loss/(gain) due to change in financial assumptions	-	-	-	3.18	-	(1.42)	-	-
Actuarial loss/ (gain) due to change in demographic assumption	-	-	-	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-	-	-	-
Net actuarial loss/ (gain) for the year	-	-	-	15.20	-	8.97	-	-
10. Expenditure towards corporate social responsibility (CSR) activities								
Particulars	For the period ended 30/09/2024		For the year ended 31/03/2024		For the year ended 31/03/2023		For the year ended 31/03/2022	
Gross amount required to be spent by the Company during the year	-		-		-		-	
Amount spent during the year on Construction or Acquisition of any Asset	-		-		-		-	
Amount spent during the year on purposes other than stated above	-		-		-		-	
Shortfall/(excess) spent at the end of the year	-		-		-		-	
Amount unspent during the year and deposited in a scheduled bank	-		-		-		-	
Reason of Shortfall	-		-		-		-	
Note: The CSR Responsibility u/s 135 (1) of the companies act 2013 It is applicable to the company for F.Y. 2024-25 and according the company has passed the policy vide board resolution dt.15.11.2024.								

ELEC STEEL PROCESSING INDUSTRIES LIMITED

NOTES FORMING PART OF ACCOUNTS

11. Earning per share:

Particulars	For the period ended 30/09/2024	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
Earnings attributable to equity shareholders (a)	931.11	497.44	650.08	192.63
Number of equity shares (Face value of Rs.10 each) outstanding as at the period end	80.00	80.00	80.00	80.00
Weighted Average Number of equity shares of equity shares (Face Value of Rs. 10 each) without bonus	160.00	160.00	160.00	160.00
Weighted Average Number of equity shares of equity shares (Face Value of Rs. 10 each) after considering bonus (b)	160.00	160.00	160.00	160.00
Basic Earning per share (a/b) in Rs. (Face value of Rs.10 each)	5.82	3.11	4.06	1.20
Earnings attributable to potential equity shares (c)	-	-	-	-
Earnings attributable to equity and potential equity shareholders (d=a+c)	931.11	497.44	650.08	192.63
Weighted average number of potential equity shares (e)	-	-	-	-
Weighted average equity shares for calculating diluted earning per share (f=b+e)	160.00	160.00	160.00	160.00
Diluted Earning per share (d/f) in Rs. (Face value of Rs.10 each)	5.82	3.11	4.06	1.20

Note: Weighted number of shares has been adjusted for 80,00,000 shares issued by way of bonus on 30/01/2025 for calculating Earning per share

ELEC STEEL PROCESSING INDUSTRIES LIMITED										
NOTES FORMING PART OF ACCOUNTS										
12. Disclosure of Ratios:										
	Particulars	Numerator	Denominator	01/04/2024 To 30/09/2024 (A)	F.Y. 2023-24 (B)	F.Y. 2022-23 (C)	F.Y. 2021-22 (D)	% of Change between (A & B)	% of Change between (B & C)	% of Change between (C & D)
a)	Current Ratio (In times)	Current Assets	Current Liabilities	1.15	1.19	1.59	1.51	-3%	-25%	5%
b)	Debt-Equity Ratio (In times)	Total Debt	Shareholders Equity	2.63	3.63	2.83	1.92	-28%	28%	48%
c)	Debt Service Coverage Ratio (In times)	Earning Available for Debt Service	Debt Service	7.72	1.30	11.20	3.00	496%	-88%	273%
d)	Return on Equity Ratio (In %)	Net Profit after tax- Preference Dividend	Average Shareholder's Equity	44.18%	35.70%	52.48%	16.92%	8%	-17%	36%
e)	Inventory Turnover Ratio (In times)	Cost of Goods Sold or Sales	Average of Inventory	2.63	7.16	6.99	4.38	-63%	2%	59%
f)	Trade Receivable Turnover Ratio (In times)	Total Sales	Average of Trade Receivables	4.19	7.06	8.49	5.77	-41%	-17%	47%
g)	Trade Payable Turnover Ratio (In times)	Total Purchases	Average of Trade Creditors	8.77	24.63	18.19	14.19	-64%	35%	28%
h)	Net Working Capital Turnover Ratio # (In times)	Net revenue from operations	Average Working Capital	11.09	13.56	10.30	6.01	-18%	32%	72%
i)	Net profit ratio (In %)	Net Profit after tax	Net Sales	8.76%	3.04%	4.39%	2.43%	6%	-1%	2%
j)	Return on Capital Employed (In %)	EBIT	Capital Employed	30.72%	23.62%	43.81%	20.64%	7%	-20%	23%
k)	Return on Investment (In %)	Income earned on investment	Current & non current investment	NA	NA	NA	NA	NA	NA	NA

Note:

Total Debt=Long term borrowiung + Short term borrowings(incl current maturities of long term borrowings)

Earning available for debt service=Earning before interest, tax,depreciation,amortisation,impirments and exceptional items like loss on sale of fixed asset

Debt service=Gross interest for the period + Principal repayments

Capital employed=Tangible networth-Total debt+Deferred tax liability

Reason:

- b) Improvement in net profit has resulted into positive changes in Debt Equity Ratio.
- c) Addition of debt for business expansion has resulted into increase in Debt Service Coverage Ratio.
- e) Improvement in turnover resulted into changes in Inventory Turnover Ratio.
- f) Due to increase in turnover and higher credit period provided to customer hence the Trade Receivable Ratio has decrease.
- g) Due to increase in purchase and higher credit period provided to company hence the Trade Payable Ratio has decrease.

FINANCIAL INDEBTNESS

Our Company has availed credit facilities in their ordinary course of business for meeting their working capital requirements and business requirements. Our Company, from time to time, has obtained unsecured loans from our directors, the details of which are shared below. For details regarding the borrowing powers of our Board, see “Our Management – Details of Borrowing Powers of Directors” on page 194.

The details of aggregate indebtedness of our Company and as on March 18, 2025 is provided below:

Category of borrowing Secured & Unsecured Loan	Date of Sanction	Sanctioned amount	Date of Disbursement	Outstanding as at March 18, 2025 (₹ in Lakhs)		Total (₹ in Lakhs)
		(₹ in lakhs)		Long term	Short term	
<u>SECURED LOANS</u>						
<u>I. Fund Based</u>						
Car Loan (06/2619) (A)	October 26, 2020	18.80	October 27, 2020	6.43	2.70	9.13
Car Loan (06/3989) (B)	April 27, 2022	14.82	April 27, 2022	4.60	2.94	7.55
Car Loan (06/4353) (C)	November 22, 2022	7.99	November 25, 2022	Nil	1.99	1.99
Car Loan (06/5263) (D)	March 02, 2024	19.50	March 04, 2024	12.81	3.53	16.34
Car Loan (06/5348) (E)	April 23, 2024	54.00	April 24, 2024	35.84	9.75	45.59
Term Loan (06/5034) (F)	October 25, 2023	1,444.00	October 26, 2023	1,111.81	199.20	1,311.01
Term Loan (06/5302) (G)	October 25, 2023	94.00	March 18, 2024	71.46	12.60	84.06
Term Loan (06/4552) (H)	March 10, 2023	215.00	April 21, 2023	96.53	43.08	139.61
BGECL 1.0 Extn. (06/3713) (I)	December 02, 2021	91.00	December 09, 2021	22.96	30.24	53.20
Cash Credit (Stock & Book Debts) (J)	-	3,000.00#	-	N.A.	2,851.60	2,851.60
ICICI Bank Term Loan (M)	May 04, 2024	384.90	June 05, 2024	359.80	14.85	374.65
<u>II. Non-Fund Based</u>						
Inland / Foreign LC (DP/DA - 150 days Usance) (K)	-	2,000.00	-	N.A.	913.38	913.38
Forward Contract Credit Exposure Limit (L)	-	75.00	-	Nil	Nil	Nil
<u>UNSECURED LOANS</u>						
<u>I. From Directors</u>						
Harshad Narbherambhai Bagadia	-	N.A.*	-	189.61	Nil	189.61
Parasbhai Harshadbhai Bagadia	-	N.A.*	-	14.00	Nil	14.00

The Cash Credit of Rs.3,000.00 lakhs includes Cash Credit of Rs. 2,500.00 lakhs and separate Adhoc Cash Credit Limit of Rs.500.00 lakhs for 2 months which is valid till March 29, 2025.

* Not applicable, since it's a non-sanctioned category of loan viz. taken from promoters of our Company and there are no terms & conditions relating to Interest, Repayment etc.

Key terms of borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

Tenor and interest rate:

Lender: Bank of Baroda Limited

- A. Type of loan: CAR Loan
Security: secured
Interest rates: 7.60%
Event of default: None
Loan tenure: 84 Months

- B. B. Type of loan: CAR Loan
Security: secured
Interest rates: 7.60%
Event of default: None
Loan tenure: 60 Months

- C. C. Type of loan: CAR Loan
Security: secured
Interest rates: 8.50%
Event of default: None
Loan tenure: 36 Months

- D. D. Type of loan: CAR Loan
Security: secured
Interest rates: 8.85%
Event of default: None
Loan tenure: 60 Months

- E. E. Type of loan: CAR Loan
Security: secured
Interest rates: 8.90%
Event of default: None
Loan tenure: 60 Months

- F. F. Type of loan: Term Loan I
Security: secured
Interest rates: 10.65%
Event of default: None
Loan tenure: 96 Months

- G. G. Type of loan: Term Loan II
Security: secured
Interest rates: 10.65%
Event of default: None
Loan tenure: 96 Months

- H. H. Type of loan: Term Loan III
Security: secured
Interest rates: 10.65%
Event of default: None
Loan tenure: 63 Months
- I. I. Type of loan: BGECL 1.0 Extn.
Security: secured
Interest rates: 9.25%
Event of default: None
Loan tenure: 12 Months subject to annual review.
- J. J. Type of loan: Cash Credit
Security: secured
Interest rates: 10.65%
Event of default: None
Loan tenure: 12 Months subject to annual review.
- K. K. Type of loan/Facility: Inland/Foreign LC (DP/DA – 150 days Usance)
Security: secured
Processing Charges: ₹ 300 per lacs or part thereof plus applicable taxes
Event of default: None
Loan tenure: 12 Months subject to annual review.
- L. L. Type of loan/Facility: Forward Contract Credit Exposure Limit
Security: secured
Processing Charges: ₹ 300 per lacs or part thereof plus applicable taxes
Event of default: None
Loan tenure: 12 Months subject to annual review.

Lender: ICICI Bank Limited

- A. M. Type of loan: ICICI Bank Term Loan
Security: secured
Interest rates: 9.50%
Event of default: None
Loan tenure: 168 Months

Summary of common key terms:

1. **Interest:** In terms of the facilities sanctioned to us, the interest rate shall be agreed with the lender at the time of disbursement. Additionally, the interest rate for secured term loan is based on the reference rate or change of the spread by the bank. Additionally, the interest rate for secured loans availed ranges between 7.60% to 10.65%. During the tenure of the loan the interest rate is subject to change at such intervals as may be permissible under the RBI and Bank guidelines/regulations from time to time.
2. **Tenor:** In terms of the tenure of the loan, the loan facilities availed by the company ranges from 12 months to 168 months.
3. **Security:** In terms of the borrowings availed by our Company where security needs to be created, security is created by registered mortgage of on following Immovable Property as mentioned below:

I. For Facilities other than Car Loans availed from The Bank of Baroda Limited

Common Securities under exclusive charge - As under:

Primary Securities

1. Exclusive charge by way of Hypothecation of stock & book debts and other current assets of the company (Both present & future)
2. Hypothecation of Plant & Machinery (Both present & future)
3. Cash Margin @ 10% LC limit of Rs. 10.50 crores and @ 15.00% for the enhanced limit of Rs. 9.50 crores (Rs. 2.48 crores for full utilization of limit)
4. Exclusive charge on proposed Factory Land and Building located at a piece of land within Proposed Aatmiya-11 Industrial Park located within Sub-Division A, B, C and D in Survey/Block No. 858/A, 988, 989, 990, 991 P, 1007, 1008 & 1009, Village Por, Tal. Vadodara

Collateral Securities

5. Exclusive charge by way of extension of Equitable Mortgage of Factory Land and Building situated at Plot No.96 GIDC, Por-Ramangamdi, belonging to the Firm M/s ELEC Steel Processing Industries (Lease Hold)
6. Exclusive charge by way of extension of Equitable Mortgage of Factory Land and Building situated at Plot No 763 Makarpura GIDC owned by Paras Trans Electric Stamping (Lease Hold).
7. Exclusive charge by way of extension of Equitable Mortgage of Factory Land and Building situated at Plot No 35 and 46 GIDC Por Ramangamdi, belong to the Firm M/s ELEC Steel Processing Industries (Lease Hold).
8. Exclusive charge by way of extension of Equitable Mortgage of residential property situated at Flat No.103, Chandrakala Towers, Opp: Bhavan's School, IG Marg, Vadodara 390004 in name of Mr. Harshad N Bagadia.

Note: BGECLS facility will be secured by NCGTC cover & 2nd charge on existing securities.

II. For Car Loans availed from The Bank of Baroda Limited

Hypothecation of Cars purchased out of their respective loans.

III. For the Loan availed from ICICI Bank Limited

Mortgage of showroom No.02 on GF & FF admeasuring 143.98 sq.mtr. (1550 Sq.Ft.) of Scherme known as "HYPE SHOT" situated in land bearing R S No.152, Makarpura, Tal. & Dist. Vadodara.

Guarantee:

I. For Loans availed from The Bank of Baroda Limited

All the facilities (except BGECLS facility) are further secured by the personal guarantee of:-

- a. Mr. Harshad Narbherambhai Bagadia
- b. Mr. Parasbhai Harshadbhai Bagadia
- c. Mrs. Pravinaben Dilipbhai Bagadia
- d. Mr. Dhyanesh Bagadia
- e. M/s Paras Trans Elec Stampings (Net worth included in net worth of partners)

II. For the Loan availed from ICICI Bank Limited: None

Covenants:

These terms are with respect to the Bank of Baroda Limited:

- The Company to give an undertaking that they will not raise any fresh loan, business loans, vehicle loans etc. from any bank/NBFCs etc. without getting NOC from the branch (other than existing lenders).
- The bank reserves the right to recall and to discontinue the credit facilities / advance / loans and/or to withhold / stop any disbursement/s without assigning any reasons / giving any notice,
- In case of non-compliance / breach of any of the terms & conditions stipulated therein and from time to time
- In the relevant document or any information / particulars furnished to us found to have incorrect
- In case of any development or situations wherein, in the opinion of the Bank, its interest will be/is likely to be prejudicially affected by such continuation or disbursement.
- The advance made available under the above mentioned facilities are repayable on demand and the terms & condition of these facilities granted , at the discretion of the Bank, are subject to change from time to time without any prior notice.
- The Bank reserves the right to withdraw, modify or amend the terms & conditions of advance and Bank would not bound to disburse full amount of advance in the event of any failure on the part of the Firm/Company in satisfying any of the stipulated terms & conditions.
- Share capital and other unsecured loans/deposits to be maintained as estimated/projected as per present review dated and the existing deposits as per ABS 2022 taken by the Company shall not be withdrawn at any point of time. In case, if the Company needs to refund the said deposits under contractual obligations the same will be allowed after prior permission/NOC from the Bank. Profit will be plough back fully, required NWC will be maintained or else bring additional long-term fund in case of shortage in NWC.

The Company to undertake that during the currency of our advance, they:

- Deal exclusively with us, rout all their transactions through their Cash Credit account and should undertake not to avail credit facilities from any other bank/institution without our prior concurrence, will

not open any Current Account with other Bank/s without permission of the Bank in writings and close the Current Account/s maintained with other bank/s & furnish account closure certificate/s to the Branch.

- Maintain Interest Free/Interest bearing Unsecured Loans from prop/partners/ director/relatives/family members, as estimated/projected. Subordinate Unsecured Loans to the Bank's borrowings.
- Company to ensure that Interest on unsecured loan from friends / relatives not to be paid more than the interest charged by the Bank.
- Maintain requisite margin for Working Capital & short-term funds not to be diverted for long term uses
- Retain entire Net Profit after Tax, as estimated/projected.
- Bring additional long-term funds to meet with the repayment obligations of the Bank in time, if there is negative cash profit or positive cash profit is not adequate to service repayment obligations of the Bank.
- Bring additional long-term funds to meet with estimated/projected Net Working Capital, in case estimated/projected net profit is not achieved.
- Margin stipulation for working capital limits are Invariably adhered to. In case of any shortfall in Net Working Capital (as compared to projections)/ contingency, the firm/company should arrange additional
- Infuse Capital at minimum level, as estimated/projected.
- Maintain Current Ratio at minimum level as estimated/ projected.
- Maintain Debt Equity Ratio (TOL/TNW) at maximum level as estimated/projected.

The Company are to undertake that during the currency of our advance, they will not, without the permission of the Bank in writing:

- Implement any scheme of Expansion/Modernization/Diversification, except which are approved by our Bank.
- Formulate any scheme of Merger/Acquisition/Amalgamation/Reconstitution.
- Any Change in the management set-up/capital structure of the firm/firm/company.
- Undertake guarantee obligation on behalf of any other borrower, Group firm/Companies.
- Enter in to borrowing either secured or unsecured with any other Bank / Financial institution/corporate body.
- Invest/deposit / lend funds to group firm/company & companies / directors / family members / other corporate bodies/firm/companies / persons.
- Create any further charge, lien or encumbrances over the assets charged to the Bank in favour of any other Bank, Financial institution, NBFC, firm/company or person or otherwise dispose off any of the fixed assets.
- Extend finance to associate concerns during the currency of the Bank's advance without the bank's prior written consent. If any,
- Pay commission / brokerage/fees etc. to Guarantor/or any other person for guaranteeing the facilities sanctioned to the firm/company.
- Declare dividends for any year, except out of the profits related to that year, after paying all due and making provisions as required for that year, provided there is no default in repayment obligation by the firm/company.

