



(Please scan this QR Code to view the DP)

**DRAFT PROSPECTUS**

**Dated: June 27, 2024**

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

**Fixed Price Issue**



**KALANA ISPAT LIMITED**

**Corporate Identity Number: U27100GJ2012PLC072306**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
504, Ashwamegh Avnue, 5th Floor, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009	C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015	Ms. Manishi Jain, Company Secretary and Compliance Officer	Email: compliance@kalanaispat.com Telephone: +91-81418 48159	www.kalanaispat.com

**OUR PROMOTERS**

Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nannabhai Qureshi

**DETAILS OF OFFER TO PUBLIC**

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 49,38,000 Equity shares of ₹10 each having an issue Price ₹66 aggregating to ₹3,259.08	NIL	Upto 49,38,000 Equity shares of ₹10 each having an issue Price ₹66 aggregating to ₹3,259.08	This Issue is being made in terms of Chapter IX of SEBI ICDR Regulation as amended. For details in relation to share reservation among QIBs, NIs, and RIs, see "Issue Structure" beginning on Page 236.

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders – Nil**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price is ₹66 is 6.6 times the face value of the Equity Shares. The Issue Price as determined by our Company in consultation with the LM and as stated under "Basis for Issue Price" beginning on page 83, 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 nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 27.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform of NSE. Our Company has received in-principle approval from NSE for listing of the Equity Shares pursuant to its letter dated [●]. For the purposes of this Issue, NSE shall be the Designated Stock Exchange. A signed copy of the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 308.

**LEAD MANAGER TO THE ISSUE**

LOGO	NAME OF LM	CONTACT PERSON	TEL & EMAIL
	Jawa Capital Services Private Limited	Mr. Sajal Gupta/Ms. Archana Sharma	Tel No.: +91-11-47366600; E-mail: <a href="mailto:mbd@jawacapital.in">mbd@jawacapital.in</a>

**REGISTRAR TO THE ISSUE**

LOGO	NAME OF RTA	CONTACT PERSON	TEL & EMAIL
	Skyline Financial Services Private Limited	Mr. Anuj Rana	Tel No.: +91-11-40450193-97; E-mail: <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a>

**ISSUE PROGRAMME**

<b>ISSUE OPENS ON: [●]</b>	<b>ISSUE CLOSES ON: [●]</b>
----------------------------	-----------------------------

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



## KALANA ISPAT LIMITED

Our Company was originally incorporated as 'Kalana Ispat Private Limited', a private limited company, under the Companies Act, 1956, with a certificate of incorporation issued under the hand of the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, dated on October 15, 2012. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 04, 2023, and consequently, the name of our Company was changed to "Kalana Ispat Limited", and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 21, 2023, was issued by the Registrar of Companies, Ahmedabad to our Company. For further details of change in name and change in Registered Office of our Company, please refer to section titled 'History and Corporate Structure' beginning on page 129 of this Draft Prospectus.

**Corporate Identity Number (CIN)** of the Company is U27100GJ2012PLC072306.

**Registered Office:** 504, Ashwamegh Avnue, 5th Floor, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009;

**Corporate Office:** C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015

**Tel No.:** 7949208045 **Website:** www.kalanaispat.com; **E-mail:** contact@kalanaispat.com;

**Contact Person:** Ms. Manishi Jain, Company Secretary and Compliance Officer;

**PROMOTERS: MR. AFTABHUSEN S KHANDWAWALA, MR. VARGHESE JOSEPH POTTAKERRY, MR. GURUBAXSING JAMIATSING BAGGA AND MR. SADIK NANNABHAI QURESHI**

**INITIAL PUBLIC ISSUE OF 49,38,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF KALANA ISPAT LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹ 66 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 56 PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 3,259.08 LAKHS ("THE ISSUE"), OF WHICH 2,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 66 PER EQUITY SHARE, AGGREGATING TO ₹ 163.68 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 46,90,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 66 PER EQUITY SHARE, AGGREGATING TO ₹ 3,095.40 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 37.87% AND 35.97% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE OF ₹ [●] IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") the Issue has been made for at least 25% of the post-issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIs and vice-versa subject to valid applications being received from them. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RILs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attentions invited to "Issue Procedure" beginning on page 239 of this Draft Prospectus. A copy of the Prospectus shall be filed with the Jurisdictional Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**RISKS IN RELATION TO FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Issue Price is ₹ 66 is 6.6 times of the face value of the Equity Shares. The Issue Price as determined by our Company in consultation with the LM and as stated under "Basis for Issue Price" beginning on page 83, 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 nor 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 this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 27.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform ("NSE-EMERGE") of the National Stock Exchange of India Limited ("NSE"). Our Company has received in-principle approval from NSE for listing of the Equity Shares pursuant to its letter dated [●]. For the purposes of this Issue, NSE shall be the Designated Stock Exchange. A signed copy of the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 308.

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**Jawa Capital Services Private Limited**

**CIN:** U74140DL2005PTC137680

**Plot No. 93, First Floor, Pocket 2, Near DAV School, Jasola, New Delhi- 110025**

**Tel No.:** +91-11-47366600; **E-mail:** [mbd@jawacapital.in](mailto:mbd@jawacapital.in)

**Investor Grievance Email:** [investorsrelation@jawacapital.in](mailto:investorsrelation@jawacapital.in)

**Website:** [www.jawacapital.in](http://www.jawacapital.in)

**Contact Person:** Mr. Sajal Gupta/ Ms. Archana Sharma

**SEBI Registration No.:** MB/INM000012777



**Skyline Financial Services Private Limited**

**CIN:** U74899DL1995PTC071324

**D-153A, 1st floor, Phase I, Okhla Industrial Area, Delhi - 110020**

**Tel No.:** +91-11-40450193-97, **E-mail:** [ipo@skylinerta.com](mailto:ipo@skylinerta.com)

**Investor Grievance Email:** [ipo@skylinerta.com](mailto:ipo@skylinerta.com)

**Website:** [www.skylinerta.com](http://www.skylinerta.com)

**Contact Person:** Mr. Anuj Rana

**SEBI Registration No.:** INR000003241

**ISSUE PROGRAMME**

**ISSUE OPENS ON : [●]**

**ISSUE OPENS ON : [●]**

## Table of Contents

<b>SECTION I: GENERAL</b> .....	5
DEFINITIONS AND ABBREVIATIONS.....	5
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA.....	14
FORWARD LOOKING STATEMENTS.....	16
<b>SECTION II: SUMMARY OF THE OFFER DOCUMENT</b> .....	18
<b>SECTION III: RISK FACTORS</b> .....	27
<b>SECTION IV- INTRODUCTION</b> .....	45
THE ISSUE.....	45
SUMMARY OF FINANCIAL INFORMATION .....	46
<b>SECTION V-GENERAL INFORMATION</b> .....	49
<b>SECTION VI-CAPITAL STRUCTURE</b> .....	58
<b>SECTION VII: PARTICULARS OF THE ISSUE</b> .....	71
OBJECTS OF THE ISSUE .....	71
BASIS FOR ISSUE PRICE.....	83
STATEMENT OF POSSIBLE TAX BENEFITS .....	90
<b>SECTION VIII-ABOUT THE COMPANY</b> .....	93
INDUSTRY OVERVIEW .....	93
BUSINESS OVERVIEW .....	102
KEY INDUSTRY REGULATIONS AND POLICIES .....	117
HISTORY AND CORPORATE STRUCTURE .....	129
OUR MANAGMENT.....	132
OUR PROMOTERS AND PROMOTER GROUP.....	148
GROUP ENTITIES OF OUR COMPANY .....	155
DIVIDEND POLICY.....	157
<b>SECTION IX FINANCIAL INFORMATION</b> .....	158
FINANCIAL STATEMENT AS RESTATED .....	158
CAPTIALISATION STATEMENT.....	191
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION .....	192
FINANCIAL INDEBTEDNESS.....	208
<b>SECTION X – LEGAL AND OTHER INFORMATION</b> .....	210
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....	210
GOVERNMENT AND OTHER APPROVALS .....	216
<b>SECTION - XI - OTHER REGULATORY AND STATUTORY DISCLOSURES</b> .....	219
<b>SECTION - XII - ISSUE INFORMATION</b> .....	229
TERMS OF THE ISSUE.....	229
ISSUE STRUCTURE .....	236
ISSUE PROCEDURE .....	239
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	270
<b>SECTION XIII-MAIN PROVISIONS OF ARTICLE OF ASSOCIATION</b> .....	272
<b>SECTION XIV-OTHER INFORMATION</b> .....	308
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	308
DECLARATION .....	310

## SECTION I: GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, 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 Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder.

Notwithstanding the foregoing, terms used in of the sections “Statement of Possible Tax Benefits”, “Financial Information”, “Main Provisions of Articles of Association”, “Basis for Issue Price”, “History and Corporate Structure of Our Company”, “Other Regulatory and Statutory Disclosures” and “Outstanding Litigations and Material Developments” beginning on pages 90, 158, 272, 83, 129, 219 and 210 respectively, shall have the meaning ascribed to such terms in the relevant section.

### GENERAL TERMS

Term	Description
“Our Company” or “Company” or “Kalana” or “KIL”	Unless the context otherwise requires, refers to Kalana Ispat Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 504, Ashwamegh Avnue, 5th Floor NR, Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009.
“we” or “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.

### COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of Our Company.
Auditors	The Statutory Auditors of the Company, being M/s Dinesh R Thakkar & Co., Chartered Accountants.
Board /Board of Directors	The Board of Directors of our company or a duly constituted committee thereof.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Compliance Officer	The compliance officer of our Company in relation to the Issue
Equity Shares	The Equity Shares of our Company of face value of ₹. 10 each
Independent Director	Independent director(s) on our Board and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI LODR Regulations. For details of the Independent Directors, see “Our Management” on page 132.
KMP/ Key Managerial Personnel	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and the Companies Act, 2013 disclosed in “Our Management” on page 132.
Memorandum/ MOA/ Memorandum of Association	Memorandum of Association of our Company, as amended
Promoters	Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nannabhai Qureshi
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “Our

	Promoter and Promoter Group” on page 148
Registered Office/ Registered Office of the Company	504, Ashwamegh Avnue, 5th Floor, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009
Corporate Office/ Corporate Office of the Company	C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015
Registrar of Companies /ROC	Registrar of Companies, Ahmedabad
Restated Financial Statements	The restated financial statement of our Company as of and for the 9 months period ended December 31, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and included in “Financial Statements as Restated” on page 158.

#### ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotted/ Allotment/Allotment of Equity Shares	Unless the context otherwise requires, the Issue/allotment of Equity Shares pursuant to the Issue to successful applicants.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchange.
Applicant/Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which the Applicant shall make an application to subscribe to the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Applicants to make application authorizing a SCSB to block the application amount in the ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be allotted to successful applicants under the Issue, as described in the section titled “ <b>Issue Procedure - Basis of Allotment</b> ” beginning on page 265.

Broker Centers	Broker Centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such Broker Centre's, along with the name and contact details of the Registered Brokers, are available on the websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
Bankers to the Issue / Escrow Collection Banks	The banks which are Clearing Members and registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as Banker to an Issue with whom the Escrow Agreement is entered into and in this case, being [●].
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number of the Applicant's beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch of SCSB	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	NSDL and CDSL registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such centers of the CDPs where Applicants can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of National Stock Exchange of India Limited.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which funds are transferred from the ASBA Accounts to the Public Issue Account in terms of the Prospectus.
Designated Intermediaries	The SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the National Stock Exchange of India Limited.
Designated Stock Exchange	EMERGE Platform of the National Stock Exchange of India Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number
Draft Prospectus	The Draft Prospectus dated April 25, 2024 issued in accordance with Section 32 of the Companies Act, 2013 and filed with NSE under SEBI ICDR Regulations

Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018
General Information Document/ GID	The General Information Document prepared and issued in accordance with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Issuing/ IPO	Public Issue of 49,38,000 Equity Shares of face value ₹ 10 each of Kalana Ispat Limited for cash at a price of ₹ 66 per Equity Share (" <b>Issue Price</b> ") aggregating up to ₹ 3,259.08 Lakh.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The price at which Equity Shares will be Issued and allotted by our Company being ₹ 66 per Equity Share.
LM / Lead Manager	The Lead Manager for the Issue being Jawa Capital Services Private Limited
Market Maker	Market Maker appointed by our Company from time to time, in this case being [●] who 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 any other period as may be notified by SEBI from time to time
Market Making Agreement	Market Making Agreement dated [●] between our Company, LM and Market Maker
Market Maker Reservation Portion	The reserved portion of 2,48,000 Equity Shares of ₹ 10 each at an Issue Price of ₹ 66 each to be subscribed by Market Maker.
MOU/ Issue Agreement	The Memorandum of Understanding dated March 21, 2024 entered into between our Company and the Lead Manager.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 46,90,000 Equity Shares of face value ₹ 10 each of Kalana Ispat Limited for cash at a price of ₹ 66 per Equity Share aggregating up to ₹ 3,095.40 Lakh.
NSE	National Stock Exchange of India Limited
NSE-EMERGE	The SME platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations.

Non Institutional Investors/NIIIs	All Applicants who are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹. 2 Lakh.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Other/ Non Retail Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker to this Issue to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors/QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations
Registered Broker	Stock brokers registered with SEBI as trading members who hold valid membership of NSE having right to trade in stocks listed on NSE and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar and Share Transfer Agents or 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.
Registrar/ Registrar to the Issue/RTI	Skyline Financial Services Private Limited
Retail Individual Investors/RIIs	Individual applicants who have applied for the Equity Shares for an amount not more than ₹ 2,00,000 (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	SEBI (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations/ SEBI (ICDR) Regulations/ SEBI (ICDR) Regulations, 2018	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time
SEBI LODR Regulations/SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI VCF Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as repealed by the SEBI AIF Regulations

SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Self Certified Syndicate Bank or SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=34</a> .
SME Exchange	The EMERGE Platform of the National Stock Exchange of India Limited i.e. NSE-EMERGE
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Underwriter	[●]
Underwriting Agreement	The Agreement dated [●] entered into amongst the Underwriter, LM and our Company.
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank a/c.
UP ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2) dated March 30, 2020, circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular (SEBI/HO/CFD/DIL2/ P/CIR/2021/570) dated June 02, 2021 and circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, circular (SEBI/HO/CFD/TPD1/CIR/P/2023/140) dated August 09, 2023 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPPIN	Password to authenticate UPI transaction
Working Days	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with Circulars on Streamlining of Public Issues

#### TECHNICAL/INDUSTRY RELATED TERMS/ ABBREVIATIONS

Term	Description
AMP	Ampere

BOS	balance of system
CCM	continuous Casting Machine
CEI	Chief Electrical Inspectorate Division
CTPT	Current Transformers and Power Transformers
EMEs	Emerging Market Economies
Evacuation Line,	Evacuation Lines is a facility that allows generated power to be immediately transmitted from a generating plant to the grid for further transmission/ distribution to load centers.
GEDA	Gujarat Energy Development Agency
GERC	Gujarat Electricity Regulatory Commission
HP	HorsePower
KVA	Kilo-volt-amperes
kW	Kilowatt
MS Billets	Mild Steel Billets
MS Scrap	Mild Steel Scrap
MT	Metric ton
MW	megawatt
Open Access Regulations	Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024
PLI	Production-linked Incentive
QCO	Steel Quality Control Order
SS	Stainless Steel
TPSAT Structure	Tilted Plane Single Axis tracker Structure
UGVCL	Uttar Gujarat Vij Company Limited,

#### CONVENTIONAL TERMS/ ABBREVIATIONS

Term	Description
AIF/Alternative Investment Funds	Alternative Investment Funds as defined and registered under the SEBI AIF Regulations
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
A.Y.	Assessment Year
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BV / NAV	Book value / Net Asset Value
CAGR	Compounded Annual Growth Rate.
CARO	Companies (Auditor's Report) Order, 2016
CDSL	Central Depository Services (India) Ltd.
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act, 2013/Companies Act	Companies Act, 2013, along with the relevant rules made thereunder
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time i.e. NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository Participant /DP	A depository participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identification number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting

EPS	Earnings Per Share
ESOP	Employees Stock Option Plan
FCNR Account	Foreign Currency Non Resident Account.
FCRA	Foreign Contribution (Regulation) Act, 2010
FDI	Foreign Direct Investment
FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board.
Financial Year /fiscal year/FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FMS	Facility Management Services
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	Fugitive Economic Offender as defined under Regulation 2(2)(p) of SEBI ICDR Regulations
FVCI	Foreign Venture Capital Investor
Government/ GOI	The Government of India.
GAAP	Generally Accepted Accounting Principles
GAAR	General Anti Avoidance Rules
GIGW	Guidelines For Indian Government Websites
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013 and referred to in the Ind AS Rules
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR or Rupee or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial Public Issue
IRDA	Insurance Regulatory and Development Authority.
IT Act/ I. T. Act	Income-Tax Act, 1961
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition (nine digit code as appearing on a cheque leaf)
Mn, mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NAV	Net asset value.

NBFC	Non-banking Financial Company
NBFC – ND – SI	Systemically Important Non-Deposit Taking NBFC
NBFC – SI	Systemically important non-banking financial company, as covered under Regulation 2(1)(ss)(xiii) of the SEBI ICDR Regulations
NCR	National Capital Region
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR/Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non Resident Indian
NRE Account	Non-Resident External Account.
NRI/Non-Resident Indian	A non-resident Indian as defined under the FEMA Regulations
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited
OCB/ Overseas Corporate Body	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty percent by NRIs and includes an overseas trust in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably and which was in existence on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the relevant regulations issued under FEMA
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RONW	Return on Networth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Securities Act	United States Securities Act of 1933, as amended
STT	Securities Transaction Tax
UK	United Kingdom
U.S./U.S.A.	United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTION

All references in this Draft Prospectus to “India” are to the Republic of India.

Unless indicated otherwise, all references to page numbers in this Draft Prospectus are to page numbers of this Draft Prospectus.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited restated financial statements for the nine months period ended December 31, 2023, and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Prospectus, and set out in “**Financial Statements as Restated**” on page 158 of this Draft Prospectus.

In this Draft Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Prospectus.

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

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Draft Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Draft Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Statutory Auditor, set out in the section titled ‘**Financial Statements as Restated**’ beginning on page 158 of this Draft Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

In this Draft Prospectus, unless the context otherwise requires, all references to (a) ‘₹’ or ‘Rupees’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lakhs’, ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One Thousand Million’.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our financial statements as restated prepared in accordance with Indian GAAP.



## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified either by the Company or the Lead Manager or any of their respective affiliates or advisors.

Further, the extent to which the industry and market data presented in this Draft 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## **EXCHANGE RATE**

This Draft Prospectus may contain conversion of certain other currency amounts into Indian Rupees that has 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.

## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical facts constitute **“Forward Looking Statements”**. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section titled **“Risk Factors”**; **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”**; **“Industry Overview”**; and **“Business Overview”** beginning on pages 27, 192, 93 and 102 respectively of this Draft Prospectus.

The forward-looking statements contained in this Draft Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products/ services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its 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 accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Prospectus until the Equity Shares are allotted to the Investors.



## SECTION II: SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled “Risk Factors”, “Issue Details in Brief”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Business Overview”, “Issue Procedure”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” on pages 27, 45, 58, 71, 93, 102, 239, 210 and 272, respectively.

### SUMMARY OF OUR BUSINESS

Our Company was originally incorporated as ‘Kalana Ispat Private Limited’, a private limited company, under the Companies Act, 1956, with a certificate of incorporation issued under the hand of the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, dated on October 15, 2012. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 04, 2023, and consequently, the name of our Company was changed to “Kalana Ispat Limited”, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 21, 2023, was issued by the Registrar of Companies, Ahmedabad to our Company.

The Corporate Identification Number of our company is U27100GJ2012PLC072306.

Our Company is promoted by Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nannabhai Qureshi.

For detailed information on our business activities, please refer to Chapter titled “**Business Overview**” beginning on page 102 of this Draft Prospectus.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

#### AN OVERVIEW OF STEEL SECTOR

##### Introduction

##### Global Scenario

1. In 2022, the world crude steel production reached 1885.4 million tonnes (MT). World Steel Association in its Short-Range Outlook, October 2023 forecasts that steel demand will grow by 1.8% in 2023 and reach 1,814.5 MT after contracting by 3.3% in 2022. In 2024, steel demand will see a further increase of 1.9% to 1,849.1 MT.
2. India is the second largest producer of crude steel. China was world’s largest crude steel producer in 2022 (1018.0 MT) followed by India (125.3 MT), Japan (89.2 MT) and the USA (80.5 MT).
3. Per capita finished steel consumption in 2022 was 221.8 kg for world and 645.8 kg for China. The same for India was 86.7 kg in 2022-23.

##### Domestic Scenario

- a) Steel is a de-regulated sector. The Government’s role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- b) In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31.

For more details, please refer chapter titled “**Industry Overview**” beginning on page 93 of this Draft Prospectus.

## NAME OF PROMOTERS

As on the date of this Draft Prospectus, the Promoters of our Company are Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nannabhai Qureshi.

## SIZE OF THE ISSUE

Initial Public Issue of 49,38,000 Equity Shares of face value of ₹ 10 each (“**Equity Shares**”) of Kalana Ispat Limited (the “**Company**”) for cash at a price of ₹ 66 per Equity Share (including a share premium of ₹ 56 per Equity Share) (the “**Issue Price**”), aggregating upto ₹ 3,259.08 lakhs (“**The Issue**”), of which 2,48,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 66 per Equity Share, aggregating to ₹ 163.68 lakhs will be reserved for subscription by the Market Maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation portion i.e. issue of 46,90,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 66 per Equity Share, aggregating to ₹ 3,095.40 lakhs is hereinafter referred to as the “**Net Issue**”. The Issue and the Net Issue will constitute 37.87% and 35.97% respectively of the fully diluted post issue paid up Equity Share Capital of our Company.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“**Objects of the Issue**”):

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
1.	Capital Expenditure for Installation of 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure	2,298.75	[●]
2.	Capital expenditure for setting up of rolling mill at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad by construction of the industrial shed, purchase of equipment/machineries, other assets etc.	799.45	[●]
4.	General Corporate Purpose.	[●]	[●]
<b>Net Issue Proceeds</b>		[●]	[●]

For further details please refer to the chapter titled “**Object of the Issue**” beginning on page 71 of this Draft Prospectus.

## AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP, AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF OUR COMPANY:

The shareholding pattern of our Promoters and Promoters’ Group before and after the Issue is as under:

Sr. No.	Name of Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1.	Varghese Joseph Pottakerry	20,85,744	25.75%	20,85,744	15.99%
2.	Aftabhusen S Khandwawala	20,37,609	25.15%	20,37,609	15.62%
3.	Gurubaxsing Jamiatsing Bagga	11,95,997	14.76%	11,95,997	9.17%
4.	Sadik Nannabhai Qureshi	13,81,784	17.06%	13,81,784	10.59%
<b>Total- A</b>		<b>67,01,134</b>	<b>82.72%</b>	<b>67,01,134</b>	<b>51.38%</b>
<b>Promoters Group</b>					
5.	Riya Varghese	1,99,999	2.47%	1,99,999	1.53%
6.	Pashmin Aftab Khandwawala	1,99,999	2.47%	1,99,999	1.53%
7.	Mit Iron and Steel Pvt. Ltd	9,99,999	12.34%	9,99,999	7.67%

Sr. No.	Name of Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued capital	No. of equity shares	As a % of Issued Capital
8.	Mika Steel & Alloys LLP	54	0.00%	54	0.00%
<b>Total- B</b>		<b>14,00,051</b>	<b>17.28%</b>	<b>14,00,051</b>	<b>10.73%</b>
<b>Total Shareholding (A+B)</b>		<b>81,01,185</b>	<b>100.00%</b>	<b>81,01,185</b>	<b>62.12%</b>

#### SUMMARY OF FINANCIAL INFORMATION

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended on			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	810.12	100.00	100.00	100.00
2.	Net Worth	1,020.38	441.94	391.65	376.19
3.	Revenue from Operations	4,628.87	8,303.86	5,774.88	4,286.44
4.	Profits after Tax	173.27	50.29	15.45	13.87
5.	EPS (Basic & diluted) (₹)*	2.26	5.03	1.55	1.39
6.	NAV Per Share (₹)*	13.30	44.19	39.16	37.62
7.	Total Borrowings	246.86	861.79	260.57	262.93

\*For computation of EPS and NAV per share for particular period, weighted average number of equity shares during the said period is used as denominator.

#### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

#### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

S. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (in Rs. Lakh)
<b>A.</b>	<b>Pending litigations involving our Company</b>		
1.	Criminal proceedings		
	a. against our Company	-	-
	b. by our Company	-	-
2.	Pending Action by statutory or regulatory authorities	-	-
3.	Tax proceedings		
	a. Indirect Tax	1	42.52
	b. Direct Tax	-	-
4.	Default and non-payment of statutory dues	-	-
5.	Other material outstanding litigation	-	-
<b>B.</b>	<b>Litigation involving our Directors</b>		
1.	Outstanding criminal litigation	-	-
2.	Pending action by statutory or regulatory authorities	-	-
3.	Tax proceedings	-	-
4.	Other material litigation outstanding	-	-
<b>C.</b>	<b>Litigation involving our Promoters</b>		
1.	Outstanding criminal litigation	-	-

S. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (in Rs. Lakh)
2.	Pending action by statutory or regulatory authorities	-	-
3.	Tax proceedings	1	0.27
4.	Other material litigation outstanding	-	-
5.	Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action	-	-
<b>D.</b>	<b>Litigation involving our Group Companies</b>		
1.	Outstanding criminal litigation	-	-
2.	Other material litigation outstanding	-	-
3.	Tax proceedings		
	a. Indirect Tax	3	67.09
	b. Direct Tax	-	-

For further details, please refer section titled **“Outstanding Litigations & Material Developments”** beginning on page 210 of this Draft Prospectus.

#### RISK FACTORS

For details relating to risk factors, please refer section titled **“Risk Factors”** beginning on page 27 of this Draft Prospectus.

#### SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered into by our Company during the 6 months period ended December 31, 2023 and for the financial years ending March 31, 2023, 2022 and 2021:

Related Party Disclosures		
As per Accounting Standard 18, the disclosures of transactions with the related parties are given below: List of related parties where control exists and related parties with whom transactions have taken place and relationships:		
Sr. No.	Name of the Related Party	Relationship
1	Varghese Joseph Potterterly	Key Management Personnel
2	Aftabhusen S Khandwawala	
3	Gurubaxsing Jamiatsing Bagga	
4	Sadik Nannabhai Qureshi (Resigned as Director w.e.f 2 October, 2023)	
5	Nishant Bali (Appointed as Independent Director w.e.f. 27 December, 2023)	
6	Sahistabanu Sajitmiya Thakor (Appointed as Independent Director w.e.f. 27 December, 2023 till 17 June, 2024)	
7	Mit Iron and Steel Pvt Ltd	Enterprise under influence by Key Managerial Personnel
8	Metal India Trade Link (Prop. Varghese Joseph Potterterly)	
9	Mit Impex (Prop. Aftabhusen S Khandwawala)	

