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# GOYAL SALT LIMITED

Our Company was incorporated as a private limited company under the provisions of Companies Act, 1956, pursuant to a Certificate of Incorporation dated November 26, 2010, issued by the RoC, Rajasthan. Subsequently, our Company was converted into a public limited company under the provisions of Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extra-ordinary general meeting held on April 29, 2023. Consequently, the name of our Company was changed to "Goyal Salt Limited" and a fresh Certificate of Incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the RoC, Jaipur on May 18, 2023, and Corporate Identification Number is U24298RJ2010PLC033409. The registered office of our company is situated at Plot No. 229-230, Guru Jambhwar Nagar, Lane No. 7 Gandhi Path, Vaishali Nagar Jaipur 302021. For details of Incorporation, Change of Name and Registered Office of our Company, see the chapter titled "Our History and Certain Other Corporate Matters" beginning on page 181 of the Red Herring Prospectus.

Registered & Corporate office: Plot No. 229-230, Guru Jambhwar Nagar, Lane No.7 Gandhi Path, Vaishali Nagar Jaipur, Rajasthan-302021 Tel No: +91-91165444419 | Email: cs@goyalsalt.in | Website: www.goyalsalttd.com | Contact Person: Jayanti Jha Roda, Company Secretary & Compliance Officer | CIN: U24298RJ2010PLC033409

## PROMOTER OF THE COMPANY: RAJESH GOYAL, PRAMESH GOYAL, LOKESH GOYAL, RADHIKA GOYAL, PRIYANKA GOYAL, REKHA GOYAL, KUNJ BIHARI GOYAL(HUF), RAJESH GOYAL (HUF), PRAMESH GOYAL (HUF) AND LOKESH GOYAL (HUF)

### THE ISSUE

INITIAL PUBLIC OFFERING OF UP TO 49,02,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF GOYAL SALT LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE), AGGREGATING UP TO ₹ [•] LAKHS\*\* ("THE ISSUE"). THIS ISSUE INCLUDES A RESERVATION OF UP TO 2,46,000 EQUITY SHARES AGGREGATING UP TO ₹ [•] LAKHS (CONSTITUTING UP TO [•] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION") AND RESERVATION OF UP TO 90,000 EQUITY SHARES, AGGREGATING TO ₹ [•] LAKHS CONSTITUTING UP TO [•] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("THE EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION AND THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] % AND [•] % RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

QIB Category: Not More Than 48.16% of the Net Issue

Retail Category: Not Less Than 35.87% of the Net Issue

Non-Institutional Investor Category: Not less than 15.97% of the Net Issue

Market Maker Reserved Category: Up to 2,46,000 Equity Shares aggregating up to Rs. [•] Lakhs

Employee Reserved Category: Up to 90,000 Equity Shares aggregating up to Rs. [•] Lakhs

Listing: The Equity Shares of our Company Issued through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time. Our Company has received In-Principle approval letter dated September 14, 2023 from National Stock Exchange of India Limited for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid / Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 383 of the Red Herring Prospectus.

Disclaimer Clause of the SEBI: Since the Issue is being made in Chapter IX of the SEBI ICDR Regulation 2018, a copy of the Red Herring Prospectus is furnished to SEBI in soft copy. However, SEBI is not required to issue any observation on Red Herring Prospectus which was filed with SEBI. Hence, there is no such specific disclaimer clause of SEBI. However, Investors may refer to the entire "Disclaimer Clause of SEBI" on page 292 of the RHP.

Disclaimer Clause of the NSE It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the RHP has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 292 of the RHP for the full text of the "Disclaimer Clause of the NSE".

**PRICE BAND: Rs. 36/- TO Rs. 38/- PER EQUITY SHARE OF FACE VALUE OF RS. 10/- EACH**  
**THE FLOOR PRICE IS 3.60 TIMES OF THE FACE VALUE OF EQUITY SHARES AND THE CAP PRICE IS 3.80 TIMES OF THE FACE VALUE OF EQUITY SHARES**  
**BIDS CAN BE MADE FOR A MINIMUM OF 3000 EQUITY SHARES AND IN MULTIPLES OF 3000 EQUITY SHARES THEREAFTER**

**ASBA\***

Simple, Safe, Smart way of Application!!!

\*Application Supported by Block Amount is a better way of applying to issues by simply blocking the fund in the bank account. For details, check section on ASBA below. Mandatory in Public Issues. No Cheque will be accepted.



\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA form and Abridged Prospectus and also please refer General Information Document.