- Allow the level of net working Capital to come down from the estimated/projected level
- They will not carry out any speculation business. Further, Branch to ensure that Fund is not diverted to any other purpose.
- Company/Promoters is not to pledge / transfer their share to other banks/FT's/any individual or legal entity without prior permission of bank.

OTHER FINANCIAL INFORMATION

(₹ in lakhs)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Restated PAT as per P& L Account (A)	931.11	497.44	650.08	192.63
EBITDA	1432.90	913.41	1085.16	491.35
EBITDA Margin (%)	13.48%	5.59%	7.33%	6.19%
Net Worth as Restated (B)	2,573.15	1,642.04	1,144.60	1,332.72
Return on Net worth (%) as Restated (A/B)	36.19%	30.29%	56.80%	14.45%
Equity Share at the end of year/period (in Nos.) (C)	80,00,000	80,00,000	80,00,000	80,00,000
Weighted No. of Equity Shares (in Nos.) (D)	80,00,000	80,00,000	80,00,000	80,00,000
Weighted No. of Equity Shares Considering Bonus (E) (Post Bonus after restated period with retrospective effect)	1,60,00,000	1,60,00,000	1,60,00,000	1,60,00,000
Basic & Diluted Earnings per Equity Share as Restated (A/D)	11.64	6.22	8.13	2.41
Basic & Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/E)	5.82	3.11	4.06	1.20
Net Asset Value per Equity share as Restated (B/C)	32.16	20.53	14.31	16.66
Net Asset Value per Equity share as Restated after considering Bonus with retrospective effect (B/E)	16.08	10.26	7.15	8.33

Note: -

- 1) *EBITDA Margin = EBITDA/Total Revenues.*
- 2) *Net worth= Paid up share capital plus reserves and surplus less miscellaneous expenditure to the extent not written off.*
- 3) *Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year.*
- 4) *Return on Net worth (%) = Restated Profit after taxation / Net worth x 100.*
- 5) *Net asset value/Book value per share (₹) = Net worth / No. of equity shares*
- 6) *The Company does not have any revaluation reserves or extra-ordinary items.*
- 7) *Company has allotted 80,00,000 Bonus Equity Shares of Rs.10 each on January 30,2025, in the ratio of 1:1.*
- 8) *i.e. for every equity share, one bonus share was issued.*

As per Accounting Standard 20 (AS - 20), in case of a bonus issue or a share split, equity shares are issued to existing shareholders for no additional consideration and therefore, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

CAPITALISATION STATEMENT

The following table sets forth our capitalization derived from our Restated Financial Statements as at September 30, 2024, and as adjusted for the Offer. This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Restated Financial Information” and “Risk Factors” on pages 279, 216, and 33, respectively of this Draft Red Herring Prospectus.

(₹ in Lakhs)		
Particulars	Pre-Offer 30.09.2024	Post Offer*
Debt		
Long Term Debt	2418.40	[●]
Short term Debt	4348.48	[●]
Total Debt (A)	6,766.88	[●]
Equity Shareholders Funds		
Share Capital	800.00	[●]
Reserves and Surplus	1,773.15	[●]
Less: Misc. Expenditure	-	[●]
Total Equity (B)	2,573.15	[●]
Ratio: Long Term Debt/Equity	0.94	[●]
Ratio: Total Debt/Equity	2.63	[●]
*Assuming Full Allotment of IPO shares		

Notes: Company has increased authorized capital of the Company from Rs. 800 Lakh divided into 80 Lakhs Equity Shares of Rs. 10 each to Rs. 2,500 Lakhs divided into 250 Lakhs Equity Shares of Rs. 10 Each in the extra-ordinary General Meeting of Shareholders of the company held on 16th November, 2024. Company has allotted 80,00,000 Bonus Equity Shares of Rs. 10 each on January 30, 2025 in the ratio of 1:1 i.e. for every equity share, 1 bonus share was issued.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to “Note No. 24(6) of Restated Financial Statements” beginning on page 216 under the section titled, “Financial Statements” of this Draft Red Herring Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended on September 30, 2024, and for the financial year ended on March 31, 2024, March 31, 2023, March 31, 2022. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 33 of this Draft Red Herring Prospectus, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Elec Steel Processing Industries Limited (erstwhile "Elec Steel Processing Industries Private Limited"), our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for Financial Year ended on March 31, 2022, March 31, 2023, March 31, 2024, and for the period ended on September 30, 2024 included in this Draft Red Herring Prospectus beginning on page 216.

BUSINESS OVERVIEW

Our company is engaged in the business of manufacturing electrical steel products like Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils using Cold Rolled Grain Oriented ("CRGO") and Cold Rolled Non-Grain Oriented ("CRNGO") steel. We cater to domestic and international markets. These products serve as essential transformer components that enhance transformer efficiency by reducing energy losses through low hysteresis and eddy currents. They ensure optimal performance in various transformers used for power transmission and distribution. We provide customised solutions to our clients based on their specific design requirements for transformers. Over the past three decades, we have continuously improved our processes to deliver quality components that support efficient transformer performance.

Our Company was originally established as a partnership firm, "M/s Elec Steel Processing Industries", on April 1, 1994, by Harshad Narbherambhai Bagadia, Kirit Narbherambhai Bagadia, and Jagruti Jaykant Bagadia. It was later converted into a private limited company, "Elec Steel Processing Industries Private Limited", on August 8, 2022, in accordance with the Companies Act, 2013, and registered with the Registrar of Companies, Central Registration Centre. Subsequently, the Company was later converted into a public limited entity, and its name was changed to "Elec Steel Processing Industries Limited", pursuant to a Special Resolution passed at the Extra Ordinary General Meeting on November 16, 2024. A fresh Certificate of Incorporation was issued on December 30, 2024, by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number ("CIN") of the Company is U31100GJ2022PLC134606.

Our business operates on a B2B model, supplying customised transformer laminations, toroidal cores and assembled cores to transformer manufacturers and power equipment companies. We source our raw materials viz. CRGO and CRNGO steel as per design requirements, process it into transformer laminations, assemble cores and toroidal cores based on client specifications. The manufacturing process involves cutting, annealing, assembling and testing to optimise electrical performance and reduce energy losses. We work closely with clients to customise designs that meet technical and regulatory requirements for different types of transformers. Factors like functional stability, durability, and efficiency are carefully considered during design and manufacturing to meet industry standards and performance expectations.

Our manufacturing units are equipped with in-house facilities for slitting, cutting, assembling, and testing CRGO and CRNGO electrical steel products. We have quality testing equipment for raw materials and finished goods to ensure compliance with recognized international and Indian quality standards. Operating from our facilities in Por, Vadodara, Gujarat, we cater to transformer manufacturers for products up to the 400 kV class, utilising 77.42% of our installed capacity as of September 30, 2024. Our production setup includes machinery such as slitting machines, annealing furnaces, power presses, Computer Numerical Control ("CNC") cut-to-length lines and quality testing equipment for testing material properties and energy losses. With a combined installed manufacturing capacity of 19,650 MT, we produce various transformer components as per designs and dimensions given by our clients.

Our company is guided by the leadership of our promoters, Harshad Narbherambhai Bagadia, Parasbhai Harshadbhai Bagadia, and Dhyanesh Bagadia, who serve as Whole Time Director, Managing Director, and Non-Executive Director respectively. They have combined experience of over five decades in the transformer components industry, bringing extensive knowledge, technical expertise, and a deep understanding of industry standards and evolving market demands. They are responsible for shaping the company's strategic direction and business plans. Their extensive experience not only gives us a competitive edge in driving product improvement but also strengthens our ability to make sound decisions in challenging industrial environments. Their expertise in precision manufacturing has contributed to a structured production setup and skilled workforce. Under their leadership, the company has advanced its capabilities in assembled core and transformer laminations manufacturing, reinforcing long-term growth and industry relevance.

Financial information of our company:

Sr No.	Metric	As of and for the period ended September 30, 2024*	As of and for the Fiscal		
			2024	2023	2022
1	Revenue From operations (₹ in Lakhs)	10,627.17	16,350.07	14,805.72	7,935.16
2	Total Income (₹ in Lakhs)	10,698.34	16,472.63	14,906.14	7,961.61
3	Operating EBITDA (₹ in Lakhs)	1,432.90	913.41	1,085.16	491.35
4	Operating EBITDA Margin (%)	13.48%	5.59%	7.33%	6.19%
5	Profit After Tax (₹ in Lakhs)	931.11	497.44	650.08	192.63
6	PAT Margin (%)	8.76%	3.04%	4.39%	2.43%
7	Return on Equity (ROE) (%)	44.18%	35.70%	52.48%	16.92%
8	Return on Capital Employed (ROCE) (%)	30.72%	23.62%	43.81%	20.64%
9	Debt to Equity Ratio	2.63	3.63	2.83	1.92
10	Current Ratio	1.15	1.19	1.59	1.51
11	Net Capital Turnover Ratio	11.09	13.56	10.30	6.01

*Not annualised

Notes:

- As certified by M/s. Lalpuria Shah & Associates, Chartered Accountants, Chartered Accountants pursuant to their certificate dated March 19, 2025. The Audit committee in its resolution dated March 17, 2025 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Operating EBITDA refers to earnings before interest, taxes, depreciation, amortization less other income.
- Operating EBITDA Margin refers to Operating EBITDA during a given period as a percentage of revenue from operations during that period.
- PAT Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the Average total equity and is expressed as a percentage.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as Total Equity plus Non-current liabilities less Intangible Assets.
- Debt to Equity ratio is calculated by dividing the total debt by total equity.
- 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 current assets by current liabilities.
- Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by average working capital (i.e., current assets less current liabilities).

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of September 30, 2024 as disclosed in this Draft Red Herring Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company's future results of operations could be affected potentially by the following factors:

1. General economic conditions in India, changes in laws and regulations.
2. Changes in revenue mix, including geographic mix of our revenues.
3. Changes in Fiscal, Economic or Political conditions in India.
4. Increased market fragmentation.
5. Availability of raw materials and lack of long-term agreements with suppliers.
6. Dependency on few key customers and lack of long-term agreements with customers.
7. Technology System and Infrastructure Risks.
8. Changes in import-export policies.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, "Annexure IV" beginning under Chapter titled "*Financial Information of our Company*" beginning on page 216 of the Draft Red Herring Prospectus.

RESULTS OF KEY OPERATIONS

The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended on September 30, 2024, and financial years ended March 31, 2024, 2023 and 2022 the components of which are also expressed as a percentage of total revenue for such period and financial years.

(₹ in lakhs)

Particulars	For the period ended on		For the year ended on					
	September 30, 2024	% of Total Income	March 31, 2024	% of Total Income	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income
Revenue from operation	10,627.17	99.33%	16,350.07	99.26%	14,805.72	99.33%	7,935.16	99.67%
Other income	71.17	0.67%	122.56	0.74%	100.42	0.67%	26.45	0.33%
Total Revenue	10,698.34	100.00%	16,472.63	100.00%	14,906.14	100.00%	7,961.61	100.00%
Cost of raw material consumed	8,369.82	78.23%	13,559.71	82.32%	12,235.11	82.08%	6,438.16	80.87%
Employee benefit expenses	355.99	3.33%	910.62	5.53%	593.83	3.98%	465.05	5.84%
Finance cost	206.80	1.93%	368.49	2.24%	265.53	1.78%	191.02	2.40%
Depreciation & amortization expense	71.12	0.66%	126.02	0.77%	56.81	0.38%	64.85	0.81%
Other expenses	430.53	4.02%	842.05	5.11%	817.92	5.49%	497.31	6.25%
Total Expenses	9,434.26	88.18%	15,806.90	95.96%	13,969.20	93.71%	7,656.40	96.17%
Profit Before Tax	1,264.08	11.82%	665.73	4.04%	936.95	6.29%	305.22	3.83%
Tax Expenses	332.97	3.11%	168.30	1.02%	286.87	1.92%	112.58	1.41%
Profit (Loss) for the Year	931.11	8.70%	497.44	3.02%	650.08	4.36%	192.63	2.42%

Review of Restated Financials

Revenue from Operations: Revenue from operations consists of sale of products and other operating income during the six-month period ended September 30, 2024, and the Fiscals 2024, 2023 and 2022 have been provided below:

Particulars	Six-month period ended		Fiscal					
	September 30, 2024		2024		2023		2022	
	Revenue earned in (₹ in lakhs)	% of total revenue from operations	Revenue earned in (₹ in lakhs)	% of total revenue from operations	Revenue earned in (₹ in lakhs)	% of total revenue from operations	Revenue earned in (₹ in lakhs)	% of total revenue from operations
Sale of products	10,429.31	98.14%	15,985.02	97.77%	14,393.28	97.21%	7,714.08	97.21%
Other operating income								
Sale of scrap	101.85	0.96%	154.81	0.95%	266.43	1.80%	112.88	1.42%
Sale of services	96.01	0.90%	210.25	1.29%	146.01	0.99%	108.20	1.36%
Total	10,627.17	100.00%	16,350.07	100.00%	14,805.72	100.00%	7,935.16	100.00%

Other Income: Other income includes Interest income, Foreign Exchange Rate Difference, MDA Scheme Subsidy and Other Miscellaneous Income.

Total Income: Our total income comprises revenue from operations and other income.

Total Expenses: Company's total expenses consist of Cost of raw material consumed, Employee benefit expenses, Finance cost, Depreciation and amortization expense, and other expenses.

Cost of material consumed: Cost of material consumed includes Cost of raw materials consumed, consumable goods, Freight expenses and Packing Material expenses.

Employee Benefits Expense: Employee benefit expense includes Salary and Wages, Director's Remuneration, Gratuity, contribution to Provident and other funds, Staff welfare and other expenses.

Finance Cost: Finance cost includes Interest expense and Bank Commission & Charges.

Other expenses: Other expenses mainly consist of Import and Export Expenses, Transportation charges, Discount, Power & Fuel Expenses, etc.

REVIEW OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2024:

Revenue from Operations

The Company's revenue from operations for the period ended September 30, 2024, amounted to ₹ 10,627.17 lakhs, accounting for 99.33% of the total revenue. It consists of Revenue from sale of products, and other operating income. Revenue from sale of products comprises Domestic sales worth ₹ 8,981.71 lakhs and Export sales worth ₹ 1,447.60 lakhs, totalling to 98.14% of the revenue from operations. Other operating income consists of Sale of scrap worth ₹ 101.85 lakhs and Sale of services worth ₹ 96.01 lakhs, totalling to 1.86% of the revenue from operations.

Other Income

Other Income for the period ended September 30, 2024, amounted to ₹ 71.17 lakhs constituting 0.67% of the total revenue of which Foreign Exchange Rate Difference of ₹ 55.08 lakhs, Other Miscellaneous Income of ₹ 7.07 lakhs and Interest Received of ₹ 9.01 lakhs.

Cost of material consumed

Cost of material consumed was ₹ 8,369.82 lakhs during the period ended September 30, 2024. As a percentage of total income, expenses relating to Cost of material consumed were 78.23% for the period ended September 30, 2024 as compared to the 82.32% on 31st March, 2024. Our Cost of material consumed during the period consisted of Cost of raw materials consumed worth ₹ 8,147.67 lakhs, consumable goods worth ₹ 160.73 lakhs, Freight expenses worth ₹ 19.39 lakhs and Packing Material expenses worth 42.02 lakhs. The decrease in the percentage consumption is attributable to bulk purchases driven by increased customer demand.

Employee Benefits Expenses

The costs associated with employee benefits for the period that concluded on September 30, 2024, totalled ₹ 355.99 lakhs, making up 3.33% of the total income as compared to 5.53% as on March 31, 2024. These employee benefits expenses primarily included Director remuneration amounting to ₹ 85.01 lakhs, and Salaries and wages to staff amounting to ₹ 252.33 lakhs. The decrease in the percentage of employee benefit expenses is attributable to lower director remuneration in the current period.

Finance Costs

The financial expenses for the period that concluded on September 30, 2024, totalled ₹ 206.80 lakhs, accounting for 1.93% of the total income. These expenses primarily consisted of Interest to financial institutions of ₹ 168.87 lakhs and Bank commission & charges of ₹ 37.93 lakhs.

Depreciation and amortization expenses

Depreciation and amortization expenses for the period ended September 30, 2024, amounted to ₹ 71.12 lakhs constituting 0.66% of total income.

Other Expenses

Other expenses for the period ended September 30, 2024, amounted to ₹ 430.53 lakhs constituting 4.02% of total income which primarily comprised of Import and Export expenses of ₹ 120.64 lakhs, Transportation charges of ₹ 88.48 lakhs, Travelling expenses of ₹ 21.01 lakhs and Exhibition Expenses of ₹ 49.63 lakhs.

Tax Expenses

Tax expenses for the period ended September 30, 2024, were ₹ 332.97 lakhs. Tax expenses were 3.11% of total income.

Profit after Tax (PAT)

Profit after tax for the period ended September 30, 2024, amounted to ₹ 931.11 lakhs constituting 8.70% of total income as compared to 3.02% in the previous financial year.

Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation

The increase in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of:

- Lower employee benefit expenses due to decrease in Director remuneration.
- Lower cost of raw material consumed due to bulk purchases.