10	Eagle Steels (Prop. Sadik Nannabhai Qureshi)	Relatives of Key Managerial Personnel			
11	Mika Steel & Alloys LLP				
12	Mit Developers				
13	Seebaat Buildcon				
14	Zakirbhai Nannabhai Qureshi (Prop. Zaara Steel Traders)				
15	Pashmin A Khandwawala				
16	Riya Verghese Pottakerry				
17	Asif Nannabhai Qureshi (Prop. Shifa Steel Traders)				
<b>b. Transactions with Related parties</b>		<b>(₹ in Lakhs)</b>			
Nature of Transaction	Name of the related party	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Director's Remuneration	Varghese Joseph Potterterly	1.00	4.80	-	-
Issue of Equity shares	Varghese Joseph Potterterly	60.00	-	-	-
	Aftabhusen S Khandwawala	60.00	-	-	-
	Pashmin A Khandwawala	30.00	-	-	-
	Riya Verghese Pottakerry	30.00	-	-	-
	Mit Iron and steel Pvt Ltd	150.00	-	-	-
Conversion of Unsecured loan into Equity share capital	Varghese Joseph Potterterly	9.87	-	-	-
	Aftabhusen S Khandwawala	2.64	-	-	-
	Gurubaxsing Jamiatsing Bagga	17.40	-	-	-
	Sadik N Qureshi	45.27	-	-	-
Excess Share Application Money Returned	Varghese Joseph Potterterly	0.00	-	-	-
	Aftabhusen S Khandwawala	0.00	-	-	-
	Pashmin A Khandwawala	0.00	-	-	-
	Riya Verghese Pottakerry	0.00	-	-	-
Loan Accepted	Varghese Joseph Potterterly	-	10.57	-	-
	Aftabhusen S Khandwawala	-	1.97	-	-
	Mit Iron and steel Pvt Ltd	104.92	360.00	-	-
	Mika Steel & Alloys LLP	125.00	300.00	-	-
Loan Repaid	Varghese Joseph Potterterly	1.00	-	-	-
	Aftabhusen S Khandwawala	0.18	1.97	-	-
	Sadik Nannabhai Qureshi	0.00004	-	-	-
	Gurubaxsing Jamiatsing Bagga	0.00039	-	-	-
	Mit Iron and steel Pvt Ltd	112.08	360.00	-	-
	Mika Steel & Alloys LLP	428.14	-	-	-
Loan Granted	Mit Iron and steel Pvt Ltd	-	41.11	559.99	-
	Mit Developers	2.00	-	-	-
Loan Recovered	Mit Iron and steel Pvt Ltd	-	41.11	635.07	-
	Mit Developers	2.00	-	-	-

Advance against Purchase of Goods	Metal India Trade Link (Prop. Potterly J Varghese)	3.50	-	36.33	-
	Asif Nannabhai Qureshi (Prop. Shifa Steel Traders)	88.95	105.03	191.65	230.81
	Zakirbhai Nannabhai Qureshi (Prop. Zaara Steel Traders)	93.74	46.72	27.12	1.63
	Mika Steel & Alloys LLP	67.10	289.73	230.74	155.50
Amount received back	Metal India Trade Link (Prop. Potterly J Varghese)	3.50	-	36.33	-
Freight Charges Paid	Eagle Steels (Prop. Sadik Nannabhai Qureshi)	-	0.01	2.43	-
	Zaara Steel Traders (Prop. Zakirbhai Qureshi )	-	-	0.36	-
Income of Truck Freight	Mit Impex (Prop. Aftab S.Khandwawala)	-	-	-	0.47
	Metal India Trade Link (Prop. Potterly J Varghese)	-	-	-	0.51
Purchase of Goods	Mit Iron and steel Pvt Ltd	-	-	30.00	24.62
	Mika Steel & Alloys LLP	82.34	147.66	369.38	-
	Mit Impex (Prop. Aftab S.Khandwawala)	-	-	-	95.34
	Metal India Trade Link (Prop. Potterly J Varghese)	-	-	-	198.61
	Eagle Steels (Prop. Sadik Nannabhai Qureshi)	0.81	5.74	-	98.16
	Shifa Steel Traders(Prop. Asif Nannabhai Qureshi )	113.47	507.76	463.43	503.37
	Zaara Steel Traders (Prop. Zakirbhai Qureshi )	193.63	523.55	740.66	223.28
Sales of Goods	Mika Steel & Alloys LLP	149.38	276.62	214.88	-
	Mit Iron and steel Pvt Ltd	-	-	-	12.08
	Shifa Steel Traders(Prop. Asif Nannabhai Qureshi )	68.51	45.64	0.31	4.50
	Zaara Steel Traders (Prop. Zakirbhai Qureshi )	-	2.69	-	-
Job work (Service Income)	Mika Steel & Alloys LLP	121.09	42.70	39.50	-
	Mit Iron and steel Pvt Ltd	-	-	-	30.30
Interest Income	Mit Iron and steel Pvt Ltd	-	-	5.06	-
	Mit Develoeprs	0.05	-	-	-
Interest Expense	Mit Iron and steel Pvt Ltd	4.39	7.96	-	-
	Mika Steel & Alloys LLP	3.58	3.48	-	-

Commission Expense	Mit Impex (Prop. Aftab S.Khandwawala)	-	-	-	21.25
Clearing & Forwarding/Handling Charges	Mika Steel & Alloys LLP	-	-	-	4.08
Rent Expense	Mit Iron and steel Pvt Ltd	0.45	0.60	0.60	0.60
<b>c. Balances as at:</b>					<b>(₹ in Lakhs)</b>
Name of Party	Nature of Relationship	As on 31st December, 2023	As on 31st March, 2023	As on 31st March, 2022	As on 31st March, 2021
		(In ₹)	(In ₹)	(In ₹)	(In ₹)
Varghese Joseph Potterterly (Prop. Metal India Tradelink)	Managing Director	0.32 (Cr.)	11.57 (Cr.)	0.30 (Cr.)	0.30 (Cr.)
Aftabhusen S Khandwawala (Prop. Mit Impex)	Director & Chief Financial Officer	- (Cr.)	2.82 (Cr.)	2.82 (Cr.)	26.84 (Cr.)
Gurubaxsing Jamiatsing Bagga	Director	- (Cr.)	17.40 (Cr.)	17.40 (Cr.)	17.40 (Cr.)
Sadik Nannabhai Qureshi (Prop. Eagle Steels )	Director	- (Cr.)	43.46 (Cr.)	45.25 (Cr.)	46.43 (Cr.)
Asif Nannabhai Qureshi (Prop. Shifa Steel Traders)	Relative of Key Managerial Personnel	88.95 (Dr.)	105.03 (Cr.)	191.65 (Cr.)	230.81 (Cr.)
Zakirbhai Nannabhai Qureshi (Prop. Zaara Steel Traders)	Relative of Key Managerial Personnel	93.74 (Dr.)	46.72 (Cr.)	27.12 (Cr.)	1.63 (Cr.)
Mit Iron and steel Pvt Ltd	Shareholder & Enterprise under influence by Key Managerial Personnel	3.95 (Cr.)	7.16 (Cr.)	4.52 (Dr.)	39.84 (Cr.)
Mika Steel & Alloys LLP	Shareholder & Enterprise under influence by Key Managerial Personnel	67.10 (Dr.)	289.73 (Cr.)	230.74 (Dr.)	155.50 (Dr.)

**SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

**(₹ In Lakhs)**

Particulars	As at			
	31-12-2023	31-03-2023	31-03-2022	31-03-2021
<b>Contingent liabilities (to the extent not provided for)</b>				
VAT Related Litigation	42.52	42.52	42.52	42.52
Bank Guarantee for UGVCL Connection	73.27	60.82	54.76	54.76

As on the date of this Draft Prospectus, the contingent liabilities are defined in the Restated financials beginning on page 158 of this Draft Prospectus.

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Prospectus.

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The weighted average price at which the equity shares were acquired by our Promoters in the one year preceding the date of this Draft Prospectus.

Sr. No.	Name of Promoters	No. of Equity Shares Acquired during last one Year	Weighted Average Cost Per Equity Share (in ₹)*
1	Mr. Varghese Joseph Pottakerry	17,85,754	3.91
2	Mr. Aftabhusen S Khandwawala	17,37,609	3.61
3	Mr. Gurubaxsing Jamiatsing Bagga	9,95,997	1.75
4	Mr. Sadik Nanabhai Qureshi	11,81,784	3.83

*\*Note: The average cost of acquisition of Equity Shares held by the Promoters has been calculated by taking the amounts paid by them (on FIFO basis) to acquire the Equity Shares issued by the Company. As certified by M/s. Dinesh R. Thakkar & Co., Chartered Accountants, pursuant to their certificate dated April 10, 2024.*

#### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as on date of this Draft Prospectus is:

Sr No.	Name of Promoters	No. of Equity Shares held	Average Cost Per Equity Share (in ₹)*
1	Mr. Varghese Joseph Pottakerry	20,85,744	4.79
2	Mr. Aftabhusen S Khandwawala	20,37,609	4.55
3	Mr. Gurubaxsing Jamiatsing Bagga	11,95,997	3.13
4	Mr. Sadik Nanabhai Qureshi	13,81,784	4.72

*\*Note: The average cost of acquisition of Equity Shares held by the Promoters has been calculated by taking the amounts paid by them (on FIFO basis) to acquire the Equity Shares issued by the Company.*

*As certified by M/s. Dinesh R. Thakkar & Co., Chartered Accountants, pursuant to their certificate dated April 10, 2024.*

#### DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR PRECEDING THE DATE OF THE DRAFT PROSPECTUS

Except as stated below, our Company has not issued any Equity shares for consideration other than cash in the one year preceding the date of this Draft Prospectus:

Date of Issue/ Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Name of Allottees	Benefits Accrued
November 30, 2023	66,00,965	10	NA	Bonus Issue	Note 1	Capitalization of Reserves

Note 1: Bonus Allotment of 66,00,965 Equity shares of face Value Rs. 10/- each fully paid up in the ratio of 88:20

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Varghese Joseph Pottakerry	16,99,495
2.	Mr. Aftabhusen S Khandwawala	16,60,274
3.	Mr. Gurubaxsing Jamiatsing Bagga	9,74,516
4.	Mr. Sadik Nannabhai Qureshi	11,25,898
5.	M/S Mit Iron And Steel Pvt. Ltd	8,14,814
6.	Mr. Pashmin A Khandwawala	1,62,962
7.	Ms. Riya Varghese Pottakerry	1,62,962
8.	M/S Mika Steel & Alloys	44
	<b>Total</b>	<b>66,00,965</b>

For further details regarding issuance of shares, please refer section titled “*Capital Structure*” beginning on page 58 of this Draft Prospectus.

#### SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken sub-division or consolidation of its equity shares in the one year preceding the date of this Draft Prospectus.

#### EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI

Our Company has not undertaken any exemption related to the provision of securities law granted by SEBI.

### SECTION III: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline and prospective investors may lose all or part of their investment. Investors in the Equity Shares should pay particular attention to the fact that we are subject to a legal and regulatory environment that may differ significantly from that of other countries.*

*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections “Industry Overview”, “Business Overview”, “Financial Statements as Restated” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 93, 102, 158 and 192, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.*

*This Draft Prospectus contains forward-looking statements that involve risks, assumptions and uncertainties and reflect our current view with respect to future events and financial performance, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See “Forward-Looking Statements” on page 16. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

*The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.*

*Our Company’s financial year commences on April 1 and ends on March 31 of the immediately subsequent year. Unless otherwise indicated or the context otherwise requires, the financial information for nine months period ended December 31, 2023, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 included herein is derived from the Restated Financial Information included in this Draft Prospectus.*

#### Internal Risk Factors

- 1. Our Company, Promoter and Group Companies are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various regulatory authorities. Any adverse decision may make us liable to liabilities or may adversely affect our reputation/ business/financial status. A classification of these legal and other proceedings is given below:**

There is no assurance that in future, our company, our promoters, our directors or group company may not face legal proceedings and any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company, kindly refer the chapter titled “**Outstanding Litigation and Material Developments**” on page 210 of this Draft Prospectus. A classification of the present legal proceedings is mentioned below:

S. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (in Rs. Lakh)
E.	Pending litigations involving our Company		

S. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (in Rs. Lakh)
6.	Criminal proceedings		
	c. against our Company	-	-
	d. by our Company	-	-
7.	Pending Action by statutory or regulatory authorities	-	-
8.	Tax proceedings		
	c. Indirect Tax	1	42.52
	d. Direct Tax	-	-
9.	Default and non-payment of statutory dues	-	-
10.	Other material outstanding litigation	-	-
<b>F.</b>	<b>Litigation involving our Directors</b>		
5.	Outstanding criminal litigation	-	-
6.	Pending action by statutory or regulatory authorities	-	-
7.	Tax proceedings	-	-
8.	Other material litigation outstanding	-	-
<b>G.</b>	<b>Litigation involving our Promoters</b>		
6.	Outstanding criminal litigation	-	-
7.	Pending action by statutory or regulatory authorities	-	-
8.	Tax proceedings	1	0.27
9.	Other material litigation outstanding	-	-
10.	Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action	-	-
<b>H.</b>	<b>Litigation involving our Group Companies</b>		
4.	Outstanding criminal litigation	-	-
5.	Other material litigation outstanding	-	-
6.	Tax proceedings		
	c. Indirect Tax	3	67.09
	d. Direct Tax	-	-

2. **We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.**

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

Further, the Company has received only Provisional Registration w.r.t. installation of the Solar Power Plant, which is valid only for a period of 6 months. Furthermore, we are yet to make application for the necessary approvals and/or licenses required by us for setting up of the rolling mill.

Details of the valid approvals and licences in name of the Company are more particularly mentioned in the chapter titled “Government and Other Approvals” beginning on page 216 of this Draft Prospectus. For further details, kindly refer chapters titled “Key Industry Regulations and Policies” and “Government and Other Approvals” beginning on pages 117 and 216 respectively of this Draft Prospectus.

**3. Our business is subject to a variety of safety, health and environmental laws, labour, and workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and financial condition.**

Our Company is subject to various central, state and local environmental and safety laws. While we believe that our facility is currently in compliance in all material respects with applicable environmental laws, legislations and regulatory requirements, additional costs and liabilities related to compliance with these laws and regulations may impact our business. For further details, kindly refer to the chapter ‘Government and Other Approvals’ beginning on page 216 of this Draft Prospectus. Further, any changes in the applicable laws and regulations in the future may create substantial environmental compliance or remediation liabilities and costs, including monetary fines, criminal penalties on our Company’s officers for violation of applicable laws, or imposition of restrictions on our Company’s operations (which may include temporary suspension or closure of its operations). We may also, in the future, become involved in legal or regulatory proceedings, in relation to which we may be required to comply with more rigorous environmental or safety standards, or to incur significant capital and operating expenses and / or remedial costs. These factors may adversely affect our revenues and operations. Since we need labor to run our manufacturing unit, our Company is subject to variety of workplace related laws and regulations. We are required to maintain records and also file periodic returns in relation to the same. Although, we believe that we have complied with all the applicable laws and regulations, in the event of any breach of such laws and regulations, we may be subject to penal consequences which would adversely affect our operations and financial condition.

**4. The Company is yet to place order for installation of the Solar Power Plant and for machinery for setting up of our rolling mill, as mentioned in our Objects of the Issue. Any delay in placing orders/ procurement of machinery, may delay our implementation schedule and may also lead to increase in price of these machineries.**

We are yet to place orders for installation of the solar power plant for an amount of Rs. 2,298.75 Lakhs, which is 100% of the amount proposed to be invested, which would be a turnkey project. Further, we are yet to place order for machinery worth Rs. 799.45 Lakhs representing 100% of the machineries proposed to be procured for the purpose of setting up of our rolling mill, as detailed under Objects of the Issue, beginning on page 71 of this Draft Prospectus. While we have obtained quotations from various vendors in relation to the machinery proposed to be procured, most of these quotations are valid for a certain period of time and may be subject to revisions. We cannot assure that we will be able to procure the machinery within the costs indicated by such quotations or at all. Any cost overrun due to our failure to purchase the machinery within our budget, could adversely impact our financial condition and also our growth prospects.

**5. Our business operations are concentrated in Gujarat region, any adverse developments affecting our operations in this region could have a significant impact on our revenue and results of operations.**

We generate major domestic sales through our customers situated in Gujarat. Our 100% revenues are generated solely from the Gujarat region. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local clients, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**6. Our Company has not entered into definitive agreement with the third party vendor, whose has been engaged by the Company for installation of the Solar Power Plant on turnkey basis, further, any material adverse effect on the said vendor may impact our business and results of operations.**

Our Company has engaged the services of M/s Soleos Solar Energy Private Limited for the purpose of installation of the Solar Power Plant, however the entire project is being executed based on turnkey basis and on purchase order issued by us and no formal agreement has been entered into between our Company and M/s Soleos Solar Energy Private Limited. Accordingly, we may not be in a position to legally enforce performance, execution and timely delivery of our project by M/s Soleos Solar Energy Private Limited. Furthermore, any delay in execution of the Project or inability on part of the vendor to obtain requisite approvals and machinery in defined timelines, may delay execution of the project, thereby impacting our results of operations and profitability. Furthermore, if there is any kind of unrest, lockdown, deadlock in management and/or the vendor files for bankruptcy or any court order is issued against the vendor and/or the operations of vendor are impacted negatively, during the execution phase of our project, the execution and/or the entire project may be jeopardized and we may have to look for alternative vendor to complete our project, which would take substantial amount of time and would also result in escalation of the cost of the project, owing to which we may not be in a position to reap the desired benefits from the projects as anticipated by us.

**7. Our Promoters and our Key Managerial Personnels do not have experience in operations and maintenance of Solar Power Plant.**

Our Company proposes to utilize an amount of 2,298.75 Lakhs, from the IPO proceeds, for the purpose of funding Solar Power Plant Project. It may be noted that the said Solar Power Plant is being installed for captive consumption on energy set-off basis, and our Company does not plan to use the same for commercial purpose. However, our Promoters and the Key Managerial Personnel do not have any experience pertaining to operating and maintenance of Solar Power Plant. Accordingly, the Company may either have to rely on the external vendors providing the services of operations and maintenance of Solar Power Plant, or they may have to employ trained and experience professionals for the stated purpose, both of which will not only result in increase in the cost but will also increase our dependence on the outside vendor or the trained and experience professional hired by us.

**8. Our top five clients account for more than 78% of our revenue. Further we do not have any long term**

For the nine months period ended December 31, 2023, our top five clients accounted for approximately 78.63% of our revenue from operations.

S. No.	Party Name	Sale amount in Rs. Lakhs	Sale in %
1.	Steefo Steels LLP	1,652.41	35.70%
2.	Agarwal T.M.T. Ind. Pvt. Ltd.	908.09	19.62%
3.	Rehtan TMT Limited	424.19	9.16%
4.	Vinayak TMT Bars Pvt. Ltd.	384.51	8.31%

5.	Mika Steel and Alloys LLP	270.46	5.84%
	<b>Total</b>	<b>3,639.66</b>	<b>78.63%</b>

We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions in other cases could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

**9. Our top five suppliers account for more than 40% of the raw material procured by us.**

For the nine months period ended December 31, 2023, our top five suppliers accounted for approximately 40.01% of our raw material procurement.

S. No.	Party Name	Amount in Rs. Lakhs	%
1.	Roshni Scrap Traders	351.90	10.69%
2.	A One Scrap Traders	280.98	8.53%
3.	Mahalaxmi Steel & Tube Traders	276.90	8.41%
4.	JSW Minerals Trading Pvt. Ltd.	204.72	6.22%
5.	SAL Steel Ltd.	202.72	6.16%
	<b>Total</b>	<b>1,317.22</b>	<b>40.01%</b>

We cannot assure you that we would be able to procure raw material from the above suppliers in a timely manner and at a reasonable price. In the event there are any changes in governmental laws and legislations which directly/indirectly effects the prices of the raw materials required by us, our Suppliers may pass such increase in the event there is increase price of raw material owing to demand supply gaps or other factors, we may not be in a position to procure the raw material at the prices favorable to our Company, which will ultimately lead us to either look out for new suppliers, which is a time consuming process and which would delay our production, or we might have to procure the raw material at high price, which may adversely impact our financial position. Furthermore, major events affecting our suppliers, such as bankruptcy, change of management, mergers and acquisitions in other cases could impact our business.