ASBA bid-cum Application forms can be obtained from Designated Branches of SCSBs, the list of banks that are available on website of SEBI at www.sebi.gov.in and website of Stock Exchange at www.nseindia.com. List of Banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. Axis Bank Limited has been appointed as the Sponsor Bank to the Issue in accordance to SEBI circular dated November 01, 2018 and April 03, 2019.

### RISK TO INVESTORS

The Average Cost of Acquisition of Equity Shares held by the Promoters is:

S. No.	Name of the Shareholder	As a % of Pre - Issue Share Capital	S. No.	Name of the Shareholder	As a % of Pre - Issue Share Capital
1.	Lokesh Goyal	17.43%	6.	Rekha Goyal	8.77%
2.	Pramesh Goyal	16.84%	7.	Kunj Bihari Goyal HUF	7.06%
3.	Rajesh Goyal	11.60%	8.	Rajesh Goyal HUF	6.92%
4.	Radhika Goyal	8.77%	9.	Parmesh Goyal HUF	6.92%
5.	Priyanka Goyal	8.77%	10.	Lokesh Goyal HUF	6.92%

and the Issue Price at the upper end of the Price Band is Rs. 38/- Per Equity Share.

The Merchant Banker associated with the Issue has handled 5 public issues in the past three years out of which 2 Issue closed below the Issue Price on listing date.

The Price/Earnings Ratio based on Diluted EPS for Fiscal 2023 for the Company at upper end of the Price Band is 13.97.

Weighted average Return on Network for Fiscal 2023, 2022 and 2021 is 13.73%.

The weighted average cost of acquisition of all Equity Shares transacted in the last one year and three years from the date of RHP is as give below:

Type of transactions	Weighted Average Cost of Acquisition (Rs. Per Equity Shares)	Floor price (i.e. Rs. 36)	Cap price (i.e. Rs. 38)
WACA of Primary Issuance (except for bonus issue)	NA ^	NA	NA
WACA for secondary sale/ acquisition not exceeding 5% of the pre issue capital	NA ^ ^	NA	NA
WACA of primary issuances in last 3 years	0.93	38.71	40.86
WACA of secondary transactions in last 3 years	Nil	Nil	Nil

^ There were no primary / new issue of shares (equity/ convertible securities) transactions in last 18 months from the date of this Red Herring Prospectus.

^ ^ There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) transactions in last 18 months from the date of this Red Herring Prospectus

### BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares issued in the Issue through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10/- each and the Issue Price is 3.60 times the face value at the lower end of the Price Band and 3.80 times the face value at the higher end of the Price Band.

The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections titled "Risk Factors", "Our Business", "Financial Statements as Restated" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 32, 149, 215 and 251 respectively, to get a more informed view before making the investment decision.

#### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

- Experienced management team and promoters with qualified workforce.
- Established refining facility and integrated production with cost efficiencies.
- Strong and consistent financial performance.
- Focus on quality and safety.
- Long and strong relationship with customers and dealers and efficient supply chain management.
- Cordial relationship between management and labour.

For further details, see "Our Business - Our Competitive Strength" on page 152.

#### QUANTITATIVE FACTORS

The information presented below relating to the company is based on the Restated Financial Statements for the fiscal year ended on March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with GAAP, The Companies Act, 2013 and SEBI ICDR Regulations. For details, see the chapter titled "Restated Financial Statements" and "Other Financial Information" beginning on pages 215 and 249.

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

1) Adjusted Basic & Diluted Earnings per share ("EPS") (Pre-Issue and as adjusted for changes in capital after last balance sheet date).

Year Ended	Basic EPS	Diluted EPS	Weights
March 31, 2023	2.72	2.72	3
March 31, 2022	0.48	0.48	2
March 31, 2021	0.52	0.52	1
<b>Weighted Average EPS</b>		<b>1.61</b>	

#### Notes:

- Basic and diluted earnings EPS calculations are in accordance with AS-20 "Earnings Per Share", notified under section 133 of the Companies Act, 2013 read together along with paragraph 7 of Companies (Accounts) Rules, 2014.
- Basic Earnings per share = Net profit after tax as restated attributable to equity shareholders for the year/Weighted average number of equity shares outstanding during the year.
- Diluted Earnings per share = Net profit after tax as restated / Weighted average number of potential equity shares outstanding during the year.
- The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight, i.e. (EPS x Weight) for each year/Total of weights.
- Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor and bonus shares issued after the balance sheet date. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The figures disclosed above are based on the Restated Financial Statements of our Company.
- The face value of each Equity Share is Rs. 10/- each.
- Our Company has issued and allotted 21,66,375 bonus shares on July 12, 2023 after the last balance sheet reported in this DRHP. Appropriate adjustments has been made in calculation of EPS pursuant to this bonus issue after balance sheet date.