COMPARISON OF F.Y. 2024 WITH F.Y. 2023:***Revenue from Operations***

The Company's revenue from operations in the financial year 2023-24 is ₹ 16,350.07 lakhs, comprising of ₹ 11,380.49 lakhs from domestic sale of products and ₹ 4,604.53 lakhs from export sales, and other operating income of ₹ 154.81 lakhs from sale of scrap and ₹ 210.25 lakhs from sale of services. This represents ₹ 1,544.35 lakhs or 10.43% increase compared to the previous financial year's revenue from operations of ₹ 14,805.72 lakhs. The rise in revenue compared to the previous financial year can be attributable to favourable market demand resulting in increased sales to customers:

- Sale of Transformer laminations in the financial year 2023-24 increased by ₹ 2,297.21 lakhs or 20.69% as compared to financial year 2022-23.
- Sale of Assembled cores in the financial year 2023-24 increased by ₹ 27.11 lakhs or 1.50% as compared to financial year 2022-23.

Other Income

Other Income in the financial year 2023-24 increased by ₹ 22.13 lakhs or 22.04%, reaching ₹ 122.56 lakhs in comparison to the ₹ 100.42 lakhs incurred in the Financial Year 2022-23. This increase was primarily due to increase in Interest income of ₹ 7.88 lakhs and increase in Foreign Exchange Rate Difference of ₹ 14.25 lakhs.

Cost of material consumed

Cost of material consumed for the financial year 2023-24 amounted to ₹ 13,559.71 lakhs constituting 82.32% of total income. Our Cost of material consumed during the period consisted of Cost of raw materials consumed worth

₹ 13,086.09 lakhs, consumable goods worth ₹ 377.10 lakhs, Freight expenses worth ₹ 11.92 lakhs and Packing Material expenses worth ₹ 84.59 lakhs.

Employee Benefits Expenses

Employee benefit expenses in the Financial Year 2023-24 increased by 53.35%, reaching ₹ 910.62 lakhs in comparison to the ₹ 593.83 lakhs incurred in the Financial Year 2022-23. This rise in employee expenses primarily stemmed from increases in Director remuneration which went up by ₹ 202.01 lakhs, and Salary and wages to staff which went up by ₹ 102.25 lakhs.

Finance Costs

Finance Costs in the Financial Year 2023-24 increased by 38.78%, reaching ₹ 368.49 lakhs in comparison to the ₹ 265.53 lakhs incurred in the Financial Year 2022-23. This rise in finance costs primarily stemmed from increases in Interest to financial institutions which went up by ₹ 52.40 lakhs and Bank charges/commission which went up by ₹ 50.57 lakhs.

Depreciation and amortization expenses

Depreciation and amortization in the Financial Year 2023-24 increased by 121.82%, reaching ₹ 126.02 lakhs in comparison to the ₹ 56.81 lakhs incurred in the Financial Year 2022-23. The increase in depreciation was primarily due to addition in assets.

Other Expenses

Other expenses in the Financial Year 2023-24 increased by 2.95%, reaching ₹ 842.05 lakhs in comparison to the ₹ 817.92 lakhs incurred in the Financial Year 2022-23. This increase in other expenses was primarily attributed to several factors, including ₹ 70.34 lakhs increase in Transportation charges, ₹ 53.64 lakhs increase in import expenses, ₹ 82.57 lakhs decrease in export expenses, ₹ 61.01 lakhs decrease in contractual for lamination business expenses and ₹ 50.18 lakhs increase in discount charges.

Tax Expenses

Tax expenses decreased by 41.33%, reaching a total of ₹ 168.30 lakhs in the financial year 2023-24, in contrast to the ₹ 286.87 lakhs in the financial year 2022-23.

Profit after Tax (PAT)

Due to the aforementioned factors, the profit experienced a downswing, primarily driven by the disproportionate increase in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2023-24 reached ₹ 497.44 lakhs, marking a notable decrease from ₹ 650.08 lakhs in the financial year 2022-23. In the financial year 2023-24, PAT constituted 3.02% of the total revenue, in contrast to 4.36% in the fiscal year 2022-23.

Rationale for decrease in Profit after Tax (PAT) compared to Revenue from Operation

The decrease in Profit after Tax (PAT) compared to Revenue from operation is primarily attributable to increase in depreciation on account of addition to fixed assets, increase in finance cost, and increase in directors' remuneration.

COMPARISON OF F.Y. 2023 WITH F.Y. 2022:

Revenue from Operations

The Company's revenue from operations in the financial year 2022-23 is ₹ 14,805.72 lakhs, comprising of ₹ 9,857.91 lakhs from domestic sale of products and ₹ 4,535.37 lakhs from export sales, and other operating income of ₹ 266.43 lakhs from sale of scrap and ₹ 146.01 lakhs from sale of services. This represents ₹ 6,870.56 lakhs or 86.58% increase compared to the previous financial year's revenue from operations of ₹ 7,935.16 lakhs. This significant rise in revenue as compared to previous financial year is attributable to increase in production capacity and thus business operations:

- Sale of Transformer laminations in the financial year 2022-23 increased by ₹ 5,516.69 lakhs or 98.76% as compared to financial year 2021-22.
- Sale of Toroidal cores in the financial year 2022-23 increased by ₹ 43.43 lakhs or 10.55% as compared to financial year 2021-22.
- Sale of Assembled cores in the financial year 2022-23 increased by ₹ 732.67 lakhs or 68.28% as compared to financial year 2021-22.

- Sale of Slit coils in the financial year 2022-23 increased by ₹ 386.40 lakhs or 60.07% as compared to financial year 2021-22.

Other Income

Other Income in the financial year 2022-23 increased by ₹ 73.97 lakhs or 279.66%, reaching ₹ 100.42 lakhs in comparison to the ₹ 26.45 lakhs incurred in the Financial Year 2021-22. This increase was primarily due to increase in Foreign Exchange Rate Difference of ₹ 74.35 lakhs.

Cost of material consumed

Cost of material consumed for the financial year 2022-23 amounted to ₹ 12,235.11 lakhs constituting 82.08% of total income. Our Cost of material consumed during the period consisted of Cost of raw materials consumed worth ₹ 11,513.12 lakhs, consumable goods worth ₹ 641.65 lakhs, Freight expenses worth ₹ 24.86 lakhs and Packing Material expenses worth ₹ 55.48 lakhs.

Employee Benefits Expenses

Employee benefit expenses in the Financial Year 2022-23 increased by 27.69%, reaching ₹ 593.83 lakhs in comparison to the ₹ 465.05 lakhs incurred in the Financial Year 2021-22. This increase in employee expenses primarily stemmed from increase in Salaries and wages to staff which went up by ₹ 102.48 lakhs.

Finance Costs

Finance Costs in the Financial Year 2022-23 increased by 39.01%, reaching ₹ 265.53 lakhs in comparison to the ₹ 191.02 lakhs incurred in the Financial Year 2021-22. This rise in finance costs primarily stemmed from increases in Interest to financial institutions which went up by ₹ 44.09 lakhs and bank commission and charges which went up by ₹ 30.42 lakhs.

Depreciation and amortization expenses

Depreciation and amortization in the Financial Year 2022-23 decreased by 12.40%, reaching ₹ 56.81 lakhs in comparison to the ₹ 64.85 lakhs incurred in the Financial Year 2021-22. The decrease in depreciation was primarily due to deletion in assets and reduced WDV base for depreciation and amortization.

Other Expenses

Other expenses in the Financial Year 2022-23 increased by 64.47%, reaching ₹ 817.92 lakhs in comparison to the ₹ 497.31 lakhs incurred in the Financial Year 2021-22. This increase in other expenses was primarily attributed to several factors, including ₹ 37.92 lakhs increase in Transportation charges, ₹ 28.28 lakhs increase in import expenses, ₹ 97.66 lakhs increase in export expenses, ₹ 65.44 lakhs increase in contractual for lamination business expenses and ₹ 19.20 lakhs increase in exhibition expenses.

Tax Expenses

Tax expenses increased by 154.81%, reaching a total of ₹ 286.87 lakhs in the financial year 2022-23, in contrast to the ₹ 112.58 lakhs in the financial year 2021-22.

Profit after Tax (PAT)

The Profit After Tax (PAT) for the financial year 2022-23 reached ₹ 650.08 lakhs, marking a notable increase from ₹ 192.63 lakhs in the financial year 2021-22. In the financial year 2022-23, PAT constituted 4.36% of the total revenue, in contrast to 2.42% in the fiscal year 2021-22.

Rationale for increase in Profit after Tax (PAT) compared to Revenue from Operation

The increase in Profit after Tax (PAT) compared to Revenue from operation is mainly on account of increase in revenue from operations (business operations) by 86.58% and other income by 279.66% with a much less-than proportionate increase in expenses such as Employee benefit expenses –increased by 27.69%, Finance cost – increased by 39%, Depreciation – decreased by 12.40%, and Other expenses – increased by 64.47%.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the period ended September 30, 2024 and for the financial years ended on 2024, 2023, and 2022:

Particulars	For the period ended September 30, 2024	FY 2024	FY 2023	FY 2022
Net cash (used in)/ Generated from operating activities	166.77	(357.06)	514.46	(101.67)
Net cash (used in)/ Generated from investing activities	(687.41)	(2,083.14)	(204.11)	(163.49)
Net cash (used in)/ Generated from finance activities	630.63	2,479.50	(346.73)	248.81
Net increase/ (decrease) in cash and cash equivalents	109.99	39.30	(36.38)	(16.35)
Cash and Cash Equivalents at the beginning of the period	166.04	126.74	162.73	179.08
Unrealised Foreign Exchange on Cash & Cash Equivalent	0.12	-	0.39	-
Cash and Cash Equivalents at the end of period	276.15	166.04	126.74	162.73

Cash Flow from/ (used in) Operating Activities

Net cash generated from operating activities for the period ended September 30, 2024, was ₹ 166.77 lakhs and our profit before tax that period was ₹ 1264.08 lakhs. The difference was primarily attributable to depreciation of ₹ 71.12 lakhs, Unrealised foreign exchange loss of ₹ 20.88 lakhs, Interest paid of ₹ 168.87 lakhs, Loss on sale of fixed assets of ₹ 0.82 lakhs, and thereafter change in working capital of ₹ (1,026.03) lakhs respectively, resulting in gross cash generated from operations of ₹ 499.74 lakhs. We have income tax paid of ₹ 332.97 lakhs.

Net cash used in operating activities in the Fiscal 2024 was ₹ (357.06) lakhs and our profit before tax that period was ₹ 665.73 lakhs. The difference was primarily attributable to depreciation of ₹ 126.02 lakhs, Unrealised foreign exchange loss of ₹ 8.75 lakhs, Interest paid of ₹ 244.22 lakhs and thereafter change in working capital of ₹ (1,233.48) lakhs respectively, resulting in gross cash used in operations of ₹ 188.76 lakhs. We have income tax paid of ₹ 168.30 lakhs.

Net cash generated from operating activities in the Fiscal 2023 was ₹ 514.46 lakhs and our profit before tax that period was ₹ 936.95 lakhs. The difference was primarily attributable to depreciation of ₹ 56.81 lakhs, Unrealised foreign exchange loss of ₹ 9.12 lakhs, Interest paid of ₹ 191.82 lakhs, Loss on discarding of fixed assets of ₹ 0.42 lakhs and thereafter change in working capital of ₹ (393.79) lakhs respectively, resulting in gross cash generated from operations of ₹ 801.33 lakhs. We have income tax paid of ₹ 286.87 lakhs.

Net cash used in operating activities in the Fiscal 2022 was ₹ (101.67) lakhs and our profit before tax that period was ₹ 305.22 lakhs. The difference was primarily attributable to depreciation of ₹ 64.85 lakhs, Unrealised foreign exchange loss of ₹ 5.14 lakhs, Interest paid of ₹ 147.73 lakhs and thereafter change in working capital of ₹ (512.03) lakhs respectively, resulting in gross cash generated from operations of ₹ 10.91 lakhs. We have income tax paid of ₹ 112.58 lakhs.

Cash Flow from/ (used in) Investing Activities

For the period ended September 30, 2024, our net cash used in investing activities was ₹ (687.41) lakhs, which was for Purchase/Sale of Property, Plant and Equipment during the said period.

In the Fiscal 2024, our net cash used in investing activities was ₹ (2,083.14) lakhs, which was for Purchase/Sale of Property, Plant and Equipment during the said period.

In the Fiscal 2023, our net cash used in investing activities was ₹ (204.11) lakhs, which was for Purchase/Sale of Property, Plant and Equipment during the said period.

In the Fiscal 2022, our net cash used in investing activities was ₹ (163.49) lakhs, which was for Purchase/Sale of Property, Plant and Equipment during the said period.

Cash Flow from/ (used in) Financing Activities

For the period ended September 30, 2024, our net cash generated from financing activities was ₹ 630.63 lakhs. This was primarily due to Increase/(Decrease) in short term borrowings of ₹ 837.76 lakhs, Increase/(Decrease) in long term borrowings of ₹ (38.26) lakhs and Interest Paid of ₹ (168.87) lakhs.

In the Fiscal 2024, our net cash generated from financing activities was ₹ 2,479.50 lakhs. This was primarily due to Increase/(Decrease) in short term borrowings of ₹ 1,960.26 lakhs, Increase/(Decrease) in long term borrowings of ₹ 763.46 lakhs and Interest Paid of ₹ (244.22) lakhs.

In the Fiscal 2023, our net cash used in financing activities was ₹ (346.73) lakhs. This was primarily due to Increase/(Decrease) in short term borrowings of ₹ 124.44 lakhs, Increase/(Decrease) in long term borrowings of ₹ 558.85 lakhs, Increase/(Decrease) in the capital due to partners' capital withdrawal upon conversion from partnership firm into private limited company of ₹ (838.20) lakhs, and Interest Paid of ₹ (191.82) lakhs.

In the Fiscal 2022, our net cash generated from financing activities was ₹ 248.81 lakhs. This was primarily due to Increase/(Decrease) in short term borrowings of ₹ 52.74 lakhs, Increase/(Decrease) in long term borrowings of ₹ 147.54 lakhs, Increase/(Decrease) in the partners' capital (erstwhile partnership firm) of ₹ 196.26 lakhs, and Interest Paid of ₹ (147.73) lakhs.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years and for the period ended September 30, 2024.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 33 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Income and sales of our Company mainly consists of sale of products. Our major products include Transformer Laminations, Assembled Cores, Toroidal Cores, and Slit Coils.

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 33 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. 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.

Increases in revenues are by and large linked to increases in volume of business.

7. Total turnover of each major industry services in which the issuer company operated.

The Company is in the business of manufacturing Transformer Laminations, Assembled Cores, Toroidal Cores, and Coils, the relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 122 of this Draft Red Herring Prospectus.

8. Status of any publicly announced new products or business services.

Our Company has not announced any new services or business services.

9. The extent to which business is seasonal.

Our Company’s business is not seasonal.

10. Any significant dependence on a single or few suppliers or customers.

The % of contribution of our Company’s suppliers vis-à-vis the total purchases respectively for the period ended September 30,2024 and for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Suppliers as a percentage (%) of total purchases			
	Period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Top 5	64.20%	68.80%	73.97%	73.33%
Top 10	81.70%	87.63%	89.70%	87.74%

The % of contribution of our Company’s customers vis-à-vis the total revenue from operations respectively for the period ended September 30,2024 and for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Customers as a percentage (%) of Revenue from operations			
	Period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Top 5	60.72%	58.43%	46.19%	41.99%
Top 10	76.49%	74.23%	66.41%	55.49%

11. Competitive conditions.

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 122 and 154, respectively of this Draft Red Herring Prospectus.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, regulatory proceedings, and tax disputes pending before various authorities. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, quasi-judicial bodies, tribunals, enquiry officers and appellate tribunals.

There is no outstanding legal proceeding against the Company which has been considered material in accordance with our Company's "Policy for Determining Materiality of any Event" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

Our Company has, in accordance with the resolution passed by our Board solely for the purpose of this Offer, disclosed in this section (i) all outstanding criminal litigation and tax proceedings involving our Company; (ii) all outstanding civil litigation involving our Company which is above of our Company ("**Materiality Threshold**"); (iii) all outstanding actions by statutory or regulatory authorities involving any of our Company; (iv) any other outstanding litigations involving our Company where the monetary sum involved is not quantifiable or is below the Materiality Threshold, where an adverse outcome would, in the opinion of the Board, materially and adversely affect the business, operations, prospects, reputation or financial position of our Company, (v) any litigations involving the Directors and Promoters of our Company, an adverse outcome in which shall have a material impact on the Company, and (VI) details, if any of all criminal proceedings involving our Key Managerial Personnel and Senior Management Personnel of our Company and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management.

For the purposes of this Section, the Materiality Threshold is as below, further, same as has been adopted by the Board of our Company in its meeting of board of directors held on March 17, 2025.

Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

- a. two (2) percent of turnover, as per the latest annual restated financial statements viz. as on March 31, 2024 of the our Company; or
- b. two (2) percent of net worth, as per the latest annual restated financial statements viz. as on March 31, 2024 of the our Company; or
- c. five (5) percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements viz. as on March 31, 2024 of our Company.

Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Draft Red Herring Prospectus and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Draft Red Herring Prospectus involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Draft Red Herring Prospectus involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Draft Red Herring Prospectus; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Draft Red Herring Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated March 17, 2025. In terms of the materiality policy, creditors of Our Company to whom amounts outstanding dues to any creditor of our Company exceeding Rs. 86.77 lakhs of trade payables of the Company for the last audited Restated Financial Statements of our Company disclosed in this Draft Red Herring Prospectus, would be considered as material creditors.

Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved shall be uploaded and disclosed on the webpage of the Company as required under the SEBI ICDR Regulations.

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

A. LITIGATION INVOLVING OUR COMPANY

(a) Criminal proceedings filed against our Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed against our Company.

