

...continued from previous page.

We purchase steel required for our manufacturing facilities in India primarily through purchase orders raised on our suppliers and do not have any long term contracts or arrangements with our steel suppliers. Our top three suppliers of steel in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, accounted for 40.60%, 44.22% and 53.33% of our overall raw material purchases.

9. Raw material price risk – Change in availability and cost of steel, our primary raw material may adversely affect our business, financial condition, results of operations and prospects.

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|--------------------------------------|-----------------------|--------------------------------------|-----------------------|--------------------------------------|-----------------------|--------------------------------------|
| | Amount (in ₹ million) | % of cost of raw materials purchased | Amount (in ₹ million) | % of cost of raw materials purchased | Amount (in ₹ million) | % of cost of raw materials purchased |
| Cost of Steel Sourced from Suppliers | 2,057.54 | 54.31% | 1,767.11 | 57.17% | 1,052.78 | 66.23% |

10. Geographical market concentration risk – Nearly all of our revenues from operations are derived on sales made within India (more than 98.00% in Fiscal 2024 and more than 99.00% in each of Fiscal 2023 and Fiscal 2022). Our business is therefore significantly affected by fluctuations in general economic activity in India.

11. Weighted average return on net worth for Fiscals 2024, 2023 and 2022 is 28.18%.

12. Average cost of acquisition of shares for the Promoters and the Promoter Selling Shareholders.

The average cost of acquisition of Equity Shares for the Promoters and Selling Shareholder is as set out below:

| Name | Number of Equity Shares held | Average cost of acquisition per Equity Share on a fully diluted basis (in ₹)* |
|-------------------------|------------------------------|---|
| Promoters | | |
| Sudhir Rai [#] | 31,200,140 | 1.91 |
| Anita Rai [#] | 15,199,816 | 1.69 |
| Sumeet Rai | 3,800,000 | 0.95 |
| Kunal Rai | 3,492,000 | 0.58 |

* As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024.

Also, a Promoter Selling Shareholder

13. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Manager is below their respective issue prices.

14. Our price to earnings ratio based on the diluted EPS for fiscal 2024 for the issuer at the upper end of the Price band is as high as 28.92

15. The BRLM associated with the Offer has handled 14 public issues in the past three financial years, out of which 4 issue have closed below the offer price on the listing date.

| Name of the BRLM | Total Public Issues | Issues closed below the IPO Price on listing date |
|---------------------------------|---------------------|---|
| Equirus Capital Private Limited | 14 | 4 |

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD : FRIDAY, SEPTEMBER 06, 2024

BID/OFFER OPENS ON : MONDAY, SEPTEMBER 09, 2024*

BID/OFFER CLOSURES ON : WEDNESDAY, SEPTEMBER 11, 2024[#]

* Our Company, in consultation with the BRLM, 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, that is Friday, September 6, 2024. [#] UPI mandate end time and date shall be at 5:00 p.m. on the Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Submission of Bids (other than Bids from Anchor Investors):

| Bid/Offer Period (except the Bid/Offer Closing Date) | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. IST |
| Bid/Offer Closing Date* | |
| Submission of electronic applications (Online ASBA through 3-in-1 accounts) - For Retail Individual Bidders and Eligible Employees | Only between 10.00 a.m. and up to 5.00 p.m. IST |
| Submission of electronic applications (Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of electronic applications (Syndicate non-retail, non-individual applications) | Only between 10.00 a.m. and up to 3.00 p.m. IST |
| Submission of physical applications (Bank ASBA) | Only between 10.00 a.m. and up to 1.00 p.m. IST |
| Submission of physical applications (Syndicate non-retail, non-individual applications) where Bid Amount is more than ₹0.50 million | Only between 10.00 a.m. and up to 12.00 p.m. IST |
| Modification/ revision/cancellation of Bids | |
| Upward revision of Bids by QIBs and Non-Institutional Bidders categories [#] | Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/Offer Closing Date |
| Upward or downward revision of Bids or cancellation of Bids by Retail Individual Bidders and Eligible Employees | Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/Offer Closing Date |

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

[#] QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

Bid / Offer Period

| Event | Indicative Date |
|---|---|
| Bid/ Offer Closing Date* | Wednesday, September 11, 2024 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about Thursday, September 12, 2024 |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account | On or about Friday, September 13, 2024 |
| Credit of Equity Shares to demat accounts of Allottees | On or about Friday, September 13, 2024 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about Monday, September 16, 2024 |

^(*) Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. 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⁾ UPI mandate end time and date shall be at 5:00 pm IST on Bid/Offer Closing Date, i.e. Wednesday, September 11, 2024.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE



UPI-Now available in ASBA for Retail Individual Investors and Non - Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 370 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intId=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Axis Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Offer related queries, please contact the BRLM on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLM, 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 Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Member and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion, "QIB Portion" provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("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 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 allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or 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, please refer to the section titled "Offer Procedure" on page 370 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. 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. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February

13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 228 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 417 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares
AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of the Company is ₹ 370,000,000 divided into 70,000,000 Equity Shares of face value ₹ 5 each and ₹ 2,000,000 Preference Shares of face value ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 270,463,780 divided into 54,092,756 Equity Shares of face value ₹ 5 each. For details, please see the section titled "Capital Structure" on page 88 of the RHP.

NAMES OF SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association of our Company are Sudhir Rai and Anita Rai, who each subscribed to 100 Equity Shares of face value of ₹ 100 each. For details of the share capital history of our Company, please see the section titled "Capital Structure" on page 88 of the RHP.

LISTING: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters, each dated March 1, 2024. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus has been filed with the RoC and a signed copy of the Prospectus will be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, please refer to the section titled "Material Contracts and Documents for Inspection" on page 417 of the RHP.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 348 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 351 of the RHP for the full text of the Disclaimer Clause of BSE.

DISCLAIMER CLAUSE OF NSE (DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 351 of the RHP for the full text of the Disclaimer Clause of NSE.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by 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 "Risk Factors" on page 27 of the RHP.

| BOOK RUNNING LEAD MANAGER TO THE OFFER | REGISTRAR TO THE OFFER | COMPANY SECRETARY AND COMPLIANCE OFFICER |
|---|---|---|
| <p>Equirus Capital Private Limited 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +91 22 4332 0734; E-mail: kross.ipo@equirus.com Website: www.equirus.com; Investor grievance e-mail: investorsgrievance@equirus.com Contact person: Malay Shah/ Mrunal Jadhav; SEBI Registration No.: INM000011286</p> | <p>KFin Technologies Limited Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana, India Tel: +91 40 6716 2222; E-mail: krosslimited.ipo@kfintech.com Website: www.kfintech.com; Investor grievance e-mail: einward.ris@kfintech.com Contact person: M.Murali Krishna; SEBI registration no.: INR000000221</p> | <p>Debolina Karmakar M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur - 832108, Jharkhand Telephone: +91 0657 2203812; E-mail: investors@krossindia.com</p> <p>Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund 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 BRLM.</p> |

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