2) Price to Earnings (P/E) ratio in relation to Price Band of ₹ 36 to ₹ 38 per Equity Share of ₹ 10/- each fully paid up:

Particulars	P/E Ratio at the Lower end of the Price Band	P/E Ratio at the Upper end of the Price Band
P/E based on Basic & Diluted EPS for FY 2022-23	13.24	13.97
P/E based on weighted average Basic & Diluted EPS	22.36	23.60

#### Industry Peer Group P/E ratio

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

Particulars	P/E Ratio
Highest	816.50
Lowest	816.50
Industry Composite	<b>816.50</b>

#### Notes:

- The industry high and low has been considered from the industry peer set provided later in this chapter. The Industry Composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Comparison of Accounting Ratios with listed industry peers" on page 116.
- The industry P/E ratio mentioned above is as computed based on the closing market price of equity shares of our peer group companies listed on BSE Ltd as on June 30, 2023 divided by basic EPS for the financial year ended March 31, 2023
- Return on Net Worth ("RoNW")

Return on Net Worth as per Restated Financial Statements is as under:

Financial Year / Period	RoNW (%)	Weight
March 31, 2023	21.86	3
March 31, 2022	5.37	2
March 31, 2021	6.08	1
<b>Weighted Average</b>		<b>13.73</b>

#### Notes:

- Return on Net Worth (%) = Net Profit/(Loss) after tax divided by net worth (excluding revaluation reserve) as restated at the end of the year. Net worth has been computed as a sum of paid-up share capital and reserve & surplus.
- The Weighted Average Return on Net Worth = Aggregate of year-wise weighted average RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal year] / [Total of weights].

4) Net Asset Value (NAV) per share of Face Value of Rs 10/- each:

Net Asset Value per Equity Share	Amount in (₹)
Net Assets Value per Equity Share as on March 31, 2023	14.94
Net Assets Value per Equity Share after the Issue - At Cap Price	22.12
Net Assets Value per Equity Share after the Issue - At Floor Price	21.50
Issue Price per Equity Share	[•]

#### Notes:

- Net Asset Value per Equity Share = Net worth at the end of the respective year divided by the weighted average number of equity shares outstanding as at the end of respective year.
- Net worth has been computed as a sum of paid-up share capital and reserve & surplus.
- Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

5) Comparison of Accounting Ratios with Listed Industry Peers:

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

Name of the Company	Face value (Rs. per share)	Total Revenue for financial year 2023 (Rs. in Lakhs)	EPS for financial year 2023 (Rs.)	NAV per equity share	P/E (Based on Diluted EPS) **	RoNW (%)	
Goyal Salt Limited*	10	11,764.19	2.72#	2.72#	14.94	[•]	21.86%
<b>Listed Peers:</b>							
Saboo Sodium Chloro Limited	10	4,935.61	0.02	0.02	11.03	816.50	0.19

\*Financial information of our Company is derived from the Restated Financial Statements for the Financial Year ended March 31, 2023.

\*\* Listed Peers closing market price as on June 30, 2023, on BSE Ltd has been considered for calculation of P/E.

# The Company has allotted 86,65,500 equity shares of face value of Rs. 10/- each as Bonus Shares in the ratio of 4:1 i.e., 4 (Four) Equity Share having face value of Rs. 10/- each for every 1 (One) Equity share having face value of Rs. 10/- each on February 1, 2023 and 21,66,375 equity shares of face value of Rs. 10/- each as Bonus Shares in the ratio of 4:1 i.e., 1 (One) Equity Share having face value of Rs. 10/- each for every 5 (Five) Equity share having face value of Rs. 10/- each on July 12, 2023. The effect of issue of the Bonus Equity Shares have been considered for calculation of Earnings Per Shares for the period presented in the above results as required as per AS-20 "Earnings Per Share".

Source: All the financial information for listed industry peers mentioned above is on a Standalone basis from the audited financial statements of a respective company for the year ended March 31, 2023, submitted to stock exchange i.e., Bombay Stock Exchange of India Limited and from the respective company website.