(b) Criminal proceedings filed by our Company:

Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by our Company.

i. Harshad Narbheram Bagadia, a partner of Elec Steel Processing Industries vs. 1) Hind Electrical and 2) Amit Maini the proprietor/authorized signatory of the firm.

The Complainant, Harshad Narbheram Bagadia, a partner of Elec Steel Processing Industries, a small and medium-scale enterprise involved in manufacturing and marketing transformer lamination CRGO, has filed a complaint under Section 138 of the Negotiable Instrument Act, 1881, before the Hon'ble Court of Judicial Magistrate First Class at Vadodara bearing Criminal Case Number CC/11348/2018 (main) and CC/11349/2018 against Hind Electrical (Accused No.1), a proprietary firm, and Amit Maini (Accused No.2), the proprietor/authorized signatory of the firm.

The Complainant entered into a business transaction with the Accused, supplying transformer lamination CRGO based on various purchase orders issued by the Accused. Despite the Complainant fulfilling the supply obligations and issuing invoices, the Accused failed to make timely payments as per the agreed terms. After multiple reminders, the Accused issued three cheques as part-payment for the outstanding liability of ₹6,62,688/- (Rupees Six Lakh Sixty-Two Thousand Six Hundred Eighty-Eight Only)

*The details of the dishonoured cheques are as follows:
Cheque No. 000433, dated 24/11/2017, amount ₹1,49,054/-*

Cheque No. 000432, dated 29/11/2017, amount ₹1,49,055/-
Cheque No. 000231, dated 30/11/2017, amount ₹2,26,951/-

When the Complainant deposited the third cheque (No. 000231) of ₹2,26,951/- (Rupees Two Lakh Twenty-Six Thousand Nine Hundred Fifty-One Only) in the bank, it was dishonoured due to "Insufficient funds," as confirmed by the bank on 12/01/2018. This resulted in the Accused failing to fulfil their liability. Despite receiving a demand notice dated 03/02/2018, the Accused did not make the required payment or offer any satisfactory response.

As a result, the Complainant has filed the present civil complaint for dishonouring the cheque under Section 138 of the Negotiable Instrument Act. The Complainant seeks appropriate legal action, including the issuance of non-bailable warrants against the Accused, along with maximum punishment as per the provisions of the Negotiable Instruments Act, 1881.

The complaint has been filed with all necessary procedural requirements in place, and the Complainant has provided relevant documents as evidence to support the claims. The case is ongoing before the Hon'ble Court of Judicial Magistrate First Class at Vadodara and next date of hearing is scheduled to be held on April 18, 2025.

(c) Outstanding actions by regulatory and statutory authorities against our Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

(d) Tax Proceedings involving our Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings initiated against our Company.

(e) Other pending material litigations against our Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against our Company, which have been considered material by the Company in accordance with the Materiality Policy.

(f) Other pending material litigations filed by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by our Company, which have been considered material by the Company in accordance with the Materiality Policy.

B. LITIGATIONS INVOLVING THE DIRECTORS/PROMOTERS OF THE COMPANY

(a) Criminal proceedings against the Directors/Promoters of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors/Promoters of our Company.

(b) Criminal proceedings filed by the Directors/Promoters of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Directors/Promoters of our Company.

(c) Actions by statutory and regulatory authorities against the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Directors/Promoters.

(d) Tax Proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors/Promoters of the Company.

(e) Other pending material litigations against the Directors/ Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no Other pending material litigations against the Directors/Promoters.

(f) Other pending material litigations filed by the Directors/Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no such outstanding litigations initiated by the Directors/Promoters, which have been considered material by the Company in accordance with the Materiality Policy.

C. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there are no such outstanding litigations involving our Group company, which have been considered material by the Company in accordance with the Materiality Policy.

D. LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)

(a) Criminal proceedings against the Directors (other than Promoters) of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors (other than Promoters) of our Company.

(b) Criminal proceedings filed by the Directors (other than Promoters) of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors (other than Promoters) of our Company.

(c) Actions by statutory and regulatory authorities against the Directors (other than Promoters) of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors (other than Promoters) of our Company.

(d) Tax Proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors (other than Promoters) of our Company.

(e) Other pending material litigations against the Directors (other than Promoters) of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors (other than Promoters) of our Company.

(f) Other pending material litigations filed by the Directors (other than Promoters) of our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors (other than Promoters) of our Company.

E. LITIGATIONS INVOLVING OUR KEY MANAGERIAL PERSONNEL AND MEMBERS OF SENIOR MANAGEMENT (OTHER THAN DIRECTORS)

(a) Criminal proceedings involving our Key Managerial Personnel and members of Senior Management

As on the date of this DRHP, there are no criminal proceedings involving our Key Managerial Personnel and members of Senior Management.

(b) Actions by regulatory authorities and statutory authorities

As on the date of this DRHP, there are no actions against any of our Key Managerial Personnel and, or, members of Senior Management by any regulatory authority or statutory authority.

F. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS BY OUR COMPANY

In terms of our Materiality Policy adopted by the Board vide Resolution dated March 17, 2025 the Board deems all creditors above 5% of the outstanding trade payables as per the last Restated Audited Financial Statements as material creditors. As of March 31, 2024, our Company owes the following amounts to small scale undertakings, other creditors, and material creditors.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as of March 31, 2024, by our Company, are set out below and the disclosure of the same is available on the website of our Company at www.espi.co.in

<i>(₹ in lakhs)</i>		
Types of Creditors	Number of Creditors	Amount
Micro and Small enterprises	33	55.68
Material Creditors	7	1,267.15
Other Creditors	72	412.59
Total	112	1,735.41

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 279 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the last balance sheet date viz. March 31, 2024.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section “Risk Factors” beginning on page 33 of this Draft Red Herring Prospectus.

These material approvals are valid as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 178 of this Draft Red Herring Prospectus.

Our Company was converted to a public limited company and the name of our Company changed to ‘Elec Steel Processing Industries Limited’ and a fresh certificate of incorporation dated December 30, 2024, was issued by Jurisdictional Registrar of Companies / Registrar of Companies / Central Registration Centre. The CIN of our Company is U31100GJ2022PLC134606. Our Company is in the process of submitting necessary application(s) to all regulatory authorities for change of its name in the approvals, licenses, registrations, and permits issued to our Company.

I. MATERIAL APPROVALS OBTAINED IN RELATION TO THE OFFER

- (1) The Board of Directors has, pursuant to a resolution passed at its meeting held on March 17, 2025, authorized the Offer, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- (2) The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on March 18, 2025, authorized the Offer under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- (3) The Company has obtained the in-principal listing approval from NSE Emerge vide letter bearing reference number [●] dated [●].
- (4) Our Company has entered into an agreement dated February 25, 2025, with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, Kfin Technologies Limited for the dematerialization of its shares.
- (5) Our Company has also entered into an agreement dated, March 13, 2025, with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, Kfin Technologies Limited for the dematerialization of its shares.

II. MATERIAL APPROVALS OBTAINED IN RELATION TO OUR BUSINESS AND OPERATIONS

Our Company has obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

A. Incorporation details of our Company:

- a. The registration deed of the partnership firm under the Indian Partnership Act, 1932 ("Partnership Act") in the name "Elec Steel Processing Industries" was executed following the Partnership Deed dated April 1, 1994, and registered with the Registrar of Firms under Registration No. GUJ/VDD/10798.
- b. Certificate of Incorporation dated August 8, 2022, from the issued by Jurisdictional Registrar of Companies / Registrar of Companies / Central Registration Centre, under the Companies Act, 2013 as “Elec Steel Processing Industries Private Limited”
- c. Fresh Certificate of Incorporation dated December 30, 2024, issued by Assistant Registrar of Companies / Deputy Registrar of Companies / Registrar of Companies, Central Processing Centre, consequent to

conversion of the Company “Elec Steel Processing Industries Private Limited” to “Elec Steel Processing Industries Limited”.

- d. The Corporate Identity Number of the Company is U31100GJ2022PLC134606.

III. BUSINESS RELATED APPROVALS

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
Importer Exporter Code	3495003321	Ministry of Commerce and Industry/ Directorate General of Foreign Trade	January 24, 2025	Perpetual
UDYAM Registration Certificate	UDYAM-GJ-24 0071955	Ministry of Micro, Small and Medium Enterprises, Government of India	September 24, 2022	Perpetual
DG set approval	NO/EI/Vad/Plan/138361/2024	Office of the Electrical Inspector	December 18, 2024	Perpetual
Legal Metrology Certificate	3423696/VAD/2025/01	Legal Metrology Officer, Vadodara Division 03	February 06, 2025	06/02/2027
Legal Metrology Certificate	3160618/VAD/2024/13	Legal Metrology Officer, Vadodara Division 03	August 05, 2024	05/08/2025

IV. TAX RELATED APPROVALS OBTAINED BY OUR COMPANY

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
Permanent Account Number	AAHCE1876A	Income Tax Department / Government of India	January 09, 2025	Perpetual
Tax Deduction Account Number	BRDE01133G	Income Tax Department / Government of India	January 08, 2025	Perpetual
GST Registration Certificate	24AAHCE1876A1ZZ	Goods and Services Tax Department	January 31, 2025	Perpetual
Professional Tax Certificate of Enrollment	PR 312005919	Profession Tax Officer Unit-3, Vadodara	August 08, 2022	Perpetual
Professional Tax Certificate of Registration	PE 312037686	Profession Tax Officer Unit-3, Vadodara	August 08, 2022	Perpetual

V. LABOUR RELATED APPROVALS OBTAINED BY OUR COMPANY

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
Employees State Insurance Corporation	38000560610000999	Regional Office Employees State Insurance Corporation, Gujarat	August 08, 2022	Perpetual

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
Factory License under Factories Act, 1948 (for Unit I)	3033/74210/199626303	Joint Director Industrial Safety and Health, Baroda Region	February 10, 2025	December 31, 2026
Factory License under Factories Act, 1948 (for Unit II)	1420/31909/200614427	Joint Director Industrial Safety and Health, Baroda Region	February 10, 2025	December 31, 2026
Factory License under Factories Act, 1948 (for Unit III)	2791/25999/201523380	Joint Director Industrial Safety and Health, Baroda Region	February 10, 2025	December 31, 2034
Factory License under Factories Act, 1948 (for Unit IV)	5374/25999/202456307	Joint Director Industrial Safety and Health, Baroda Region	February 10, 2025	December 31, 2028
Employees Provident fund (EPF)	VD/BRD/227111	Employees' Provident Fund Organisation	February 24, 2025	Perpetual

VI. REGULATORY RELATED APPROVALS OBTAINED BY OUR COMPANY

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
Certificate of Recognition, One Star Export House	VDDSTATAPPLY00000359AM24	Ministry of Commerce & Industry	March 17, 2024	March 31, 2028
ZED Silver Certificate	UDYAM-GJ-24-0071955	Ministry of Micro, Small & Medium Enterprises	September 12, 2024	September 12, 2027

VII. OTHER APPROVALS

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
ISO 9001:2015 Quality Management System (Unit -I)	QMS/15/R91/1982	Certification Partner Global	February 01, 2021	February 01, 2027
ISO 9001:2015 Quality Management System (Unit - II)	QMS/15/R91/1982	Certification Partner Global	February 01, 2021	February 01, 2027
ISO 9001:2015 Quality Management System (Unit - III)	QMS/15/R91/2156	Certification Partner Global	January 30, 2021	January 30, 2027

Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
LEI Certificate	3358009W3JHU2Q1KUQ41	Legal Entity Identifier India Limited	October 07, 2024	October 11, 2025
Bureau of Indian Standards (BIS)	7300128006	Bureau of Indian Standards	January 04, 2024	January 04, 2029
Membership certificate with EEPC India (Formerly Engineering Export promotion council) (RCMC)	201/M20221/2022-23	EEPC India (Formerly Engineering Export Promotion Council) EEPC India Western region	March 23, 2024	March 31, 2025

VIII. INTELLECTUAL PROPERTY



As of the date of this Draft Red Herring Prospectus, the Company does not possess any registered trademarks.

DOMAIN REGISTRATION OBTAINED BY THE COMPANY

Domain name and ID	Registrar IANA ID	Creation Date	Expiry Date
https://www.espi.co.in/	D2138889-IN	November 28, 2005	November 28, 2025

IX. MATERIAL APPROVALS APPLIED FOR WHICH ARE YET TO BE ISSUED

As of the date of this Draft Red Herring Prospectus, applications for Trademark Registration have been submitted to the Trademark Registry, following are the details of the application made:

Applicant of IPR	Trademark Name / Logo	Status	Class	Application Number	Date of Application
Elec Steel Processing Industries Limited		Applied	6	6884321	March 1, 2025
Elec Steel Processing Industries Limited		Applied	6	6884322	March 1, 2025
Elec Steel Processing Industries Limited	'Elec Steel'	Applied	6	6883344	February 28, 2025

X. MATERIALS APPROVALS EXPIRED AND RENEWAL YET TO BE APPLIED FOR

Nil.

XI. MATERIALS APPROVALS REQUIRED BUT NOT OBTAINED OR APPLIED FOR

Nil.

XII. MATERIAL AGREEMENTS

Except for the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any material agreement / contract as on the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, there are no other agreements, arrangements, clauses, or covenants which are material, and which need to be disclosed, other than those already disclosed in the offer document. Non-disclosure of any additional agreements, arrangements, clauses, or covenants will not have any bearing on the investment decision of prospective investors.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board of Directors has vide resolution dated March 17, 2025 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Offer, by passing a Special Resolution at the Extra-Ordinary General Meeting held on March 18, 2025 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Promoter Selling Shareholders has confirmed and approved its participation in the Offer for Sale in relation to the Offered Shares, as set out below:

Name	Number of the Equity Shares offered	Date of the consent letter
Harshad Narbherambhai Bagadia	4,00,000	March 17, 2025
Parasbhai Harshadbhai Bagadia	5,00,000	March 17, 2025

Prohibition by SEBI or Other Governmental Authorities

Further, our company, Promoter Selling Shareholders, promoters, members of the promoter group, directors, group companies are not debarred or prohibited from accessing the capital markets or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Prohibition by RBI

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) or fraudulent borrower by the RBI or any other governmental authority.

Directors associated with the Securities Market

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter Selling Shareholders our Promoters and member of our Promoter group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

A. Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Offer as:

1. Neither our company, nor any of its Promoters, members of the Promoter Group or Directors or Promoter Selling Shareholders are debarred from accessing the capital market by the SEBI.
2. Neither our Promoters, nor any Directors of our Company is a Promoter or Director of any other company which is debarred from accessing the capital market by the SEBI.
3. Neither our Promoter nor any of our Directors is declared as Fugitive Economic Offender.

4. Neither our Company, nor any of our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoter nor our Directors, are Wilful Defaulters or Fraudulent Borrowers.
- B. Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue paid-up capital is more than 10 crores rupees and upto 25 Crores (twenty-five crore rupees) and satisfying track record and / or other eligibility conditions of SME Platform of NSE and therefore can issue Equity Shares to the public and propose to list the same on the SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”).
- C. We further confirm that:
1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Offer Size. For details pertaining to underwriting, please refer to chapter titled “General Information – Underwriting” beginning on page 83 of the Draft Red Herring Prospectus.
 2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the Offer shall be greater than or equal to 50 (fifty), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every director of the Company who is an officer in default shall, on and from expiry of fourth day, be jointly and severally liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer of the Company who is in default shall be punishable with fine and/or imprisonment in such a case.
 3. In terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the Book Running Lead Manager submits a soft copy of the Prospectus along with Due Diligence Certificate including additional confirmations as required to the SEBI immediately upon filing the same with the Registrar of Companies and Stock Exchange. The SEBI however, in terms of Regulation 246(2), shall not issue observation on the Prospectus. Further, the Prospectus shall be displayed from the date of filing with the Registrar of Companies on the website of the SEBI, the Book Running Lead Manager to Offer and the NSE.
 4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated [●] with the Book Running Lead Manager and will enter into an agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of NSE. For further details of the arrangement of market making please refer to section titled “General Information – Market Making Arrangement for the Offer” beginning on page 83 of the Draft Red Herring Prospectus.

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under:

1. **Incorporation: The Company shall be incorporated under the Companies Act, 2013:** Our Company is incorporated (by way of conversion of the partnership firm) as a Private Limited Company on August 8, 2022 under the Companies Act, 2013 at Vadodara, Gujarat, in India.
2. **Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores:** The present paid-up capital of our Company is ₹ 1,600.00 Lakhs comprising 1,60,00,000 Equity Shares of ₹ 10/- each and we are proposing to issue upto 69,00,000 Equity Shares of ₹ 10/- each comprising of upto 60,00,000 Equity Shares as Fresh Issue and as an Offer for Sale of upto 9,00,000 Equity Shares Equity Shares by the Selling Shareholders at an Offer Price of ₹ [●] per Equity Share including Share Premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakhs. Hence, post issue paid up capital of the Company will be upto ₹ [●] Lakhs. So, the Company has fulfilled the criteria of post issue paid up capital shall not be more than ₹25.00 crores.
3. **Net-worth: Positive Net-worth**

Our Company satisfies the criteria of positive net worth, as mentioned hereunder based on Restated Financial Statement.

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net worth	1,642.04	1,144.60	1,332.72

So, the company has fulfilled the criteria of positive net-worth of the company.

- 4. Track Record: The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years:**

Our Company was incorporated on August 8, 2022 under the provisions of the Companies Act, 2013. Therefore, we are in compliance with criteria of having track record of more than 2 years.