**10. We generally do business with our customers on purchase order basis and do not enter into long term contracts with them. Our inability to maintain relationships with our customers could have an adverse effect on our business, prospects, results of operations and financial condition.**

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long term contract with any of customers nor has any marketing tie up for our products. Any change in the buying pattern of our customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

Our business depends on the continuity of our relationship with our customers. There can be no assurance that we will be successful in maintaining such relationships or increasing the number of such relationships. If we are not able to maintain existing relationships with our current customers or if we are not able to develop new relationships, or if we are not able to provide services on a timely basis or offer services that meet the needs of the customers, the number of customers could decline in the future and as a result, our business, prospects, results of operations and financial condition could be adversely affected in the future.

- 11. We have not entered into any long term or definitive agreements with our raw material suppliers. Our inability to obtain raw material in a timely manner, in sufficient quantities and / or at competitive prices could adversely affect our operations, financial condition and / or profitability.**

Our business is dependent on our suppliers for procuring raw material required for manufacturing our products. Typically, we do not enter into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers on an ongoing basis. Therefore, there are no fixed terms and conditions on which we purchase our raw materials. Further, fluctuations in the price, and availability of raw materials used in our manufacturing process, could have a material adverse effect on cost of sales or our ability to meet customer demands with respect to pricing. There can be no assurance that we will always be successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business may be adversely affected by dramatic movements in the prices of raw materials. Failure on the part of these suppliers to adhere to the delivery schedule or the required quantity could hamper our production schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected. Further should there be any significant increases in prices of the raw materials used, and we are unable to pass on such increases in raw material prices to our customers or find alternative suppliers / sources for supply of raw materials at competitive prices, our business, operations and financial performance could be adversely affected. Further, such factors can also lead to delay in delivering our products to our customers in a timely manner or at all thereby exposing us to the risk of losing our customers or not obtaining repeat orders from them.

- 12. We propose to utilise a substantial portion of the Net Proceeds of the Issue towards Installation of Solar Power Plant and for setting up of Rolling Mill and we have not entered into any definitive arrangements to utilise certain portions of the Net Proceeds of the Issue. Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates, a cost estimate from Shaikh Mo. Uvesh Mohhamad Salim, Civil Engineer, quotations received from various vendors and have not been appraised by any bank or financial institution or other agency. The deployment of the Net Proceeds will not be monitored by a monitoring agency. Our proposed expansion plans are subject to the risk of unanticipated delays in implementation and cost overruns.**

In order to reduce the overheads incurred by the Company for powering up its manufacturing operations, we propose to install a Solar Power Plant for captive consumption of the power generated from the said plant on set off basis. Further the Company proposes to set up a rolling mill as a means of forward integration, so that the Company may diversify its product portfolio and thereby increase its profitability.

We propose to utilise the Net Proceeds for objects, as more specifically stated under Chapter "Objects of the Issue" beginning on page 71. We have not entered into any definitive agreements to utilize the Net Proceeds for the Objects of the Issue and have relied on the quotations received from third parties for estimation of the cost, for the purpose of setting up of the Solar Power Plant and Rolling Mill.

We have obtained quotation from M/s Soleos Solar Energy Pvt Ltd for installation of the solar power plant on turnkey basis , a cost estimates provided by Shaikh Mo. Uvesh Mohhamad Salim, Civil Engineer in relation to the development of Land for the purpose of setting up the solar power Plant and quotation from M/s Gajanand Industries for setting up of rolling mill plant on turnkey basis, supply commissioning of round, flat & square mill plant, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors.

Our efforts to reduce our overheads incurred by us in connection with the power expenses pertaining to our manufacturing unit and to successfully implement the forward integration strategy by setting up of the rolling

mill are subject to significant risks and uncertainties, including: (i) delays and cost overruns resulting from increases in the prices and availability of materials and components, shortages of skilled workforce and transportation constraints; (ii) our inability to obtain the required permits, licenses and approvals from relevant government authorities; (iii) the unavailability or delay in arrival of the required technology or equipment from third parties; (iv) interruptions caused by natural disasters or other unforeseen events; (v) timing of completion of the Issue; (vi) market conditions outside the control of our Company; and (vii) any other business and commercial considerations. If we are unable to anticipate regulatory changes and address these risks and uncertainties, the objects for which the Net Issue Proceeds would be utilized, as described in detail in the section “Objects of the Issue” beginning on page 71 could be delayed, adversely affecting our business, results of operation and prospects.

Additionally, our funding requirements are based on management estimates and our current business, the quotation received from M/s Soleos Solar Energy Pvt Ltd for installation of Solar Power Plant, the cost estimates provided to the management by Shaikh Mo. Uvesh Mohhammad Salim, Civil Engineer, for land development for solar power plant and quotation by M/s Gajanand Industries for setting up of rolling mill plant on turnkey basis, supply commissioning of round, flat & square mill plant, and has not been appraised by any bank or financial institution or other agency. The deployment of the Net Proceeds will be monitored by the Audit Committee of the Company and will not be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. The deployment of the Net Proceeds will be at the discretion of our Board and prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of the Net Proceeds. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as changes in input cost, and other financial and operational factors. 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. Further, in accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

**13. 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 (i) Capital expenditure for installation of Capital Expenditure for Installation of 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure, (ii) Capital expenditure for setting up of rolling mill at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad by construction of the industrial shed, purchase of equipment/machineries, other assets etc. by construction of the building, purchase of equipment/machineries, other assets etc., and (iii) (iv) general corporate purposes, in the manner specified in “Objects of the Issue” on page 71. 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.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company.

Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Prospectus and the 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 the contract, which may adversely affect our business and results of operations.

**14. M/s MIT Iron and Steel Private Limited, our Promoter Group Company has objects similar to that of our Company's business and is engaged in the same and/ or similar line of business / industry in which our Company operates.**

M/s MIT Iron and Steel Private Limited, our Promoter Group Company is engaged in the same and / or similar line of business / industry in which our Company operates and could offer services that are related to the business of our Company. Further, our Promoter Directors Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry, are also Promoters and Directors on the board of M/s MIT Iron and Steel Private Limited. This may be a potential source of conflict of interest in addressing business opportunities, strategies, implementing new plans and affixing priorities. As on date, there are no noncompete arrangements in order to avoid the conflict of interest envisaged above.

**Management Perception:** In this regard we would like to clarify that even though M/s MIT Iron and Steel Private Limited, is engaged in same line of business i.e. manufacturing of MS Billets, still there is no apparent conflict of interest in real sense because M/s MIT Iron and Steel Private Limited operates on a very small scale accordingly there is no apparent competition between our Company and M/s MIT Iron and Steel Private Limited.

**15. The premises where our Registered Office, and our Corporate Office is located, are not owned by us**

The registered office of our Company is located at a premises which is owned by Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry, Promoter Directors of our Company. The said premises is used by us in terms of Rent Agreement dated April 02, 2024 which is valid for a period of 11 months.

Further, the premises where the Corporate Office of our Company is located, is owned by M/s MIT Iron and Steel Private Limited, one of our Promoters Group Company and is being occupied by us in terms of Rent Agreement dated April 02, 2024, which is valid for a period of 11 months.

If these arrangements/agreements are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations. Further, in the event of termination/non-renewal of said rent agreements, we may be required to vacate such premises which may cause disruption in our corporate affairs and business operations. There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for our operations on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

For further information on the premises occupied by us refer to chapter "Business Overview" beginning on page 102.

- 16. We are dependent on third party transportation providers for procuring the raw material and for delivery of our finished products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects**

We procure MS Scrap, Iron Ore, Silicon Manganese, Aluminum ingots from various dealers/vendors located in and outside of Gujarat, India, accordingly we rely on third party transportation services for the purpose of transit of the raw material from the dealer/vendor to our manufacturing unit. Further, the Billets manufactured in our manufacturing unit is transported to dealers/rolling mills through third party transportation providers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for procuring raw material required by us or for supply of our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to dealers/rolling mills by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

- 17. Our cost of production is exposed to fluctuations in the prices of raw materials required for the manufacture of our products as well as their availability.**

Our company is exposed to fluctuations in the prices of raw materials viz. MS Scrap, Iron Ore, Silicon Manganese, Aluminum ingots as well as their availability, particularly as we typically do not enter into any supply agreements with our suppliers and all the above-mentioned raw material is are bought by our Company from various suppliers on order-to-order basis. The prices of the various raw material used in our manufacturing process is subject to fluctuations due to various reasons such as price of Iron and Steel, increase in transportation costs, etc. We may be unable to make adequate provisions for the price fluctuations and, consequently, any adverse fluctuations that we have not factored in or provided for may adversely affect the results of our operations and our financial conditions. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our competitors being able to sell the products at lower rates than us due to their economies of scales, if we pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of the various raw materials may thereby affect our margins and profitability, resulting in a material adverse effect on our overall business, financial condition and results of operations. For further details of various raw materials required, see "Business Overview" on page 102 of this Draft Prospectus.