#### Notes:

- Considering the nature and size of the business of the Company, the peers are not strictly comparable. However, the above Companies have been included for broad comparison.
- Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company for the year ended March 31, 2023.
- P/E Ratio has been computed based on the closing market price of equity shares on BSE Ltd as on June 30, 2023, divided by the Basic EPS provided above in the table.
- For listed peers, RoNW is computed as profit after tax for the year ended March 31, 2023, divided by Shareholder's equity.
- Shareholder's Equity has been computed as sum of paid-up share capital and reserve & surplus.
- Net Asset Value per share ("NAV") (in Rs.) is computed as the closing net worth divided by the equity shares outstanding as on March 31, 2023.
- Total revenue for Saboo Sodium Chloro Limited for the financial year ending 2023 also includes business from other operations, other than Salt business.

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

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

Investors should read the above-mentioned information along with chapters titled "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" and sections titled "Risk Factors" and "Financial Statements as Restated" beginning on pages 149, 251, 32 and 215 respectively to have a more informed view.

#### 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 in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 26, 2023 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-year period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by M/S R.K. Malpani & Associates, Chartered Accountants, by their certificate dated July 26, 2023.

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 on which the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (Rs. in 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.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective year.
Gross Profit (Rs. in Lakhs)	Gross Profit provides information regarding the profits from sale of products by our Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products by our Company.
EBITDA (Rs. in Lakhs)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (Rs. in 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 our business.
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders' funds.
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Net Fixed Asset Turnover (In Times)	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Net Working Capital Days	Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations.
Operating Cash Flows (Rs. in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Total Quantity Sold (in MTs)	This metric helps us to track the sales growth in volumes of our business according to the various product offerings.
Number of Brands	This metric indicates the number of trademarks owned by the company throughout the years to tap and establish its business in the market
Institutional sales (sales made to government)	This metric helps us to track the volume of sales made to state governments/government organizations
Assured supply of raw material	This metric helps us understand the volume of raw materials purchased from different firms of promoters thus assuring that the supply demands will be met
Number of states covered	This metric indicates the geographical representation of the company's business and market

#### Financial KPIs of our Company

Particulars	For the year ended March 31		
	2023	2022	2021
Revenue from Services (1) (₹ in Lakhs)	11,764.19	6,611.09	6,005.30
Growth in Revenue from Services (2) (%)	77.95%	10.09%	-
Gross Profit (3) (₹ in Lakhs)	1,396.56	858.28	782.40
Gross Margin (%) (4)	11.87%	12.98%	13.03%
EBITDA (5) (₹ in Lakhs)	679.82	298.31	289.54
EBITDA Margin (%) (6)	5.78%	4.51%	4.82%
Profit After Tax (7) (₹ in Lakhs)	353.74	62.75	68.15
PAT Margin (%) (8)	3.01%	0.95%	1.13%
RoE (9) (%)	25.38%	5.48%	6.67%
RoCE (10) (%)	36.22%	15.78%	16.44%
Net Fixed Asset Turnover (In Times) (11)	20.69	11.40	11.54
Net Working Capital Days (12)	29	38	40
Operating Cash Flows (13) (₹ in Lakhs)	329.93	466.21	(434.12)

Pursuant to the certificate dated July 26, 2023, from our Peer Review Auditor M/s R.K. Malpani & Associates Chartered Accountants

#### Notes:

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

(2) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.

(3) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods, Direct Expenses and Wages.

(4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.

(5) EBITDA is calculated as profit for the year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses.

(6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.

(7) Profit After Tax Means Profit for the year as appearing in the Restated Financial Statements.

(8) PAT Margin (%) is calculated as Profit for the year as a percentage of Revenue from Operations.

(9) ROE (Return on Equity) (%) is calculated as net profit after tax for the year divided by Average Shareholder Equity. Average Shareholder Equity is computed by dividing the sum of Shareholder's Equity at the beginning and Shareholder's Equity at the end of the year with 2.

(10) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by capital employed.

(11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Fixed Assets which consists of property, plant and equipment and capital work-in-progress.

(12) Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the year.

#### Operational KPIs of the Company

Particulars	For the year ended March 31		
	2023	2022	2021
<b>1) Total Quantity Sold (in MTs)</b>			



# Stalled project: Buyer can pause payments



**CONSUMER PROTECTION**  
JEHANGIR B GAI

Sarita Mishra had booked a flat in Divyam Heights in Andheri, Mumbai, which was to be jointly developed by two promoters: Harsh Constructions and Siddhivinayak Developers. According to the registered agreement for sale dated February 15, 2006, the cost of the flat was ₹18,04,820. The agreement stipulated that possession would be handed over in June 2008. The builders were entitled to two extensions of six months each and, further, until June 2010 for obtaining the Occupancy Certificate.