- 5. Operating Profit (earnings before interest, depreciation and tax) from operations for at least 2 (two) out of 3 (three) financial years:**

Our Company is having operating profit, details are mentioned as below:

(₹ in Lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit Before Tax	665.73	936.95	305.22
Add: Depreciation	126.02	56.81	64.85
Add: Interest	368.49	265.53	191.02
Less: Other Income	122.56	100.42	26.45
Operating Profit (earnings before interest, depreciation, and tax) from operations	1,282.80	1,359.71	587.54

We are, therefore, in compliance with the criteria of having operating profit (earnings before interest, depreciation and tax) from operations for at-least any 2 out of 3 financial years preceding the application, based on the Restated Financial Statement.

- 6. The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application:**

(₹ in Lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash Flow from Operations	(357.06)	514.46	(101.67)
Less: Net of Purchase made for Fixed Assets	(2083.14)	(204.11)	(163.49)
Add: Net Borrowings	2723.71	683.29	200.28
Less: Post Tax Interest Expense	182.48	133.09	93.24
FCFE	101.03	860.65	(158.11)

Effective Tax Rate calculated as shown below:

(₹ in Lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Effective tax rate	25.28%	30.62%	36.89%
PAT	497.44	650.08	192.63
PBT	665.73	936.95	305.22

Therefore, in compliance with the criteria of having positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application, based on the Restated Financial Statement.

- 7. The application of the applicant company should not have been rejected by the Exchange in last 6 complete months:**

We have never made application for in-principle approval for listing on any recognised stock exchange in India in the history of our Company and are making the said application for the first time with NSE Limited for listing on NSE EMERGE.

8. Issuer seeking listing shall ensure that none of the merchant bankers involved in the IPO should have instances of any of their IPO draft offer document filed with the Exchange being returned in the past 6 months from the date of application:

Our Company ensures that the Book Running Lead Manager involved in the IPO have no instances of any of their IPO draft offer document filed with the National Stock Exchange of India Limited being returned in the past 6 months from the date of application.

9. Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and Promoting companies.
10. Our Company has not received any winding up petition admitted by a NCLT/Court.
11. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our Company.
12. Our Company has a functional website: www.espi.co.in

Disclosure:

We further confirm that except the details which are given in Chapter titled “Outstanding Litigation and Material Developments” on page 289 of the Draft Red Herring Prospectus:

1. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of our Company.
2. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.
3. There are no litigations record against our Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies), except as disclosed in this Draft Red Herring Prospectus.
4. There are no criminal cases filed against the directors of our Company involving serious crimes like murder, rape, forgery, economic offences.

In terms of Regulation 230(1) of the SEBI (ICDR) Regulations, 2018, our Company has ensured:

1. The Draft Red Herring Prospectus has been filed with NSE and our Company will make an application to NSE for listing of its Equity Shares on the NSE EMERGE. National Stock Exchange of India Limited is the Designated Stock Exchange.
2. Our Company has entered into an agreement dated March 13, 2025 with NSDL and agreement dated February 25, 2025 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
3. The entire pre-Issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
4. The entire Equity Shares held by the Promoters are in dematerialised form.

5. The entire fund requirements are to be financed from the Net Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Offer. For further details, please refer the chapter titled “Objects of the Issue” on page 99 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230(2) of the SEBI ICDR Regulations, to the extent applicable.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 24, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME,

WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.

Note: All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. 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, 28, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, Promoter Selling Shareholders and the Book Running Lead Manager

Our Company, Promoter Selling Shareholders and the Book Running Lead Manager 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.espi.co.in would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company, Selling Shareholders and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company, Promoter Selling Shareholders and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports or at Bidding centre's or elsewhere.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company, the Promoter Selling Shareholders, and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Unistone Capital Private Limited is not an associate of the Company and is eligible to be appointed as the Book Running Lead Manager in this Offer, under SEBI MB Regulations.

None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not offer, allot, 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 Promoter Selling Shareholders, Underwriters and their respective directors, partners, 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.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity.

Shares that can be held by them under applicable law.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the NSE Emerge. The Disclaimer Clause as intimated by the NSE Emerge to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

Listing

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on NSE. Application have been made to NSE for obtaining permission for listing of the Equity Shares being offered and sold in the offer on its NSE Emerge Platform after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principal approval from NSE vide letter dated [●] to use name of NSE in the Red Herring Prospectus for listing of equity shares on NSE Emerge.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall unblock, without interest, all moneys received from the bidders in pursuance of the Red Herring Prospectus. If any such money is not unblocked within four (4) days after the issuer becomes liable to unblock it then our Company, the Promoter Selling Shareholders and every director of the company who is an officer in default shall, on and from the expiry of the fourth (4) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) as prescribed under Section 40 of the Companies Act, 2013. Any expense incurred by our Company on behalf of the Promoter Selling Shareholders with regard to interest on such refunds will be reimbursed by such Promoter Selling Shareholders in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Promoter Selling Shareholders shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Promoter Selling Shareholders and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Promoter Selling Shareholders shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within three (3) Working Days of the Offer Closing Date or within such other period as may be prescribed. The Promoter Selling Shareholders confirm that it shall extend complete co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within three (3) Working Days from the Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within three (3) Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be unblocked, without interest, failing which interest shall be due to be paid to the Applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

Consents:

Consents in writing of (a) The Directors, Promoters, the Promoter Selling Shareholders, the Chief Financial Officer, Company Secretary & Compliance Officer, the Statutory Peer Review Auditor, the Book Running Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Market Maker and Underwriters have been obtained; and (b), Syndicate Member⁽¹⁾, Bankers to the Offer⁽¹⁾ (Escrow Collection Bank, Public Offer Bank, Sponsor Banks and Refund Bank), Share Escrow Agent⁽¹⁾, Bankers to the Company, to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013.

⁽¹⁾ The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.

Expert Opinion

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

Peer Reviewed Chartered Accountant:

In relation to statement of possible tax benefits: Our Company has obtained the report of the Peer Reviewed Statutory Auditor i.e., M/s., Lalpuria Shah & Associates, Chartered Accountants (FRN: 136086W) on Statement of Possible Tax Benefits dated March 19, 2025 and report dated March 17, 2025 on Restated Financial Statements for the period ended September 30, 2024, and financial years ended March 31, 2024, 2023 and 2022 as included in this Draft Red Herring Prospectus.

Chartered Engineer Reports:

In relation to existing manufacturing facilities: Our Company has received written consent dated March 18, 2025, from D.M. Vaidya & Associates, Chartered Engineer (Mechanical), Reg. No.: AM-094930-5 to include their name as required under Section 26 (5) of the Companies Act read with SEBI (ICDR) Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated March 18, 2025, certifying, inter alia, the details of the existing installed and production capacity of our manufacturing facilities and plant and machineries installed in our manufacturing facilities.

In relation to proposed expansion of manufacturing capacity: Our Company has received written consent dated March 18, 2025, from D.M. Vaidya & Associates, Chartered Engineer (Mechanical), to include their name as required under Section 26 (5) of the Companies Act read with SEBI (ICDR) Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated March 18, 2025, certifying, inter alia, the details of the production capacity of proposed plant and machineries in our manufacturing facilities at Unit IV.

Industry Report:

Our Company has received consent from its Industry Expert, Infomerics Analytics & Research Private Limited through its letter dated March 19, 2025 in relation to the Industry in which the Company operates and to include its name as an “Industry expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of Industry Report dated March 19, 2025, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Previous Public or Rights Issues during the last five years

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Previous Public or Rights Issues during the last five years

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Capital Issues during the last three years by our Company, Listed Group Companies, Subsidiaries & Associates of our Company

Except as disclosed in Chapter titled “Capital Structure” on page 85 of Draft Red Herring Prospectus, our Company has not made any capital issue during the previous three years.

Performance Vis-À-Vis Objects

Except as stated in the chapter titled “Capital Structure” beginning on page 85 of this Draft Red Herring Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI (ICDR) Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

Stock market data of equity shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares

Price information of the past issues handled by the Book Running Lead Manager

Sr. No.	Issue Name	Issue Size (₹ in Lakhs)	Issue price	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
Main Board								
1	Saraswati Saree Depot Limited	16,001.28	160	August 20, 2024	194.00	6.98% [2.90%]	-20.96% [-5.04%]	-35.78% [-7.16%]
2	Shree Tirupati Balajee Agro Trading Company Limited	16,965.20	83	September 12, 2024	90.00	-7.37% [-1.67%]	-6.18% [-2.94%]	-41.13% [11.39%]
3	Arkade Developers Limited	41,000.00	128	September 24, 2024	175.00	7.30% [-6.17%]	27.28% [-8.43%]	23.48% [9.98%]
4	Diffusion Engineers Limited	15,796.40	168	October 04, 2024	193.50	119.17% [-2.84%]	102.32% [-3.30%]	-
SME Platform								
1	Manglam Infra & Engineering Limited	2,761.92	56	July 31, 2024	106.40	19.73% [1.14%]	-10.89% [-1.94%]	-32.14% [-8.50%]
2	Deccan Transcon Leasing Limited	6,505.92	108	September 24, 2024	116.00	-42.59% [-6.17%]	-46.20% [-8.43%]	-54.03% [-9.98%]
3	OBSC Perfection Limited	6,602.40	100	October 29, 2024	110.00	75.30% [-2.26%]	101.65% [-6.69%]	-

Sr. No.	Issue Name	Issue Size (₹ in Lakhs)	Issue price	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
4	Usha Financial Services Limited	9,844.80	168	October 31, 2024	164.00	-30.33% [-0.31%]	-40.57% [-4.31%]	-
5	Amwill Healthcare Limited ⁽²⁾	5,998.00	111	February 12, 2024	88.85	-30.79% [2.81%]	-	-
6	Chandan Healthcare Limited	10,735.68	159	February 17, 2025	165.10	20.25% [0.23%]	-	-

Source: www.nseindia.com & www.bseindia.com

- (1) NSE as Designated Stock Exchange.
(2) BSE as Designated Stock Exchange

Notes:

- Issue size derived from Prospectus/final post issue reports, as available.
- The NIFTY 50 and BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE and BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 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.

Financial year	Total no. of IPO*	Total funds Raised (₹ in Lakhs)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30 th Calendar Day from listing date			Nos of IPOs trading at discount on 180 th Calendar Day from listing date			Nos of IPOs trading at premium on 180 th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
Main Board														

Financial year	Total no. of IPO*	Total funds Raised (₹ in Lakhs)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30 th Calendar Day from listing date			Nos of IPOs trading at discount on 180 th Calendar Day from listing date			Nos of IPOs trading at premium on 180 th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
FY 2022-23	1	15,498.00	-	-	-	1	-	-	-	-	-	-	1	-
FY 2023-24	5	1,29,110.09	-	-	-	1	2	2	-	-	-	3	1	1
FY 2024-25	4	89,762.88	-	-	1	1	-	2	-	-	-	-	-	-
SME Platform														
FY 2022-23	2	6,094.08	-	-	-	-	1	1	-	-	-	-	1	1
FY 2023-24	5	16,925.97	-	-	-	-	2	3	-	-	1	2	1	1
FY 2024-25	6	42,448.72	-	3	-	1	-	2	1	1	-	-	-	-

Track Record Of Past Issues Handled By Book Running Lead Manager: For details regarding track record of the Book Running Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012, issued by the SEBI, please refer the website of the Book Running Lead Manager at www.unistonecapital.com

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of three years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

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 Manager where the Bid cum Application Form was submitted by the Anchor Investor

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 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. The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation Amount	Compensation Period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchange till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation Amount	Compensation Period
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Promoter Selling Shareholders and the Book Running Lead Manager 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. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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. For helpline details of the Book Running Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “General Information – Book Running Lead Manager” on page 77 of this Draft red Herring Prospectus.

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.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholders, the Book Running Lead Manager, 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 the SEBI (ICDR) Regulations. Bidders 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, nonreceipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has also appointed Mayank Lashkari, Company Secretary and Compliance officer for the Offer. For details, see “General Information” beginning on page 77 of this Draft Red Herring Prospectus.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus

Disposal of Investor Grievances by our Company

Our Company and the Promoter Selling Shareholders 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 7 (seven) 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 within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on December 30, 2024, has also constituted a Stakeholders' Relationship Committee.

The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Nature of Directorship	Designation in Committee
Dinesh Lalbhai Nanavati	Non-Executive Independent Director	Chairman
Komal Vishal Thakkar	Non-Executive Independent Director	Member
Parasbhai Harshadbhai Bagadia	Managing Director	Member

For further details, please see the chapter titled "Our Management" beginning on page 191 of this Draft Red Herring Prospectus.

Our Company has also appointed Mayank Lashkari, Company Secretary of our Company, as the Compliance Officer for the Offer and he may be contacted in case of any pre-offer or post-offer related problems at the following address:

Mayank Lashkari

Company Secretary and Compliance Officer

Elec Steel Processing Industries Limited

Plot No. 96, POR GIDC, At-POR Village, Taluka -Vadodara, Gujarat - 391243, India.

Telephone No: +91 7574001475

Email: cs@espi.co.in

Website: www.espi.co.in

Exemption from complying with any provisions of Securities Laws, if any, granted by SEBI

Our company has not filed an exemption application as on the date of this Draft Red herring Prospectus.

SECTION IX – OFFER INFORMATION

The Equity Shares being issued and allotted and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or 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 Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises a Fresh Offer by our Company and an Offer for Sale by the Promoter Selling Shareholders. For details in relation to the sharing of Offer expenses, see “Objects of the Offer” on page 99.

Ranking of equity shares

The Equity Shares being issued and allotted shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning on page 352. of this Draft Red Herring Prospectus.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted or transferred Equity Shares pursuant to the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 215 and 352, respectively of this Draft Red Herring Prospectus.

Face value, offer price and price band

The face value of each Equity Share is ₹ 10, and the Floor Price is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company, the Promoter Selling Shareholders, in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Gujarati national daily newspaper, [●] a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders in consultation with the Book Running Lead Manager, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

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 requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the equity shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports & notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “Main Provisions of the Articles of Association” beginning on page 352 of this Draft Red Herring Prospectus.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI (ICDR) Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories, and the Registrar to the Offer:

1. Tripartite agreement dated February 25, 2025 amongst our Company, CDSL and Registrar and Share Transfer Agent to the Offer.
2. Tripartite agreement dated March 13, 2025 amongst our Company, NDSL and Registrar and Share Transfer Agent to the Offer.

Minimum application value, market lot and trading lot

For Individual Individual Bidders: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bids, the Individual Individual Bidders have to ensure that the Bid Price does not exceed ₹ 2,00,000.

For Other than Individual Individual Bidders (Non-Institutional Applicants and QIBs): The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bids after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Bid(s).

In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE EMERGE from time to time by giving prior notice to investors at large. Allocation and Allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares to the successful Bidders.

Further, in accordance with Regulation 267(2) of SEBI ICDR Regulations the minimum Bid size in terms of number of specified securities shall not be less than ₹2.00 Lakh per Bid.

Minimum number of allottees

The minimum number of allottees in the Offer shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith

Joint-holders

Subject to the provisions contained in our Articles of Association, where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Vadodara, Gujarat.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture), Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest to the exclusion of all the other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act 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 (ninety) days,

the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer will be made in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

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 Exchange.

Withdrawal of the Offer

Our Company, the Promoter Selling Shareholders in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Fresh Offer, and the Promoter Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective Offered Shares, at any time after the Offer Opening Date but before the Board meeting for 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 Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

Bid programme

An indicative timetable in respect of the Offer is set out below:

Events	Indicative Dates
Bid/ Offer Opening Date [*]	[●]
Bid/ Offer Closing Date ^{**^}	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

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

^{**}Our Company and Promoter Selling Shareholders may in consultation with the BRLM, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

[^] UPI mandate end time and date shall be at 5:00 pm on the Bid/ Offer Closing Date.

[#]In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Individual and non-Individual Bidders. The time for applying for Individual Bidders on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account total number of applications received up to the closure of timings.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors)

Bid 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 and Revision in Bids*	Only between 10.00 a.m. and 3.00 p.m. IST

** UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BOOK RUNNING LEAD MANAGER and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

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

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

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

Our Company in consultation with the and Promoter Selling Shareholders, Book Running lead Manager, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days following such revision, 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

Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BOOK RUNNING LEAD MANAGER, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BOOK RUNNING LEAD MANAGER and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum subscription

The Offer is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI (ICDR) Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through

verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 77 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees Two lakhs per application.

In accordance with SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

Application by eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent guidelines of the government of India, OCB cannot participate in this Offer

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre- offer capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in “*Capital Structure*” beginning on page 85 of this Draft Red Herring Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 352 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red

Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

New Financial Instruments

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments, or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Offer. Further, our Company is not issuing any new financial instruments through this Offer.

Migration to Main Board

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018, and NSE/SME/47077 dated January 21, 2021. NSE has further reviewed and revised the migration policy effective from April 20, 2023, from NSE Emerge to NSE Main Board as follows:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalization of the company's equity shall not be less than ₹25 crores**

*** Explanation for this purpose, capitalization will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the post Offer number of equity shares*

2. The company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
3. The company should have been listed on SME platform of the Exchange for at least 3 years.
4. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
5. The company has not received any winding up petition admitted by a NCLT.
6. The net worth of the company should be at least ₹50 crores.
7. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
8. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:
 - a) The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
 - b) Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
 - c) Redressal mechanism of Investor grievance.
 - d) PAN and DIN no. of Director(s) of the Company.
 - e) Change in Control of a Company/Utilization of funds raised from public.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-offer advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and (iii) Regional Newspaper, [●] each with wide circulation. In the pre-offer advertisement, we shall state the Bid/offer Opening Date and the Bid/ Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations

Market Making

The shares offered through this Offer are proposed to be listed on the SME platform of NSE, wherein the Book Running Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to the chapter titled “General Information” beginning on page 77 of this Draft Red Herring Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Offer size in the following manner:

Offer Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of offer size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of offer size)
Up to ₹[●] Crore	[●]%	[●]%

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification

OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI (ICDR) Regulations, as amended from time to time, whereby, our post Offer face value capital exceeds ten crore rupees but less than twenty-five crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Offer, please see the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on page 314, of this Draft Red Herring Prospectus.