- 18. Our Promoters and some of our Directors have interests in our Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.**

Our Promoters and Directors being Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, and Mr. Gurubaxsing Jamiatsing Bagga may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them, their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company, and to the extent of sitting fees, if any, payable to them for attending each of our Board and Committee meetings. Some of the above interests may conflict with the duties of these persons as Promoters / Directors of the Company. For further details, kindly refer the chapters titled "Our Management" and "Our Promoters and Promoter Group" beginning on pages 132 and 148, respectively of this Draft Prospectus.

- 19. We have recently applied for registration of our name “KALANA” and we do not own the trademark “KALANA” as on date. Further, we have not yet applied for registration of our name and logo and we do not legally own as on date. 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.**

We have recently applied for registration of Wordmark “KALANA” under the provisions of the Trademarks Act, 1999. We had made an application for registration of our wordmark under classes 06 with the Registrar of Trade Marks, Ahmedabad by an application dated February 21, 2024. The application for our trademark is currently “Objected”, although we have replied to the concerns raised by the Registrar of Trade Marks, Ahmedabad. Further, we have not applied for registration of our logo under the provisions of the Trademarks Act, 1999 and do not own used in our communications and other operations as on date.

As such, we do not enjoy the statutory protections accorded to a registered wordmark or logo as on date. We cannot assure you that our application for registration of our logo will be granted by the relevant authorities in a timely manner or at all. Further, third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

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

We have entered into transactions with our Promoter and other related parties. For a list of related parties, please see Related Party Disclosures of the Chapter titled “Financial Statements as Restated” beginning on page 158 of this Draft Prospectus. Although the Company has duly complied with the applicable provisions of the Companies Act, 2013, in respect to the said transaction and while we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

- 21. Our success depends largely upon the knowledge and experience of our Promoters, other Key Managerial Personnel and Senior Management. Any loss of our key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.**

Our Promoter Directors, Mr. Aftabhusen S Khandwawala, and Mr. Varghese Joseph Pottakerry have collective experience of more than 5 decades in the business in which our Company operates. They have been crucial to the growth of our business and we are highly dependent on our Promoter Directors to manage our current operations and to meet future business challenges. Our Promoter Directors, along with our Key Managerial Personnel, who form an integral part of our Company, have over the years built relations with suppliers, customers and other key stakeholders associated with our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Promoter Director or key managerial personnel are unable or unwilling to continue in his / her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. Further, since the demand for the key managerial personnel is very robust, in order to retain them, our Company may be required to offer them higher compensation packages by way of higher pay and more perquisites. This may adversely affect our business, financial condition and results of operations.

22. **Our Company has negative cash flows from its operating, investing activities and financing activities in the current and past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

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:

<b>Net Cash Generated from</b>	<b>For the period ending on December 31, 2023</b>	<b>For the Year ended on March 2023</b>	<b>For the Year ended on March 2022</b>	<b>For the Year ended on March 2021</b>
Operating Activities	186.16	(467.55)	(224.34)	223.79
Investing Activities	(0.58)	(20.88)	4.56	20.74
Financing Activities	(239.38)	545.56	(28.17)	21.02

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future 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, future financial performance and results of operations could be materially and adversely affected. For further details, see “Financial Statements as Restated” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 158 and 192 of this Draft Prospectus, respectively.

23. **Our business is working capital intensive. 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.**

We require working capital for our business operations. Although in past, we have funded our working capital requirements from internal accruals and borrowings from banks, but we cannot assure you if we would be in a position to fund working capital requirements in future. Owing to the execution of projects, viz. solar power plant and rolling mill, as proposed in the objects of the issue, our working capital requirements may increase and we may not be in a position to fund them internally or obtain financing of same from bank on terms favorable to us. We cannot assure you that we may be in a position to arrange funds for our working capital requirements in a timely manner or on terms favorable to us. In event we are unable to generate enough cash for funding our working capital requirement or obtain the same in time and on terms favorable to us, our business operations and profitability may be impacted adversely.

24. **Our business operations are subject to various operating risks at our sites, accidental risk, the occurrence of which can affect our results of operations and consequently, financial condition of our Company**

Our business operations are subject to operating risks, such as breakdown or failure of plant & machineries and equipment used at the sites, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, and labour disputes. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions. Further, Company have taken the various insurances to deal with the risk mentioned but to some extent.

Further, usage of machinery, handling of materials by labour during manufacturing process, testing of electrical equipment or otherwise, lifting of materials by humans, etc. may result in accidents, which could cause injury to our labours, employees, other persons on the site and could also damage our properties thereby affecting

our operations. Occurrence of accidents could hamper our manufacturing process and consequently affect our profitability.

- 25. Loans/facilities availed by our Company has been secured by way of mortgage on the land where the current manufacturing unit of our Company is located and on personal property of relative of one of our Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of such charge.**

Loans availed by our Company has been secured by way of mortgage on the land where the current manufacturing unit of our Company is located, additionally the loans/facilities have been secured by way of charge on personal property of relative of our Promoter, Mr. Sadik Nannabhai Qureshi.

In the event of our default in repayment of the loans/facilities availed by us and any interest thereon, our properties may be forfeited by our lenders, thereby adversely affecting our Company's business, prospects, financial condition and results of operations. Further, if any of these charges are revoked by the relative of our Promoters, we may not be in a position to procure alternate securities or guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "Financial Indebtedness" on page 208 of this Draft Prospectus.

- 26. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue size is less than Rs. 10,000.00 Lakh there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and although the deployment of funds would be monitored by the Audit Committee of the Company, it will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 27. The funds proposed to be utilised for general corporate purposes constitute [●]% of the Net Issue Proceeds**

The Company intends to use the Net Issue Proceeds for the purposes described in the section titled "Objects of the Issue" beginning on page 71 of this Draft Prospectus. Our Company intends to utilise Rs. [●] lakhs constituting [●]% of the aggregate of the gross proceeds towards general corporate purposes. The Objects for which we will be using this amount would be determined by the Board at its discretion, in keeping with the interest of the Company. As of date, our Board has not yet authorised any specific commitments or acts, with respect to utilisation of the portion of the Net Issue Proceeds which will be used for general corporate purposes.

- 28. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.**

We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins, which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. Our Competitiveness is also measured by the technology we adopt as the industry is rapidly growing in India. Our inability to compete with this intense competition; will have material adverse impact on our Company's financial position.

- 29. Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**30. We have not commissioned an industry report for the disclosures made in the section titled “Industry Overview” and made disclosures based on the data available on the internet and such data has not been independently verified by us.**

We have not commissioned an industry report for the disclosures made in the chapter titled “*Industry Overview*” beginning of page 93 and made disclosures based on the data available on the internet and such data has not been independently verified by us. We have made disclosures in the said chapter based on the relevant industry-related data available online for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Prospectus. Further, the industry data mentioned in this Draft Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Prospectus in this context.

**31. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.**

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

**32. Our Company may not have adequate insurance coverage and we are not protected against all material hazards, which may adversely affect our business, results of operations and financial condition.**

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be compensated by insurance as our Company does not have adequate insurance coverage. If our Company suffers a large uninsured loss, our business, financial condition and results of operations may be adversely affected.

For further details of the Insurance Policies of our Company, please refer to Chapter “Business Overview” beginning on page 102.

**33. Delays or defaults in customer payments could result in a reduction of our profits and cash flows.**

We often commit resources to orders prior to receiving advances or other payments from customers in amounts sufficient to cover expenditures on orders as they are incurred. We may be subject to working capital shortages due to delays in customer payments. If the customer defaults in their payments on an order, or cancels their orders for which we have devoted significant resources or incurred expenditure, it could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause the price of our equity shares to decline. Hence, any last minute cancellations would also run the risk of not being able to sell those products to another customer. These events could have a material adverse effect on our revenues, results of operations and cash flows.



- 34. Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest or labour claims arising from accidents may adversely affect our business operations and financial conditions.**

Our increasing business operations may require our employee strength to increase in the future. In the past our business has not experienced any labour unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

#### **RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS**

- 35. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter "Objects of the Issue" beginning on page 71 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

- 36. The requirements of being a public listed company may strain our resources and impose additional requirements.**

With the increased scrutiny of the affairs of a public-listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange which requires us to file unaudited financial results on a half-yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

- 37. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.**

The Issue price is based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

- 38. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. [●] is acting as Market Maker for the

Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers, please refer to the section titled "General Information" on page 49 of this Draft Prospectus.

**39. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Once listed, we would be subject to circuit breakers imposed by stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**40. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.**

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat account, or that trading in the Equity Shares will commence, within the time periods specified in the Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchange, we are required to refund all the monies collected to investors.

**41. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of sale of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**42. You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.**

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange will be subject to capital gains tax in India and also would also be subject to Securities Transaction Tax ("STT"). STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. For more details, please refer to "Statement of Possible Tax Benefits" beginning on page 90 of this Draft Prospectus.

**43. Any future issuance of Equity Shares may dilute your shareholdings, and sales of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

**44. Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend upon a variety of factors such as future earnings, financial condition, cash flows, working capital requirements, and restrictive covenants in our financing arrangements.**

Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under the existing or certain financing arrangements that we may enter into.

#### **EXTERNAL RISK FACTORS**

**45. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

**46. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Companies Act 2013, several provisions of which (including rules issued thereunder) contain significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions, restrictions on the number of layers of subsidiaries and corporate social responsibility. Compliance with such requirements may require significant financial and administrative resources, and any failure to comply may adversely affect our business and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. If a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial positions,

results of operations or cash flows could be adversely affected. For details on the laws currently applicable to the Company kindly refer the chapter titled “Key Industry Regulations and Policies” beginning on page 117 of this Draft Prospectus.