**The National Commission said instalments are linked to the progress of construction. The question of raising any demand didn't arise when there was no progress in construction**

Mishra paid ₹2,07,554 to each of the two promoters, totalling ₹4,15,108. When the builders failed to deliver possession within the promised time, she approached the Consumers Welfare Association, which filed a consumer complaint before the Maharashtra State Commission.

The builders contested the case, attributing the delay to force majeure (meaning circumstances beyond their control) due to public interest litigation. They also accused Mishra of failing to pay the subsequent instalments. The builders said they would refund Mishra's money since they had not obtained permissions from the municipal corporation. The State Commission upheld the complaint and ordered the builders to accept the remaining amount of ₹13,89,712 and hand over possession within three months. Alternatively, they could pay Mishra ₹42,70,523—the escalated cost of buying another flat. The State Commission also granted a compensation of ₹1 lakh and ₹25,000 as litigation costs.

The builders challenged this order in appeal and attempted to justify not handing over possession. Relying on a demand letter, they blamed Mishra for failing to pay.

The National Commission asked the builders to produce the High Court order that prevented them from carrying out construction work. This compelled them to admit there was no such stay. The Commission noted that the builders' statements were self-contradictory: they claimed construction couldn't proceed due to public interest litigation but accused Mishra of defaulting on payment of instalments. The Commission said instalments are linked to the progress of construction. The question of raising any demand did not arise when there was no progress.

The Commission referred to the judgement dated September 21, 2021, delivered by the Supreme Court in Sivarama Sarma Jonnalagadda & Anr versus Maruthi Corporation Ltd & Anr where it was held that a consumer cannot be made to wait indefinitely for possession by invoking the force majeure clause while retaining the amount deposited for the flat. The Commission concluded that the builders' conduct amounted to both deficiency of service and unfair trade practice.

By its order of September 4, 2023, delivered by Retired Vice Air Marshal J. Rajendra for the Bench along with Justice Sudip Ahluwalia, the National Commission modified the State Commission's order. It ordered the builder to accept the balance amount of ₹13,89,712, hand over possession of the flat, and execute the sale deed within one month. Alternatively, the builder would have to refund the deposit of ₹4,15,108 within two months along with 9 per cent interest from February 12, 2006. If delayed, the interest rate would increase to 12 per cent per annum. Additionally, ₹2 lakh was awarded for misleading the consumer, along with ₹25,000 towards costs.

The writer is a consumer activist

# Peak market strategy: Stay invested, rebalance portfolio

Both exiting equities and not deploying fresh money could backfire

SANJAY KUMAR SINGH

The Nifty50 Index closed above 20,000 for the first time on September 13, 2023. The mid- and small-cap indexes too appear turbocharged, having outpaced their large-cap counterpart year-to-date. Investors need to adopt a balanced approach while navigating this bullish market, avoiding the extremes of greed and fear.

## Positive FII and DII flows

Foreign institutional investor (FII) flows turned positive in March. Says Bharat Lahoti, co-head, hybrid and solutions, Edelweiss Mutual Fund: "FIIs preferring India within the emerging markets basket is a key factor behind the Nifty scaling a new high." Domestic institutional investor (DII) flows remain positive.

Says Arun Kumar, head of research, FundsIndia.com: "Troubles within the United States, Chinese and European markets have made the Indian market all the more attractive to FIIs."

## Small and midcap tilt

Small and midcap funds, especially the former, have received strong flows due to heightened risk appetite among investors. Funds' investments (along with investments by direct investors) have resulted in a strong rally in these segments.

The smallcap category is not very large, so flows tend to have a magnified impact on stock prices.

## Valuations not cheap

The consensus view suggests that Nifty earnings are likely to grow 15 to 18 per cent over the next two to three years.