Offer Structure

Initial Public Offer of up to 69,00,000 Equity Shares for cash at a price of ₹[●] per Equity Share (including a Share Premium of [●] per Equity Share), aggregating to ₹[●] Lakhs comprising of Fresh Issue of up to 60,00,000 Equity Shares for Cash at an Offer Price ₹[●] per Equity Share aggregating ₹[●] Lakhs by our Company and an offer for sale of up to 9,00,000 Equity Shares for cash at an Offer Price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs by the Promoter Selling Shareholders.

The Offer comprises a reservation of up to [●] Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“**the Market Maker Reservation Portion**”) and Net Offer to Public of up to [●] Equity Shares of face value of ₹10/- each (“**the Net Offer**”). The Offer and the Net Offer will constitute [●] % and [●] %, respectively of the post offer paid-up equity share capital of the Company. The Offer is being made through the Book Building Process.

Particular of the Offer ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Investors	Individual Investors
Number of Equity Shares available for allocation	Upto [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Offer Size available for allocation	[●] of the Offer Size	Not more than 50% of the Net Offer	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment⁽³⁾	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be	Allotment to each Non- Institutional Bidder shall not be less than the Minimum NIB 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. For details, see “Offer Procedure” beginning on page 314 of this Draft Red Herring Prospectus.	Allotment to each Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Individual Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see “Offer Procedure” beginning on page 314 of this Draft Red Herring Prospectus.

		available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Allotment	Compulsorily in dematerialized form.			
Minimum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Trading Lot	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾			
Mode of Bid	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- ⁽¹⁾ *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*
- ⁽²⁾ *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*
- ⁽³⁾ *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*

- (4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum- Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on pages 327 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Offer

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Bid/ Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

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

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

Offer Program

Event	Indicative Date
Bid/ Offer Opening Date	[●] ¹
Bid/ Offer Closing Date	[●] ^{2,3}
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]

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

² Our Company, in consultation with the Book Running Lead Manager, 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 Bid/Offer Closing Date

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three 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 blocked funds other than the original application amount shall be instantly revoked and the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the different amount (i.e., the blocked amount less the Bid Amount) shall be instantly revoked and the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding three 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 three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, , SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Offer' Period at the Application Centres mentioned in the Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Offer Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than individual applicants.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to NSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form visà- vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

OFFER PROCEDURE

All Bidders should read the General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI (ICDR) Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the website of the Stock Exchange and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by the 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; (v) issuance of Confirmation of Allocation Note ("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; (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 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) 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 existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2.00 lakhs to ₹5.00 lakhs for all the individual investors applying in public issues.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, 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 introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, which came into force with effect from May 1, 2021, except 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, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022. The provisions of these circulars 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.

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, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public

offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. 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).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The Book Running Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Promoter Selling Shareholders and the BRLM, 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 Promoter Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI (ICDR) Regulations, the Offer is being made for at least 25% of the post- Offer paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229 (2) of Chapter IX of SEBI (ICDR).

Regulations via book building process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Individual Bidders in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, 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 a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock

Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased Implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public Offer of, inter alia, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("Previous UPI Circulars") and the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public Offer closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public offer closure to listing continued to be six Working Days. For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, 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 will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public offer closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023, and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public offer closure to listing has been reduced from six Working Days 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.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the 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 (the "UPI Streamlining Circular"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later

than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post- offer BRLM will be required to compensate the concerned investor.

The 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. The Offer will be made under UPI Phase III of the UPI Circular.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

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 ₹2.00 lakhs and up to ₹5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 ("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 finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized 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 Book Running Lead Manager, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM. 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.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Company has appointed certain 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.

Bid Cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available

for download on the website of the NSE (www.nseindia.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 Book Running Lead Manager.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders (other than UPI Bidders using the UPI Mechanism) must provide the bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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 (not using the UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA 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.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected. The 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 shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. 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 Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. The prescribed color of the Bid cum Application Form for the various categories is as follows:

Category	Color of Bid cum Application form*
Resident Indians, including QIBs, Non-institutional Investors and Individual Bidders, each resident in India 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**	[●]

* *Excluding electronic Bid cum Application Form.*

** *Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Manager.*

Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com).

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 Manager for analyzing 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 Manager 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.

Pursuant to NSE circular dated August 3, 2022, with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;
- b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
- c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5 pm on the initial public offer closure day;

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 UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

Electronic Registration of Bids

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, the Book Running Lead Manager, The Syndicate Members And Persons Related To Promoters/Promoter Group/The Book Running Lead Manager

The Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion:

- i. mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- ii. insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- iii. AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or

- iv. FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.
- v. Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if:
- vi. 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
- vii. either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- viii. there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Manager.

Except to the extent of participation in the Offer for Sale by the Promoter Selling Shareholders, 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, and the Promoter Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index 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 Non-Resident Indians

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in color).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB to block their 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 SCSB to block their 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 is advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

NRIs will be permitted to apply in the 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 details of restrictions on investment by NRIs, see “Restrictions on Foreign Ownership of Indian Securities” beginning on page 314 of this Draft Red Herring Prospectus.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder 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: 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 from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post- Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company 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 color).

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.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of 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 the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“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; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 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 22(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 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 utilizing the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this 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 In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500.00 lakhs and pension funds with a minimum corpus of ₹2,500.00 lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Manager 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, 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 Rules, VCFs and FVCIs can invest only up to 33.33% of their 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 one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. 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 Book Running Lead Manager 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 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, and the Promoter Selling Shareholders in consultation with the Book Running Lead Manager, 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 the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, and the Promoter Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "Banking Regulation Act"), and the Master Directions - 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 bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in

excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the 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 Book Running Lead Manager, 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"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹2,500.00 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, and Promoter Selling Shareholders in consultation with the Book Running Lead Manager, 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, and Promoter Selling Shareholders in consultation with the Book Running Lead Manager, 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

- 1) 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.
- 2) Anchor Investor Application Forms will be made available for the Anchor Investors Portion at the offices of the Book Running Lead Manager.
- 3) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs.

- 4) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 5) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 6) Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 7) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Book Running Lead Manager before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- 8) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 9) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 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.
- 10) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI (ICDR) Regulations. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) Neither the (a) Book Running Lead Manager or any associate of the Book Running Lead Manager (other than mutual funds sponsored by entities which are associate of the Book Running Lead Manager or insurance companies promoted by entities which are associate of the Book Running Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Manager) 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.

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 Book Running Lead Manager 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.

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 Promoter Selling Shareholders and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid Period.

Do's:

1. 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;
2. Ensure that your PAN is linked with Aadhaar, and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, and press release dated June 25, 2021
3. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
4. Ensure that you have Bid within the Price Band;
5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
6. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder in the Bid cum Application Form and if you are a 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;
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 General Information Document;
8. UPI Bidders Bidding in the Offer shall ensure that they 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
9. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
10. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

11. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
12. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market,
16. and (iii) persons/entities exempt from holding a PAN under applicable law, 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
17. account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that 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;
19. 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;
20. 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;
21. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
22. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM Structure, and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
23. 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;
24. Since the Allotment will be in dematerialized form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;
25. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated

Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

26. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor 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 at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize 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;
27. Ensure that the Demographic Details are updated, true and correct in all respects; 26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
28. 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 Banks 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;
29. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks offer a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
30. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
31. 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 Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
32. Bids by Eligible NRIs for a Bid Amount of less than ₹2.00 lakhs would be considered under the Individual Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹2.00 lakhs would be considered under the Non- Institutional Category for allocation in the Offer;
33. UPI Bidders using UPI Mechanism 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. RIBs 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; and
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.
35. The ASBA bidders shall ensure that bids above ₹5.00 lakhs, are uploaded only by the SCSBs.

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 Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceed ₹2.00 lakhs (for Bids by RIBs) and ₹5.00 lakhs for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. 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;
5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
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 color prescribed for another category of Bidder;
12. 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;
13. 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);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Offer Closing Date;
25. 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. Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centers. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
28. Do not submit incorrect details of the DP ID, Client ID, PAN, and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
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 or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.
34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5.00 lakhs;

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 may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. 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;
11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹2.00 lakhs;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines, and approvals;
14. Bids accompanied by stock invest, money order, postal order, or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/ Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre- offer or post offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see “General Information” beginning on page 77 of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, 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, please see the General Information Document.

Names of Entities Responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Stock Exchange, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalized 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 this Offer document.

The allotment of Equity Shares to bidders other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Individual Bidders Portion and the remaining available shares, if any, shall be allotted on a proportionate basis. 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. Further, the allocation to each Non-Institutional Investor shall not be less than Minimum NIB 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.

Payment into Anchor Investor Escrow Accounts

Our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Manager 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 favor 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 Syndicate, the Escrow Collection Bank, and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- offer advertisement, in the form prescribed under the SEBI (ICDR) Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the gujarati regional newspaper [●], a gujarati newspaper, gujarati being the regional language of gujarat, 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

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Gujarati regional newspaper [●], a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our registered office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager, are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with The ROC

Our company has entered into an Underwriting Agreement dated [●].

An updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. 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.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialized 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 314.

Impersonation

Attention of the bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹10.00 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

Undertakings by Our Company

Our Company undertakes the following:

- 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 three Working Days from the Bid/ Offer Closing Date or such other 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 Exchange shall be informed promptly.

Undertakings by the Promoter Selling Shareholders

- The Promoter Selling Shareholders in respect of himself as a Promoter Selling Shareholders 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;

- it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable);
- that it shall provide such reasonable assistance to our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the respective portion of the Offered Shares;
- it shall deposit its portion of 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 in its favor, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

Utilisation Of Offer Proceeds

Our Company and the Promoter 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.

Details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

Details of all unutilized monies out of the Fresh Offer, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP issued consolidated FDI Policy notified by the DPIIT File No. 5(2)/2020- FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015, as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated up to March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or

subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in

Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company, the Promoter Selling Shareholders and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION X – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 2013)

ARTICLES OF ASSOCIATION

OF

ELEC STEEL PROCESSING INDUSTRIES LIMITED

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the Elec Steel Processing Industries Limited (the "Company") held on Saturday, 16th November, 2024.

These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association thereof.

1. PRELIMINARY

Table “F” not to apply but company to be governed by these Articles

No regulations contained in Table “F” of Schedule I to the Companies Act, 2013 (“**Table F**”) as are applicable to a public company limited by shares, shall apply to the Company except: (a) so far as they are not inconsistent with any of the provisions contained in these articles or modifications thereof; or (b) to the extent that there is no specific provision in these articles. In case of any conflict between the provisions of these articles and table F, the provisions of these articles shall prevail.

2. DEFINITIONS AND INTERPRETATION

In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:

a. THE ACT

“The Act” means the Companies Act, 2013 and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory modification or re-enactment thereof for the time being in force.

b. ARTICLES or ARTICLES OF ASSOCIATION

The “Articles” or “Articles of Association” means these articles of association of the Company or as altered from time to time.

c. BENEFICIAL OWNER

“Beneficial Owner” shall mean and include a person or persons’ as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act.

d. BOARD OR BOARD OF DIRECTORS

“Board” or “Board of Directors” means the board of directors of the Company, as constituted from time to time.

e. CHAIRMAN/ CHAIRPERSON

“The Chairman/ Chairperson” means the Chairman/ Chairperson of the Board of Directors

f. THE COMPANY OR THIS COMPANY

“The Company” or “This Company” means **ELEC STEEL PROCESSING INDUSTRIES LIMITED**

g. DEPOSITORIES ACT

“Depositories Act” shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time.

h. DEPOSITORY

“Depository” shall mean a Depository as defined under clause (e) of subsection (1) of section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992.

i. DIVIDEND

“Dividend” shall include any interim dividend.

j. RULES

Rules means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

k. LAW / LAWS

“Law/Laws” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental Authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

l. MONTH

“Month” means a calendar month.

m. PERSONS

“Person” or “person” shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity, whether incorporated or not, that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable law.

n. GENDER

Words importing one gender also include the other gender(s).

o. SINGULAR NUMBER

Words importing the singular number include, where the context admits or requires, the plural number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

p. SEBI

“**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

q. SECURITY OR SECURITIES

“Securities” shall mean securities as defined under provisions of the Act.

r. SHARE OR SHARES

“**Share**” or “**shares**” shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

s. SHAREHOLDER OR SHAREHOLDERS OR MEMBER

“**Shareholder**” or “**Shareholders**” or “**member**” shall mean any shareholder of the Company, from time to time.

t. SHAREHOLDERS’ MEETING

“**Shareholders’ Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

u. “YEAR” AND “FINANCIAL YEAR”

“**Year**” means the calendar year and “**Financial Year**” shall have the meaning assigned thereto by the Act.

v. EXPRESSION IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES

Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined.

Words and expressions occurring, but not defined, in these Articles and defined in the Act, SCRA, SEBI Act or regulations/notifications/circulars issued by SEBI (from time to time) shall have the same meanings respectively assigned to them thereunder or in any statutory.

3. PUBLIC COMPANY

The Company is a public company as defined in section 2 (71) of the Act.

4. CAPITAL, SHARES AND CERTIFICATES

The Authorized Share Capital of the Company is as stated in the **Clause 5** of the Memorandum of Association with the rights, privileges and conditions attached thereto as provided in law for the time being in force with powers to the Company to issue share capital as provided under Section 43 of the Act and Applicable Law and divide share capital for the time being of the Company into several classes / kinds (being those specified in the Act) and to attach thereto respectively such preferential, qualified, differential or special rights, privileges or conditions as may be determined by or in accordance with the law or the Articles of Association of the Company for the time being in force and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the law for the time being in force or provided by the Articles of Association of the Company.

Subject to the provision of the Act and Rules Applicable Law and these articles, the Board may issue and allot shares, in such proportion and in the capital of the Company in consideration of payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business or as sweat equity or ESOP or any other scheme and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than cash and if so issued shall be deemed to be fully paid or partly paid up shares as the case may be or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

a. Increase of Capital by the Company

The Company in Shareholders' Meeting may from time to time, by ordinary resolution, increase the capital by creation of new shares and of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at a Shareholders' Meeting of the Company in conformity with Sections 47 of the Act.

b. Issue of Securities

Subject to the provisions of the Act and the rules and other applicable laws the Company shall have the right to issue any kind of shares/ securities / warrants having such rights as to conversion, redemption or otherwise and other terms and conditions and for consideration in cash or in consideration of any property or asset of any kind wherever sold or transferred goods or machinery supplied or for services rendered to the Company in the conduct of its business.

c. Preference Shares

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more class which are liable to be redeemed or converted into equity shares on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules.

d. Shares under the control of the Board

Subject to the Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions either at a premium or at par or at a discount (subject to the compliance with the provision of Section 53 of the Act) and at such times as it may from time to time think fit and proper, and with full power of the sanction of the Company in Shareholders' Meeting, to give to any Person the option or right to call for any shares either at par or at a premium during such time and for such

consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and is so issued, shall be deemed to be fully paid up shares.

Provided that the option or right to call of shares shall not be given to any persons except with the sanction of the Company in Shareholders' Meeting.

e. Purchase / Buy Back of Shares

Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other laws for the time being in force, the Company shall be entitled to purchase its own shares or other specified securities on such terms as deemed fit by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

f. Reduction of capital

The Company may (subject to the provisions of Section 52, 55, 66, 67 and/or other applicable provisions, if any, of the Act) from time to time by special resolution, reduce (a) its share capital, (b) any capital redemption, reserve account, or (c) any share premium account in any manner and with and subject to any incidents, authorise the consent required by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. The Article is not to derogate from any power the Company would have if it were omitted.

g. Consolidation, Division, Sub-Division and Cancellation of Shares

Subject to the provisions of the Article and Section 61 of the Act, the Company in Shareholders' Meeting may from time to time by an ordinary resolution in Shareholders' Meeting from time to time, alter the conditions of its Memorandum as follows that is to say:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of share capital within the meaning of the Act;
- (d) re-classify the authorised share capital of the Company i.e. the amount of authorised share capital of one class may be reclassified to authorised share capital of other class.

h. Modification of Rights

- (i) Whenever the capital, by reason of the issue of shares including preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued capital of that class or with the sanction of a special resolution passed at a separate Shareholders' Meeting of the holders of shares of that class, and all the provisions hereafter contained as to Shareholders' Meetings shall,

mutatis mutandis, apply to every such meeting. This Article, is not to derogate from any power the Company would have if this Article was omitted.

- (ii) The rights conferred upon the holders of the shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the offer of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking paripassu there with. This Article, is not to derogate from any power the Company would have if this Article was omitted.

i. 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 paripassu therewith. This Article, is not to derogate from any power the Company would have if this Article was omitted.

j. Further Issue of Shares/Securities

A further issue of shares/securities may be made in any manner whatsoever as the Board may determine including by way of preferential offer, private placement, rights issue, bonus issue, pursuant to employee stock options, sweat equity or in any other manner as permitted by the Act and at such time as the Board may from time-to-time think fit.

k. Issue of Shares to Employees

Subject to applicable rules and regulation, the Board may issue and allot shares/securities as sweat equity or under employees stock option scheme. The Board is authorised absolutely at its sole discretion to determine the terms and conditions of issue of such shares and modify the same from time to time.

l. Liability of Members

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to 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 of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

m. Registers to be Maintained by the Company

The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

- (I) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India.
- (II) A register of Debenture holders; and
- (III) A register of any other security holders.

The Company may keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

n. Share Certificates

- (a) The Company shall cause to be kept a register of members in accordance with Section 88 of the Act and the Depositories Act, with the details of the shares held in Dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.

Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months after allotment (or within such other period as the conditions of issue shall provide), or within fifteen days after the application for the registration of transfer or transmission is received by the Company, without payment, certificate for all the shares registered in his name, every share certificate specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence.

- (b) Certificate of title to shares shall be issued and shall be signed in conformity with the provisions of the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of share certificates and maintenance of books and documents relating to issue of share certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within two months after the allotment unless the conditions of issue of shares provide otherwise.
- (c) Any two or more joint allottees or holders of share shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of the certificate for a share to one of several joint shareholders shall be sufficient delivery to all such holder.

o. Fractional Certificates

- (a) If and whenever, as a result of issue of new shares on consolidation or sub-division of shares, any member becomes entitled to any fractional part of a share, the Board may subject to the provisions of the Act and these Articles and to the directions, if any, of the Company in Shareholders' Meeting:
 -
 - (i) to make such provisions, by the issue of fractional certificates/ coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities 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 profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares

- (b) (i) Sell the shares represented by all such fractional parts for the best price reasonably obtainable.
- (ii) In the event of any shares being sold, in pursuance of sub-clause (b)(i) above, the director / person shall pay and distribute to and amongst the persons entitled, in due proportion the net sale proceeds thereof.
- (iii) For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the same.
- (c) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

p. Renewal of Share Certificate

No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfers have been fully utilised.

Provided further that in case of any share certificate being lost or destroyed or if there be no further space on the bank for endorsement of transfer, the Company may issue a duplicate certificate in place of the certificate so lost or destroyed on such terms as to evidence out of pocket expenses in regard to investigation of such evidence and on execution of indemnity as the Board may determine.

The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn-out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.

Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulation or requirements of any stock exchanges or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

q. Company not bound to recognize any Interest in Share other than Registered Holder

Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles expressly provided) any right in respect of a share other than an absolute right thereto/ in accordance with these Articles, in the person whose name appears in the Register of Members as holder of shares or whose name appears as the beneficial owner of the shares in the records of the depository, but the

Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

5. Company entitled to Dematerialise its Shares and Securities

Notwithstanding anything contained in the Articles of Association, the Company shall be entitled to dematerialize its shares, debenture and other securities in a dematerialised form held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

The Company shall further be entitled to maintain a Register of Members with the details of members holding shares/securities both in material and dematerialised form in any media as permitted by law including any form of electronic media.

6. GENERAL AUTHORITY

Where in the Act, it has been provided that a company shall have any right, privilege or authority or that a company could carry out any transactions only if such company is so authorized by its articles of association, in every such case this Articles of Association hereby authorizes and empowers the Company, its Board, its Directors and/or its members to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific provision in that behalf herein. Following are a few illustrations of such rights, privileges, authorities and transactions as set out with relevant Section numbers from the Act:

Section 40: to pay commission on issue of shares and debentures

Section 43: to issue shares with differential voting rights

Section 48: to alter rights of holders of special class of shares

Section 50: to accept amount on share capital although not called up

Section 51: to pay dividend in proportion to amount paid-up

Section 55: to issue preference shares.

Section 61: to alter the share capital of the company

Section 42: to issue shares on preferential basis

Section 62: to further issue shares/securities

Section 63: to issue bonus shares

Section 68: to buy back the shares of the Company

Section 88: to keep foreign register of members of debenture holders

Section 161: to appoint additional, alternate and nominee directors

The above authority does not include rights, privileges, authorities under Section 163 of the Act.

7. POWER TO PAY COMMISSION IN CONNECTION WITH SECURITIES ISSUED

The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.

3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

8. BROKERAGE

The Company may on any issue of shares, debentures or any other securities pay such brokerage or commission as may be prescribed under the Act.

9. CALLS

a. Board May Make Calls

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by a circular resolution) make such calls as it thinks fit upon the members in respect of moneys unpaid on the shares, whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine at any time.

b. Notice of Calls

At least Fourteen (14) days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid provided that before the time for payment of such call, the Board may revoke or postpone the same.

c. Calls to take Effect from the Date of Resolution

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board of Directors.

d. Calls on Shares of Same Class to be On Uniform Basis

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of different class having the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

e. Board may Extend Time

The Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of any call, and may extend such times as to all or any of the members who, on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension as of right except as a matter of grace and favour.

f.Amount Payable at Fixed time or by Instalments to be Treated as Calls

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable by the person who for the time being and from time to time is or shall be the registered holder of the shares or legal representative of a deceased registered shareholder, as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

g. Deposit and Call, etc. to be Debt Payable

The money (if any) which the Board of Directors 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 the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

h. Interest on Call or Installment

If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at the rate as may be determined by the Board from the due date appointed for the payment thereof till the time of actual payment. However, the Board may waive payment of such interest wholly or in part. In case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

i.Partial Payment not to Preclude Forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any 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.

j.Payment in Anticipation of Calls may Carry Interest

- (a) The Board of Directors may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or upon so

much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest, at such rate as may be decided by the Board according to the provisions of the Act. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months' notice in writing.

- (b) No member paying any such sum in advance shall be entitled to voting rights or dividend or to participate in profits in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles relating to calls on shares shall mutatis mutandis apply to any other securities including debentures of the Company.

10. LIEN

(a) Company to have Lien on Shares/ Debentures

The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any such share/debentures shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of shares/ debentures.

Unless otherwise agreed, the registration of a transfer of such shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures. PROVIDED THAT the Board of Directors may, at any time, declare any share/ debentures to be wholly or in part exempt from the provisions of this Article.

(b) As to 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 for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issue a duplicate certificate in respect of such shares and may authorise one of the members to execute a transfer thereof on behalf of and in the name of such members.

(c) Transfer of Shares sold under Lien

- (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereto;
- (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer;
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

- (4) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(d) Application of proceeds of sale

- (1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable, and
- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

(e) 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 any statute) be bound to recognize 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.

The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

11. JOINT HOLDERS

a. The First Named of Joint Holders Deemed Sole Holder

If any share stands in the names of two or more persons, first named in the register shall, as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holder of a share shall, severally as well as jointly, be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the Company's regulations.

Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefit of survivorship subject to the following and other provisions contained in these articles: -

b. Not More than Four

- (a) The Company shall not be bound to register more than four persons as the holders of any share.
- (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all installments, calls and other payments which ought to be made in respect of such share.

c. Title of Survivors

On the death of any of such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

d. Receipt of One Sufficient

Any one of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

e. Delivery of Certificate and Giving of Notice

Only the person whose name stands first in the Register of Members as one of the joint holders of any share unless otherwise directed by all of them in writing shall be entitled to delivery of certificate relating to such share or to receive any documents from the Company and any document served on or sent to such person shall be deemed service on all the joint holders.

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

12. FORFEITURE OF SHARES

a. If Money Payable on Shares not Paid Notice to be Given to Member

If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

b. Allotment Money Shall be Deemed to be a Call

For the purpose of provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

c. Effect of Nonpayment 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.

d. Form of Notice

The notice shall name a day (not being less than fourteen (14) days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

e. In Default of Payment Shares to be Forfeited

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect by the forfeited shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money,

shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

f. Notice of forfeiture to a member

When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forth with be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

g. Forfeited Share to be the Property of the Company and may be sold etc.

Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

h. Cancellation of Forfeiture

At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

i. Member Still Liable to Pay Money Owing at the Time of Forfeiture and Interest

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate not exceeding twelve (12) per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if they think fit, but shall not be under any obligation so to do.

j. Effect of Forfeiture

The forfeiture of a share shall involve extinction at the time of the 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.

k. Validity of Forfeiture

- 1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration shall be conclusive evidence of the facts stated as against all persons claiming to be entitled to the share;
- 2) The Company may receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- 3) The person to whom such share, is sold, re-allotted or disposed of shall thereupon be registered as the holder of the share;

- 4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest and bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
- 5) Such purchaser or allottee 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 other disposal of the share.

l. Cancellation of Share Certificates in Respect of Forfeited Shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate in respect of the said shares to the persons entitled thereto.

m. Validity of Sales

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares, the validity of the sale shall not be impeached by any person.

13. SURRENDER OF SHARES

The Board may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

14. TRANSFER AND TRANSMISSION OF SHARES

a. Instrument of Transfer to be Executed by Transferor and Transferee

- 1) For shares in physical form, the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- 2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 3) The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

b. Board May Refuse to Register Transfer

Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable

provisions of the Act or any other law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a shareholder in the Company. Further, subject to the provisions of Section 56 of the Act and section 22A and other relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Board may, at its absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a shareholder of the Company. The Board 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 the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares / debentures in whatever lot shall not be refused.

c. Board May Decline to Recognize Instrument of Transfer

The Board may decline to recognize any instrument of transfer unless –

- a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c) the instrument of transfer is in respect of only one class of shares.
- d) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository. In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- e) Provisions of Articles to apply to Shares held in Depository:

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.

- f) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository

d. Transfer of Shares When Suspended

On giving of previous notice of at least seven (7) days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty- five (45) days in the aggregate in any year.

e. Transfer of Partly Paid Shares

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

f. Transfer to Minors, etc.

- (a) No share shall in any circumstances be transferred to an insolvent or a person of unsound mind.
- (b) A minor may be admitted and registered as a member of the Company in respect of any fully paid-up share or shares in his or her name. The father or the mother of a minor or a guardian appointed by a competent court shall have a right to represent and act for the minor in all respects including voting and/or giving proxy in respect of any share or shares held by such minor.

g. The Company Not Liable for Disregard of a Notice Prohibiting Registration of a Transfer

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 right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books 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 of Directors shall so think fit.

h. Title to Shares of Deceased Member

The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession certificate, as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board may upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under this Article the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

i. Title to Shares on Death of a Member

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

j. Estate of Deceased Member Liable

Nothing shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

k. Transmission Clause

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time-to-time properly be required by the Board and subject as hereinafter provided, elect, either –

- a) to be registered himself as holder of the share; or
- b) to make such transfer of the share as the deceased or insolvent member could have made.

l. Indemnity to the Company

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

m. Board's Right Unaffected

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

n. No Fee on Transfer or Transmission

No fee shall be charged for registration of transfer, grant of probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

The provisions of these Articles relating to transfer & transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

15. MEETINGS OF MEMBERS

a. Annual General Meeting

The Company shall in each year holding addition to any other meetings, a general meeting as its annual general meeting, except in the case where any extension of time for holding any annual general meeting is granted/availed under applicable laws. Not more than 15 (fifteen) months shall elapse between the date of one annual general meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the

registrar under the provisions of Section 96 of the Act to extend the time within which any annual general meeting may be held. Every annual general meeting shall be called during business hours on a day that is not a national holiday and shall be held either at the registered office or at some other place within the city in which the office of the Company is situated through video conferencing or audio-visual means or teleconferencing /permitted mode, as the Board may determine.

b. Extraordinary General Meeting

All Shareholders' Meetings other than annual general meeting shall be called Extra-Ordinary General Meeting.

The Board may, whenever they think fit, convene an extra-ordinary general meeting.

The Board shall on the requisition of such number of members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply through video conferencing or audio-visual means or teleconferencing/permitted mode.

c. Calling Shareholders' Meeting

A Shareholders' Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic/permitted mode in such manner as prescribed under the Act, provided that a Shareholders' Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode:(a) in the case of an annual general meeting, by not less than 95% (ninety-five percent) of the members entitled to vote at such meeting, and (b) in the case of any other general meeting, by members holding, majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up share capital of the Company as gives a right to vote at such meeting. Provided further that where any member is entitled to vote only on some resolution or resolutions to be moved at a Shareholders' Meeting and not on the others, that member shall be taken into account for the abovementioned purposes, in respect of the former resolution(s) and not in respect of the latter.

Notice of every Shareholders' Meeting shall be given to the members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.

d. Nature of Business

The ordinary business of an annual general meeting shall be to receive and consider the financial statements and the report of the Board and of the auditors, to reappointment of Directors retiring by rotation, to appointment of auditors and to declare dividends. All other business transacted at such meeting and all business transacted at an extra ordinary meeting shall be deemed special.

e. Quorum

- 1) No business shall be transacted at any Shareholders' Meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- 2) No business shall be discussed or transacted at any Shareholders' Meeting except election of Chairperson whilst the chair is vacant.

3) The quorum for a Shareholders' Meeting shall be as provided in the Act.

f. Chairman of Shareholders' Meeting

The chairman of the Board shall be entitled to take the chair at every Shareholders' Meeting. If there be no such chairman of the Board, or if at any Shareholders' Meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of the members to be the chairman of that meeting.

g. Business Confined to Election of Chairman Whilst Chair Vacant

No business shall be discussed at any Shareholders' Meeting except the election of a Chairman whilst the chair is vacant.

h. Chairman May Adjourn Meeting

- (1) The Chairman may, suomoto, adjourn the Shareholders' Meeting from time to time and from place to place.
- (2) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the Shareholders' Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Section 100 of the Act (read with provisions of these Articles) shall stand cancelled.
- (3) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (4) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (5) The required quorum at any adjourned Shareholders' Meeting shall be the same as that required at the original Shareholders' Meeting.
- (6) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

i. Chairman's Declaration of Result of Voting on Show of Hands

A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

j. Chairman's Casting Vote

In the case of an equality of votes, the chairman shall both on a show of hands and a poll (if any) have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

k. Voting Through Electronic Means

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

l. Members Paying Money in Advance Not to be Entitled to Vote in Respect Thereof

A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

m. Number of Votes to Which Member Entitled

- (i) Subject to the provisions of the Act and these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, shall be entitled to vote in the manner prescribed under the Act and Articles.
- (ii) Subject to the provisions of this Act and this Articles any person entitled under the Transmission Clause to any shares may vote at any Shareholders' Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (iii) Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

n. Voting in Person or by Proxy

The instrument appointing a proxy and/or the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Any member entitled to attend and vote at a Shareholders' Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

The proxy so appointed shall have no right to speak at the meeting.

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, 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.

Unless specifically provided as part of terms of preference shares, the preference shares shall not confer on the holders thereof the right to vote either in person or by proxy at any Shareholders' Meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Act.

o. Members in Arrears Not to Vote

No members 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 and has exercised any right of lien.

p. Minutes of Proceedings of Meetings and Resolutions Passed by Postal Ballot

The Company shall cause minutes of the proceedings of every Shareholders' 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 under the Act and the Rules

q. Inspection of Minute Books of Shareholders' Meeting

The books containing the minutes of the proceedings of any Shareholders' Meeting of the Company or a resolution passed by postal ballot shall:

- a) be kept at the registered office of the Company; and
- b) be open to inspection of any member without charge, during 2 p.m. (IST) to 4.30 p.m. (IST) on all working days.

r. Members May Obtain Copy of Minutes

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes of Shareholders' Meetings:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous Shareholders' Meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

s. Powers to Arrange Security at Meetings

The Board, and also any person(s) authorized by it, may take any action before the commencement of any Shareholders' Meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

16. DIRECTORS

a. Number of Directors

- (a) Until otherwise determined by a Shareholders' Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (excluding Debenture Directors, Government Directors, Ex-officio Directors, if any) shall be not less than 3 and not more than 15. However, maximum number can exceed 15 by passing special resolution as required under the Act.
- (b) The first Directors of the Company were:
 - 1. Mr. Harshad Narbherambhai Bagadia,
 - 2. Mr. Parasbhai Harshadbhai Bagadia,

- (c) It shall not be necessary for a Director to hold any share in the Company.

b. Directors Not Liable to Retire by Rotation

The shareholders/ members shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation subject to compliance of the Act and the Rules made thereunder. Each of them shall be entitled to hold the office until he resigns on his own accord.

Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those whose period of office is liable for determination of retirement by rotation save as otherwise expressly provided in this Act, be appointed by the company in Shareholders' Meeting. For the purposes of this article, the total number of Directors shall not include independent directors, Nominee Director, whether appointed under the Act or any other law for the time being in force, on the Board.

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. Further this will also be governed by the provisions of Listing Regulations.

A retiring Director shall be eligible for re-election.

c. Same Individual May be Chairperson and Managing Director/ Chief Executive Officer

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

d. Appointment of Alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the India which meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Board and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all powers and duties and authorities of the original Director. The Alternate Director appointed under this Article shall vacate office as and when original Director returns to the India. If the terms of office of the original Director is determined before he returns to the India, any provision in the Act or in this Article for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

e. Appointment of Special Director

- (i) The Company shall, subject to the provisions of the Act, be entitled to agree with the Central or State Government, or any person, firm, corporation or authority that he or it shall have the right to appoint his or its nominees on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until requested to retire by authority, person, firm or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office, whether upon request as aforesaid or by death, resignation or otherwise, the authority, person, firm or corporation who appointed such Special Director may, if the agreement so provides, appoint another Director in his place.
- (ii) The Special Directors, appointed under sub-clause (i) above, shall be entitled to hold office until requested to retire by the person, firm or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office whether upon

request as aforesaid or by death, resignation or otherwise, the person, firm or corporation who have appointed such special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

f. Appointment of Debenture Directors

Any Trust Deed for securing debentures or debenture stocks may, if so agreed, provide for the appointment, from time to time, by the Trustees thereof, or by the holders of debentures or debenture stocks, of some person to be a Director and may empower such Trustees or holder of debentures or debentures stocks, from time to time, to remove and re-appoint any Director so appointed. The Director so appointed under this Article herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

g. Appointment of Nominee Directors

- (i) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to financial institutions, financing company or body or credit corporation, out of any loans granted by them to the Company or so long as the financial institution, financing company or body corporate or Credit Corporation (each of the financial institutions, financing company or body or credit corporation is hereinafter in this Article referred to as "The Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime, (which Directors or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s in terms of the agreement executed with such Corporation/ provisions of the respective statute/ or otherwise agreed to by the Board.
- (ii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- (iii) The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability or the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the money owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
- (iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend to Shareholders' Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

- (v) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, money or remuneration in any form is payable to the Directors of the Company, the fees, commission, money and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.
- (vi) Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s. Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation or as per rules and regulations/or agreement entered into with such corporation
- (vii) In the event of the Nominee Director/s being appointed as Whole-time Director/s, such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such Wholetime Director/s shall be entitled to receive such remuneration, fees, commission and money as may be approved by the Corporation.

h. Directors May Fill Vacancies

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

i. Appointment of Additional Directors

The Directors shall also have power at any time and from time to time to appoint any other person to be a Director as an addition to the Board under Section 161 of the Act but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next annual general meeting but shall be eligible for election at such meeting.

j. Appointment of Other Directors

The Board shall appoint Woman Director and Independent Director in the manner required under the provisions of Act and other applicable laws.

k. Appointment of Managing Director or Managing Director(S) Or Whole Time Director or Whole Time Director(S)

Subject to the provisions of Section 196 / 203 and other applicable provisions of the Act and these Articles, the Board shall have power to appoint or reappoint from time to time Managing Director or Managing Directors or whole time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss or reappoint him or them from office and appoint another or others in his or their place or places.