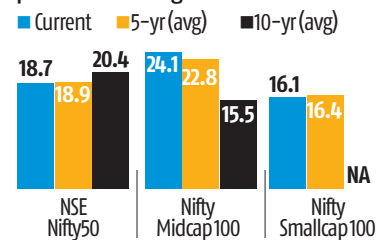
Current valuations are at par with, or above, historical averages. Says Chandraprakash Padiyar, senior fund manager, Tata Mutual Fund: "Valuations in pockets across market capitalisation have started to

## VALUATIONS ARE NO LONGER INEXPENSIVE

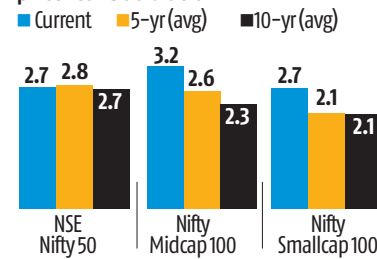


ILLUSTRATION: AJAY MOHANTY

### Blended forward 12-month price-to-earnings ratio



### Blended forward 12-month price-to-book ratio



Source: Bloomberg, Compiled by BS Research Bureau

look pricey."

According to Lahoti, these valuations need to be viewed in context. "We are witnessing a cyclical recovery, with the Nifty's return on equity (RoE) rising above 15 per cent after a decade. When you consider the price-to-book value (P/BV) valuation of 3x, which is close to the historical average, in this context, it does not appear demanding," he says.

Kumar says investors need to be wary of valuations in the mid and smallcap segment.

## Key risks

Risks could arise from unexpected global developments that could trigger FII outflows. "Weaker monsoon, rising crude, sticky bond yields, and demand recovery in the festive season need to be monitored," says Lahoti.

The price of crude oil, at \$92 per barrel currently, needs watching. "High crude prices could delay the government's capex plans, tighten systemic liquidity, and cause currency depreciation against the US dollar, thereby impacting earnings and market valuations," says Padiyar.

High valuations in the mid and smallcap segment could trigger a correction if risks arise or inflows dampen.

## Smallcap segment warrants caution

Avoid investing aggressively in smallcap funds as the segment's valuations don't provide an adequate margin of safety. "Allocating above 15-20 per cent to small-cap funds would be risky," says Kumar. Continue with your systematic investment plans (SIPs). If you have a lump sum, deploy

it in a staggered manner. Lahoti warns about risks in microcaps. "The rate of failure has historically been higher in that category," he says.

## Time to rebalance?

If the deviation from your original equity allocation is less than 5 percentage points, don't rebalance. If it is above 5 percentage points, start the process. Rebalance by directing more flows into debt (as selling equities will create a tax liability). Lahoti suggests shifting allocation from mid and small caps towards large caps to mitigate risk.

## Pitfalls to avoid

According to experts, the fundamentals are in place for earnings to grow over three to five years. Kumar says while investors should stay invested, they should not turn overly aggressive or cautious on equities.

Adds Vishal Dhawan, chief financial planner, Plan Ahead Wealth Advisors, "Look at valuations data carefully, and do not get carried away by extreme greed or fear." Avoid these three pitfalls: **Delaying deployment:** Waiting for the market to correct to a level one deems appropriate can be problematic, as it may not descend so much ever. Even if it falls, the news could be so negative that you may turn reluctant to invest. "If you have a lump sum, invest 20 per cent now and the rest over six months," says Kumar.

**Pulling out money:** Avoid doing so because you fear a correction is imminent. Re-entering becomes difficult. Accept peaks as an intrinsic feature of a growing market.

**Taking excessive risks:** If you missed the current rally, don't overcompensate by taking high exposure to risky segments like sector or small-cap funds.

Finally, Padiyar suggests avoiding leverage and Dhawan warns against chasing past performance.

Continued from previous page...

## Weighted average cost of acquisition:

- The price per share of our Company based on the primary/new issue of shares (equity/convertible securities). There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this DRHP, where such issuance 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 Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of 30 days as follows.
- The price per share of our Company based on the secondary sale/acquisition of shares (equity/convertible securities). There has been no secondary sale/acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary and secondary transactions (primary and secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:

## Primary Issuance:

Except as disclosed below, there have been no Primary Issuance by the Promoters, members of the Promoter Group, Selling Shareholder, or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this RHP:

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (Rs.)	Issue Price Per Equity Share (Rs.)	Nature of Allotment	Nature of consideration	Total Consideration (In Rs.)
December 20, 2022	1,70,625	10	60	Reissue of Forfeited Shares	Cash	1,02,37,500
February 01, 2023	86,65,500	10	Nil	Bonus Issue	Other than Cash	Nil
July 12, 2023	21,66,375	10	Nil	Bonus Issue	Other than Cash	Nil
<b>Weighted average cost of acquisition (WACA)</b>						<b>0.93</b>

## Secondary acquisition:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group, Selling Shareholder, or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of the DRHP:

Date of transfer	Name of transferor	Name of transferee	No. of Equity Shares	Face value of Equity Shares (Rs.)	Price Per Equity Share (Rs.)	Nature of transaction	Nature of consideration	Total Consideration (In Rs.)
November 18, 2022	Kunj Bihari Goyal	Pramesh Goyal	1,37,000	10	Nil	Transmission of Equity Shares	Other than Cash	Nil
November 18, 2022	Kunj Bihari Goyal	Rajesh Goyal	1,37,000	10	Nil	Transmission of Equity Shares	Other than Cash	Nil
November 18, 2022	Kunj Bihari Goyal	Lokesh Goyal	1,37,000	10	Nil	Transmission of Equity Shares	Other than Cash	Nil
December 20, 2022	Lokesh Goyal	Priyanka Goyal	25500	10	Nil	Transfer by way of Gift	Other than Cash	Nil
December 20, 2022	Pramesh Goyal	Rekha Goyal	72125	10	Nil	Transfer by way of Gift	Other than Cash	Nil
<b>Weighted average cost of acquisition (WACA)</b>								<b>Nil</b>

## d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (Rs. per Equity Share)	Floor price* (i.e., Rs. 36)	Cap price* (i.e., Rs. 39)
Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per	NA ^	NA ^	NA ^

cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where promoter/promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoter/promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.

- Based on primary issuances	0.93	38.70 times	40.86 times
- Based on secondary transactions	Nil	Nil	Nil

## Note:

- ^ There were no Primary issuance or secondary sales / acquisition of shares of shares (equity/ convertible securities) transactions in last 18 months from the date of this Red Herring Prospectus which are equal to or more than 5% of the fully diluted paid-up share capital of our Company.
- \* To be updated at Prospectus stage.

# BID/ISSUE PROGRAMME

## BID/ISSUE OPENS FOR ANCHOR INVESTORS ON, MONDAY, SEPTEMBER 25, 2023

## BID/ISSUE OPENS ON TUESDAY, SEPTEMBER 26, 2023 | BID/ISSUE CLOSES ON FRIDAY, SEPTEMBER 29, 2023

In case of any revision to the price band or in case of force majeure, banking strike or similar circumstances, the Bid/Issue period will be extended by at least (3) additional Working days, following such an event, subject to the Bid/ Issue period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/Issue period, if applicable, will be widely disseminated by notification to the stock exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to SCSBs, the Sponsor Banks, Registered brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Issue 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, from time to time. Accordingly, we have allocated the Net Issue i.e., not more than 48.16% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs" or "QIB Portion"), provided that our company and the selling shareholder in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with 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 or 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 35.87% of the Net Issue shall be available for allocation to Retail Individual Bidders and not more than 15.97% of the Net Issue shall be available for allocation to Non institutional bidders, under subscription, if any, in any category, except in the QIB Portion, would be met with spill-over from the other categories or a contribution of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange i.e., NSE EMERGE. For details, please refer to the section titled "Issue Procedure" on Page No. 314 of the Red Herring prospectus.

**Bidders/Applicants should ensure that PAN, DPID, ClientID and UPI ID are correctly filled in the Bid cum Application Form. The PAN, DPID and ClientID provided in the Bid cum Application Form should match with the PAN, DPID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that beneficiary account provided in Bid cum Application is active. Bidders/Applicants should note that PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/ Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the**

**Bidder/ Applicants as available on the records of the depositories.**

**The Demographic Details may be used, among other things, for giving allotment advice or for unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/ Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.**

**Contents of the Memorandum of the Company as regards its Objects:** For information on the main objects and other objects of the Company, see "Our History and Certain Other Corporate Matters" on page 181 of the RHP and Clause III of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 383 of the RHP.

**Liability of the members of the Company:** Limited by shares.

**Amount of share capital of the Company and Capital Structure:** The Authorised, Issued, Subscribed and Paid-up share capital of the Company as on the date of the RHP is as follows: the Authorised share capital of the Company is Rs. 20,00,00,000 divided into 20,00,00,000 Equity Shares of face value of ₹ 10/- each. The issued and subscribed equity share capital and paid-up equity share capital of the Company is Rs. 12,99,82,500 divided into 1,29,98,250 Equity Shares. For further details, see the section "Capital Structure" on page 80 of the RHP.

**Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:** The signatories to the Memorandum of Association are Mr. Rajesh Goyal and Mr. Pramesh Goyal, who subscribed to 5,000 equity shares each of our Company of Rs. 10/- each as initial subscription. The liability of the members of the Company is limited. For details of the main objects of the Company as contained in the Memorandum of Association, see "Our History and Certain Other Corporate Matters" on page 181 of the RHP.