17. REMUNERATION OF DIRECTORS

- 1) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- 2) The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined, in accordance with and subject to the provisions of the Act.
- 3) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel, sitting fees and other expenses properly incurred by them –
 - a) in attending, and returning from meetings of the Board of Directors or any committee thereof or Shareholders' Meetings of the Company; or
 - b) in connection with the business of the Company
 - c) Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
- 4) 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.

18. PROCEEDING OF THE BOARD OF DIRECTORS

a. Meetings of Directors

- (a) The conducting of Meetings of the Board of Directors is governed by Secretarial Standards issued by ICSI and approved by the Ministry of Corporate Affairs.
- (b) A meeting of the Board of Directors shall be held at least four (4) times every year and not more than 120 days shall lapse between two (2) Board meetings.
- (c) No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
- (d) If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

b. When Meeting to be Convened

- i) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

- ii) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

c. Quorum

The quorum for the Board meeting shall be as provided above.

d. Chairman

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his/her absence, the Board may elect a chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairperson of the meeting.

e. Questions At Board Meeting How Decided

Subject to provisions of the Act, questions arising at any meeting of the Board shall be decided by a simple majority of votes, and in case of equality of votes, the chairman shall have second or casting vote.

f. Circular Resolution

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 provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any necessary papers, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

g. Acts of Board or Committee Valid Notwithstanding Defect in Appointment

All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.

Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

h. General Powers of the Company Vested in Board

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in Shareholders' Meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in Shareholders' Meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The Board shall also undertake the corporate social responsibility activities under the provisions of the Act.

The Board may at any time and from time to time by authority letter, board resolution, power of attorney or otherwise appoint any person or persons to be the authorized persons, delegates or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such periods and subject to such conditions as the Board may from time to time think fit, and may contain powers enabling such authorized persons, delegates or attorneys as aforesaid to sub-delegate/authorise all or any of the powers, authorities and discretions for the time being vested in them.

i. Certain powers of the Board

Without prejudice to the powers conferred by these Articles and so as not in any way to limit or restrict these powers and without prejudice to the other power conferred by these Articles, but subject to the restrictions contained in these Articles it is hereby declared that the Director shall have the following powers that is to say power:

- a. To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of the Act;
- b. Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and condition as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- c. At their discretion and subject to the provisions of the Act, to pay for any property or rights acquired by, or services rendered to the Company either wholly or partly in cash, or in shares, bonds, debenture-stock, mortgage or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debenture stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- d. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurances effected in pursuance of this power;
- e. To open accounts with any bank or bankers or with any company or firm and to pay money into and draw money from any such account from time to time as the Directors may think fit;
- f. To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit;

- g. To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit;
- h. To accept from any member, on such terms and conditions as may be agreed, a surrender of his shares or stock or any part thereof, so far as may be permissible by law;
- i. To appoint any person or persons (whether incorporated or not) to accept and hold in trust; for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be requisite in relation to any such trust, and, to provide for the remuneration of such trustee or trustees;
- j. To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or any claims or demands by or against the Company;
- k. To refer any claims or demands by or against the Company or any dispute or difference to Arbitration and observe, perform and execute any awards made thereon;
- l. To act on behalf of the Company in all matters relating bankrupts and insolvents;
- m. To make and give receipts, releases and other discharges for monies payable to the Company and for the claim and demands of the Company;
- n. To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;
- o. Subject to the provisions of the Act and these Articles to invest and deal with any monies of the Company, not immediately required for the purposes thereof upon such securities and other investments (not being shares of this Company) or without security and in such manner as they may think fit and from time to time vary or realise such investments provided that save as permitted by the Act all investments shall be made and held by the Company in its own name;
- p. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability whether as principal or as surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgages may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed upon;
- q. To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company, and to give to any officer or other persons employed by the Company, a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company;
- r. Subject to the provisions of the Act to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company;
- s. To provide for the welfare of employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows, and families and the dependents of such persons by building or contributing to the building of houses, dwelling or quarters or by grant of money, pensions, gratuities & allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical

and other attendances and other forms of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist to or guarantee money to charitable, benevolent, religious, scientific, national, public or any other Institutions objects or purposes or for any exhibition;

- t. Before recommending any dividend to set aside out of the profits of the Company, such sums as they may think proper for depreciation or to or as a Depreciation Fund, or to an Insurance Fund, General Reserve, Reserve Fund, or Sinking Fund or any special or other fund or funds or account or accounts to meet contingencies, or to repay Redeemable Preference Shares or for debentures or debenture stock or for special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the last two preceding clauses), as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (subject to the restrictions imposed by the Act and these Articles) as the Directors may think fit and from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the Capital monies of the Company might rightly be applied or expended, and to divide the Reserve, General Reserve or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund in the business of the Company or in the purchase or repayment of Redeemable Preference Shares or debentures or debenture-stock and that without being bound to keep the same separately from the other assets and without being bound to pay or allow interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interest all such rate as the Directors may think proper;
- u. Subject to the provisions of the Act, to appoint and at their discretion remove or suspend managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and to require security in such instances and of such amounts as they may think fit, and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in clauses (23), (24), (25) and (26) following, shall be without prejudice to the general powers conferred by this clause.
- v. To comply with the requirement of any local law which the Company is not bound to comply with but which in their option it shall be in the interest of the Company necessary or expedient to comply with;
- w. From time to time and any time to establish any Local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any local Board, or any managers or agents and to fix their remuneration;
- x. At any time and from time to time, by Power of Attorney, to appoint any person or persons to be the Attorney or Attorney's of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents, and excluding the power, which may be exercised only by the Board of Directors, at a meeting of the Board under the Act or these Articles or by the Company in Shareholders' Meeting) and for such period and subject to such conditions as the Board of Director, may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the members of any Local Board, established as aforesaid, or in favour of any Company, or the members, directors nominees or managers or any Company or firm or otherwise in favour of any body of persons, whether nominated directly or indirectly by the Board of Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons, dealing with

such attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers and authorities for the time being vested in them;

- y. Subject to the provisions of the Act and these Articles, for or in relation to any of the matters aforesaid or otherwise for the purpose, of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- z. On the request being received from any auditor(s), Board or any other person authorized by the Board shall have the authority to exempt any auditors (secretarial auditor, statutory auditor etc.) to attend Shareholders' Meeting of the Company.

j. Borrowing Powers

Subject to the provisions of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow money from time to time including but not limited to fund based and non-fund based credit facilities from Bankers and other eligible lenders, loans, fixed deposits etc. for the purpose of the business of the Company to be secured in such manner and upon such terms and conditions as the Board of Directors may think fit.

k. Issue of Debentures

The Board has power to issue debentures of various kinds from time to time.

The Board may, from time to time, at its discretion raise for the purpose of the Company's business such of money as they think fit. The Board may raise any such sums as aforesaid by the issue, at such price as it may think fit, of debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Board may think expedient.

l. Delegate Powers

Subject to the provisions of the Act including Section 179, as applicable, the Board may, from time to time, and at any time, delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than its power to make calls or to make loans or borrow moneys; and to authorise the member for the time being of any such Local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

19. BOARD MAY APPOINT COMMITTEES

- i) The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Act and of these Articles appoint committee of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committees of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.

- ii) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

a. Chairman of Committee of Directors

- i) Committee may elect a chairperson of its meetings unless the Board, while constituting a committee, has appointed a Chairperson of such Committee.
- ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

b. Functioning of the Committee

- 1) A Committee may meet and adjourn as it thinks fit.
- 2) Questions arising at any meeting of a Committee shall be determined by a simple majority of votes of the members present.
- 3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

20. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act;

- i) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

The Board shall have the power to appoint an individual as the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.

A whole-time director / chief financial officer / company secretary of the Company are severally authorised to sign any document or proceeding requiring authentication by the Company or any contract made by or on behalf of the Company.

Any provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

21. STATUTORY REGISTERS

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and

acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company only by the persons entitled thereto under the Act, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Subject to aforesaid the Board shall have a power to refuse inspection to any other person, at its discretion.

22. FOREIGN REGISTERS

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such Articles as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

23. DIVIDENDS AND RESERVE

i. Company in Shareholders' Meeting may declare dividends.

The Company in Shareholders' Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in Shareholders' Meeting may declare a lesser dividend.

ii. Interim dividends

Subject to the provisions of the Act, the Board may from time-to-time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

iii. Dividends only to be paid out of profits

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time-to-time, think fit.

iv. Carry forward of profits

The Board may subject to provisions of the Act also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

v. Payments in Advance

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

vi. 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.

vii. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

viii. Retention of dividends

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

ix. Dividend how Remitted

A 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.

x. Discharge to Company

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

xi. Receipt of one holder sufficient

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

xii. No interest on Dividends

No dividend shall bear interest against the Company.

xiii. Waiver of Dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

24. WINDING UP

The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

25. ACCOUNTS

Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

The Board shall be entitled from time to time to determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

No member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.

All the aforesaid books shall give a true and fair view of the Company's affairs with respect to the matters aforesaid and explain its transactions.

The books of accounts of the Company relating to past periods shall be preserved in good order in compliance with applicable laws.

26. UNPAID OR UNCLAIMED DIVIDEND

Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted or sent within thirty days from the date of declaration to any shareholder entitled to payment of the dividend, the Company shall transfer the total amount of dividend, which remained unpaid or unclaimed within seven days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "unpaid dividend account". No unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of Section 125 of the Act, viz. "Investors education and protection fund".

27. INDEMNITY AND INSURANCE

Directors and officers right to indemnity

- (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, chief executive officer, chief financial officer, 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 (including travelling expense) which such director, manager, company secretary and officer may

incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity except such suits, proceedings, cost, charges, losses, damage and expenses, if any, that such director, manager, company secretary and officer shall incur or sustain, by or through his own willful neglect or default.

- (b) Subject as aforesaid, every director, managing director, manager, chief executive officer, chief financial officer, company secretary and officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the gross negligence, willful misconduct or bad faith acts or omissions of such director, managing director, manager, chief executive officer, chief financial officer, company secretary or officer.

28. 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.

29. CAPITALISATION

- 1) The Company in Shareholders' Meeting by Ordinary Resolution may, upon the recommendation of the Board, resolve:
 - (a) 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
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause no. 2 amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause no. 3 either in or towards: -
 - (a) paying up any amount for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full un-issued shares of the Company to the allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- 3) A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid Bonus Shares.
- 4) the Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

- 5) Any agreement made under such authority shall be effective and binding on such members.

30. SECRECY CLAUSE

Every director, manager, auditor, secretary, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required, by the Director, before and any time after entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions, operations, business and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law.

31. NO MEMBER TO ENTER THE PREMISES OF THE COMPANY WITHOUT PERMISSION

No member or other person (not being a Director) shall, without the prior written permission of the Chairperson of the Company or Managing Director be entitled to visit or inspect any property or premises of the Company or to require discovery of or any information respecting any detail of the Company's trading, operation or business, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Chairperson/Managing Director, it would be inexpedient in the interest of the Company to disclose.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. to 5 p.m. on all Working Days from date of the Draft Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at www.espi.co.in and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

MATERIAL CONTRACTS

1. Offer Agreement dated March 19, 2025 between our Company, the Promoter Selling Shareholders, and the Book Running Lead Manager.
2. Registrar Agreement dated March 19, 2025 between our Company and the Registrar to the Offer.
3. Banker to the Offer Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Offer and the Registrar to the Offer.
4. Market Making Agreement dated [●], between our Company, the Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated [●], between our Company, Book Running Lead Manager, and the Underwriters.
6. Tripartite agreement between CDSL, our Company and the Registrar to the Offer dated February 25, 2025.
7. Tripartite agreement between the NSDL, our Company and the Registrar to the Offer dated March 13, 2025.
8. Syndicate Agreement dated [●] amongst our Company, the Book Running Lead Manager, and Syndicate Members.
9. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Registrar to the Offer, the Book Running Lead Manager, the Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Banks.
10. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency
11. Site visit report dated March 22, 2025, prepared by the BRLM.

MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated August 08, 2022, issued under the name Elec Steel Processing Industries Private Limited.
3. Copy of Fresh Certificate of Incorporation dated December 30, 2024, issued by Assistant Registrar of Companies / Deputy Registrar of Companies / Registrar of Companies, Central Processing Centre consequent to name change from Elec Steel Processing Industries Private Limited to Elec Steel Processing Industries Limited pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated March 17, 2025 in relation to the Offer.

5. Resolution of the Shareholders of our Company, passed at the Extra-ordinary General Meeting held on March 18, 2025 in relation to the Offer.
6. Examination report on the Restated Financial Statements dated March 17, 2025 issued by the Peer Reviewed Statutory Auditors included in this Draft Red Herring Prospectus.
7. The Statement of Possible Tax Benefits dated March 19, 2025, issued by the Peer Reviewed Statutory Auditor included in this Draft Red Herring Prospectus.
8. Copies of Audited Financial Statements of the Company for the six months period ended on September 30, 2024 and for financial years ended March 31, 2024, 2023 and 2022.
9. Consent letter from the Promoter Selling Shareholders authorizing its participation in the Offer dated March 17, 2025.
10. Consents of our Directors, Promoters, the Promoter Selling Shareholders, Company Secretary and Compliance Officer, Chief Financial Officer, Peer Reviewed Statutory Auditor, Independent Chartered Engineer, Banker(s) to the Company, Book Running Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Banker to the Offer, Underwriter and Market Maker to act in their respective capacities.
11. Consent from the Peer Reviewed Statutory Auditor, M/s Lalpuria Shah and Associates, Chartered Accountants, to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Statutory Auditors and in respect of the: (I) Restated Consolidated Financial Statements and their examination report dated on the Restated Financial Statements; and (ii) the statement of tax benefits dated March 19, 2025, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on date of this Draft Red Herring Prospectus.
12. Consent letters dated of D.M. Vaidya Associates, Chartered Engineer (Mechanical) to include his name as an expert in relation to his chartered engineer certificates dated March 18, 2025 in this in the Draft Red Herring Prospectus.
13. Consent from Infomerics Analytics & Research Private Limited dated March 19, 2025 issued for inclusion of their name and to reproduce the industry report titled "Industry Report on Electrical Equipment & Component" dated in the Draft Red Herring Prospectus.
14. Certificate on KPI's issued by the Statutory Peer Review Auditors, namely M/s Lalpuria Shah and Associates, Chartered Accountants dated March 19, 2025.
15. Industry report titled "Industry Report on Electrical Equipment & Component" dated March 19, 2025, prepared and issued by Infomerics Analytics & Research Private Limited, commissioned and paid for by our Company.
16. Certificate dated March 18, 2025, from D.M. Vaidya Associates, Chartered Engineer (Mechanical), outlining the existing manufacturing facilities.
17. Certificate dated March 18, 2025, from D.M. Vaidya Associates, Chartered Engineer (Mechanical), outlining the proposed expansion of manufacturing unit.
18. Resolution of the Audit Committee dated March 17, 2025 approving our key performance indicators.
19. No Objection Certificate from the lenders in relation to the Offer prior to the date of this Draft Red Herring Prospectus.
20. Due Diligence Certificate dated March 24, 2025 to NSE by the Book Running Lead Manager
21. Resolution of our Board dated March 24, 2025 approving this Draft Red Herring Prospectus.
22. Resolution of our Board dated [●], approving the Red Herring Prospectus.
23. Due Diligence Certificate dated [●] to SEBI by the Book Running Lead Manager.

24. Resolution of our Board dated [●], approving the Prospectus.
25. Approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of Equity Shares on the NSE Emerge.

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 the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Paras Bagadia Managing Director DIN: 09699701	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Harshad Bagadia Whole-time Director DIN: 01535197	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Dhyanesh Bagadia Promoter / Non-Executive Director DIN: 10802889	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Dinesh Nanavati Independent & Non-Executive Director DIN: 10856131	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Komal Thakkar Independent & Non-Executive Director DIN: 06765690	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Pinal Ronak Shah Chief Financial Officer	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by 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 and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY AND LEGAL COMPLAINEE OFFICER OF OUR COMPANY:

Name and Designation	Signature
Mayank Lashkari Company Secretary and Legal Compliance Officer ICSI Membership No.: A34448	Sd/-

Date: March 25, 2025

Place: Vadodara, Gujarat, Bharat