**General risks:** Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and this Issue, including the risks involved. The Equity Shares Issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 32 of the RHP.

## BOOK RUNNING LEAD MANAGER

**HOLANI CONSULTANTS PRIVATE LIMITED**  
401-405 & 416-418, 4th Floor, Soni Paris Point, Jai Singh Highway, Bani Park, Jaipur - 302016 Tel No.: +91 0141-2203996; Fax No.: +91 0141-2201259; Email: ipo@holaniconsultants.co.in; Website: www.holaniconsultants.co.in; Contact Person: Mrs. Payal Jain  
SEBI Registration No.: INM000012467  
Investor Grievance E-mail: complaints.redressal@holaniconsultants.co.in



## REGISTRAR TO THE ISSUE

**BIGSHARE SERVICES PRIVATE LIMITED**  
Office No. S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai - 400 093 India Tel No.: +91 022-6263 8200; Fax No.: +91 022-6263 8299; Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal C  
SEBI Registration No.: INF000001385  
Investor Grievance E-mail: investor@bigshareonline.com

## COMPLIANCE OFFICER

**Jayanti Jha Roda**  
Plot No. 229-230, Guru Jambheshwar Nagar, Lane No. 7 Gandhi Path, Vaishali Nagar, Jaipur 302021, Rajasthan, India Tel: +91 - 9116544418  
Email: cs@jaysalt.in

Investors can contact the Registrar to the Issue or Company Secretary and Compliance Officer in case of any pre or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode and unblocking of funds. For all issue related queries and for redressal of complaints, investors may also write to BRLM.

**AVAILABILITY OF RHP:** Investors should note that Investment in Equity Shares involves a high degree of risk and investors are advised to refer to the RHP and the Risk Factors contained herein, before applying in the Issue. Full copy of the RHP will be available at the website of SEBI at www.sebi.gov.in, the website of Stock Exchange at www.nseindia.com, the website of our Company at www.goyalssaltid.com and the website of BRLM at www.holaniconsultants.co.in.

**AVAILABILITY OF BID CUM APPLICATION FORMS:** Application forms can be obtained from the Registered office & Corporate office of Goyal Salt Limited, Tel No: +91-9116544418 and the BRLM - Holani Consultants Private Limited, Tel No: +91 0141-2203996. Bid Cum Application form shall be available at selective location of registered brokers, Bankers to the Issue, RTA and Depository Participants. Also, the Forms can be obtained from the website of Stock Exchange and at the Designated Branches of SCSBs, the list of which is available on the website of NSE & SEBI.

**APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA):** Investors have to apply through the ASBA process. ASBA has to be availed by all the investors. For details on ASBA process, please refer to the details given in the ASBA Form and Abridged Prospectus and also please refer to "Issue Procedure" on Page No. 314 of RHP. Further ASBA Application forms can be obtained from Designated Branches of SCSBs, the list of banks that are available on website of SEBI at www.sebi.gov.in and website of Stock Exchange at www.nseindia.com. The investors are required to fill the Bid Cum Application form and submit the same to the relevant SCSBs at the specific locations or registered brokers at the broker centers or RTA or DP's. The SCSB's will block the amount in the account as per the authority contained in application form. On allotment, amount will be unblocked and account will be debited only to the extent required to be paid for allotment of shares. Hence, there will be no need of refund.

**BANKERS TO THE ISSUE/REFUND BANK:** HDFC Bank Limited

**All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in RHP**

Date: September 18, 2023  
Place: Jaipur

**Disclaimer:** Goyal Salt Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an Initial Public Issue of its Equity Shares and has filed the RHP with the RoC. The RHP will be available on the websites of SEBI at www.sebi.gov.in and NSE Ltd at www.nseindia.com respectively and is available on the websites of Holani Consultants Private Limited at www.holaniconsultants.co.in. The potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, refer to the Section titled "Risk Factors" on page 32 of the RHP. Potential investors should not rely on the RHP filed with the SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act"), and may not be issued or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold outside the United States in offshore transactions in reliance on Regulation under the U.S. Securities Act and applicable laws of the jurisdictions where such issues and sales occur. There will be no public offering in the United States.

Surjeet Comm.

For Goyal Salt Limited  
On behalf of the Board of Directors  
Sd/-  
Pramesh Goyal  
Managing Director