**47. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India affect the cost and prices of the service we provide in and therefore demand for such service. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**48. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Steel industry contained in this Draft Prospectus.**

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the service & rental business industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “Industry Overview” beginning on page 93 of this Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**49. The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.**

India’s physical infrastructure is in a developing phase, as compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company’s normal business activity. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company’s business operations, which could have an adverse effect on its results of operations and financial condition.

**50. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**51. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**52. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**53. A slowdown in economic growth in India and globally could cause our business to suffer.**

We are highly dependent on prevailing economic conditions in India and globally and our results of operations are significantly affected by factors influencing the Indian and global economy. A slowdown in the economy and per capita income could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian and global economy and per capita income, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing;
- prevailing income conditions among Indian and global consumers and corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India and other countries.

Any slowdown in the Indian or global economy and per capita income or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. Specifically, it has been seen that in our industry, that general correlation exists between demand for pharmaceuticals and per capita income, and therefore any slowdown in per capita income would adversely affect the Indian pharmaceutical market, as well as our business. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**SECTION IV- INTRODUCTION  
THE ISSUE**

The following is the summary of the Issue:

Particulars	Details of Equity Shares
<b>Issue of Equity Shares by our Company<sup>(1)</sup></b>	49,38,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 66 per Equity Share aggregating to maximum ₹ 3,259.08 lakhs.
<b>Consisting of</b>	
<b>Market Maker Reservation Portion</b>	2,48,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 66 per Equity Share aggregating to ₹ 163.68 lakhs.
<b>Net Issue to The Public*</b>	46,90,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 66 per Equity Share aggregating to ₹ 3,095.40 lakhs.
<b>of which</b>	
<b>Retail Portion</b>	23,46,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 66 per Equity Share aggregating to ₹ 1548.36 lakhs shall be available for allocation to the Retail Individual Investors*
<b>Non – Institutional Portion</b>	23,44,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 66 per Equity Share aggregating to ₹ 1547.04 lakhs shall be available for allocation for Investors other than the Retail Individual Investors*
<b>Pre- and Post-Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the issue</b>	81,01,185 Equity Shares of face value of ₹ 10.00/- each.
<b>Equity Shares outstanding after the issue</b>	1,30,41,985 Equity Shares of face value of ₹10.00/- each.
<b>Use of Issue Proceeds</b>	For details, please refer section titled <b>“Objects of the Issue”</b> beginning on page 71 of this Draft Prospectus.

<sup>(1)</sup>This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, as amended from time to time. For further details, please refer to section titled **“Issue Structure”** beginning on page 236 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 09, 2024 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on February 09, 2024 pursuant to section 62(1)(c) of the Companies Act.

\*As per the Regulation 253 of the SEBI ICDR Regulations, as amended, as present Issue is a fixed price issue the allocation in the Net Issue to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investor; and

b) remaining to:

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category.

If the Retail Individual Investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details, please refer to section titled **“Issue Structure”** beginning on page 236 of this Draft Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

Annexure I - Restated Standalone Statement of Assets and Liabilities of KALANA ISPAT LIMITED					
(₹ in Lakhs)					
Particulars	Annexures Notes	As at			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>I. Equity and Liabilities</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	Annexure V, Note 1	810.12	100.00	100.00	100.00
(b) Reserve & Surplus	Annexure V, Note 2	210.27	341.94	291.65	276.19
<b>(2) Non Current Liabilities</b>					
(a) Deferred Tax Liabilities (Net)	Annexure V, Note 3	38.02	39.19	39.78	40.68
(b) Long Term Provisions	Annexure V, Note 4	5.13	5.81	6.31	4.33
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	Annexure V, Note 5	246.42	861.79	260.57	262.93
(b) Trade Payables					
(i) outstanding dues of micro enterprises and small enterprises;	Annexure V, Note 6	40.37	-	-	-
(ii) outstanding dues of other than micro enterprises and small enterprises.	Annexure V, Note 6	12.01	226.82	519.55	584.29
(c) Other Current Liabilities	Annexure V, Note 7	42.07	9.09	25.68	41.16
(d) Short Term Provisions	Annexure V, Note 8	55.18	32.83	23.38	21.13
<b>Total</b>		<b>1,459.58</b>	<b>1,617.46</b>	<b>1,266.93</b>	<b>1,330.70</b>
<b>II. Assets</b>					
<b>(1) Non-current Assets</b>					
<b>(a) Property, Plant and Equipment:</b>					
Property, Plant and Equipment	Annexure V, Note 9				
(i) Gross Block		668.18	666.49	639.08	639.08
(ii) Depreciation		289.12	262.11	227.08	188.81
(iii) Net Block		379.07	404.38	412.00	450.27
<b>(2) Current Assets</b>					
(a) Inventories	Annexure V, Note 10	451.95	864.33	364.09	209.78
(b) Trade Receivables	Annexure V, Note 11	176.98	128.49	165.78	183.36
(c) Cash and Cash Equivalents	Annexure V, Note 12	84.05	137.84	80.71	328.66
(d) Other Current Assets	Annexure V, Note 13	367.54	82.43	244.35	158.63
<b>Total</b>		<b>1,459.58</b>	<b>1,617.46</b>	<b>1,266.93</b>	<b>1,330.70</b>
The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V. See accompanying notes to the restated financial information.					

**Annexure II - Restated Standalone Statement of Profit and Loss of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	Annexures / Notes	For the period/year ended			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>					
Revenue from Operations	Annexure V, Note 14	4,628.87	8,303.86	5,774.88	4,286.44
Other Income	Annexure V, Note 15	8.21	32.01	18.43	11.62
<b>Total Income</b>		<b>4,637.07</b>	<b>8,335.87</b>	<b>5,793.32</b>	<b>4,298.06</b>
<b>Expenses</b>					
Cost of Material & Consumable Consumed	Annexure V, Note 16	3,125.51	5,263.00	4,888.75	3,344.88
Purchases of Stock-in-Trade	Annexure V, Note 16	567.24	2,033.19	299.68	178.98
Change in inventories of finished goods & Traded Goods	Annexure V, Note 17	45.90	89.26	-88.26	107.62
Employee Benefit Expenses	Annexure V, Note 18	33.00	48.90	34.73	30.73
Finance Costs	Annexure V, Note 19	29.18	55.66	25.82	16.28
Depreciation Expenses	Annexure V, Note 20	27.01	35.03	38.27	39.41
Other Expenses	Annexure V, Note 21	576.53	743.00	575.40	556.90
<b>Total Expenses</b>		<b>4,404.38</b>	<b>8,268.04</b>	<b>5,774.41</b>	<b>4,274.80</b>
<b>Profit before Tax and exceptional items</b>		<b>232.70</b>	<b>67.83</b>	<b>18.91</b>	<b>23.26</b>
Exceptional Items		-	-	-	-
<b>Net Profit before Tax</b>		<b>232.70</b>	<b>67.83</b>	<b>18.91</b>	<b>23.26</b>
<b>Less: Provision for Taxes</b>					
Current Tax		(61.32)	(18.11)	(4.27)	(6.11)
Deferred Tax (Expense) / Income		1.17	0.58	0.90	(3.08)
Earlier Years Income Tax W/off		0.72	(0.02)	(0.08)	(0.19)
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>		<b>173.27</b>	<b>50.29</b>	<b>15.45</b>	<b>13.87</b>
Extra Ordinary Items		-	-	-	-
<b>Net Profit after Tax</b>		<b>173.27</b>	<b>50.29</b>	<b>15.45</b>	<b>13.87</b>
<b>Earnings per equity share</b>					
<b>Basic, computed on the basis of Restated Profit/(loss) attributable to equity</b>					
Equity shares, Nominal value of Rs 10 each	Annexure V, Note 22	2.26	5.03	1.55	1.39
<b>Diluted, computed on the basis of Restated Profit/(loss) attributable to equity</b>					
Equity shares, Nominal value of Rs 10 each		2.26	5.03	1.55	1.39

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V. See accompanying notes to the restated financial information.

**Annexure III - Restated Standalone Statement of Cash Flows of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before taxes</b>	232.70	67.83	18.91	23.26
<b>Adjustment for:</b>				
Add: Depreciation	27.01	35.03	38.27	39.41
Add: Interest & Finance Charges	29.18	55.66	25.82	16.28
Less: Interest Income	(1.12)	(6.53)	(4.56)	(5.74)
Less: Earlier Year Income Tax Written Off	0.72	(0.02)	(0.08)	(0.19)
<b>Operating Profit before Working capital changes</b>	<b>288.49</b>	<b>151.98</b>	<b>78.35</b>	<b>73.01</b>
<b>Adjustments for:</b>				
Decrease (Increase) in Trade & Other Receivables	(48.49)	37.29	17.58	7.56
Decrease (Increase) in Inventories of Finished Goods, Stock-in-Trade	412.38	(500.23)	(154.31)	254.98
Decrease (Increase) in Other Current Assets (Excluding Advance Tax and TDS)	(278.02)	162.09	(85.72)	108.07
Increase (Decrease) in Trade Payables	(174.44)	(292.73)	(64.74)	(201.37)
Increase (Decrease) in Other Current Liabilities	(6.67)	(25.77)	(15.50)	(15.46)
<b>Net Changes in Working Capital</b>	<b>(95.24)</b>	<b>(619.35)</b>	<b>(302.70)</b>	<b>153.77</b>
<b>Cash Generated from Operations</b>	<b>193.25</b>	<b>(467.38)</b>	<b>(224.34)</b>	<b>226.79</b>
Less: Taxes Paid	(7.09)	(0.17)	-	(3.00)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>186.16</b>	<b>(467.55)</b>	<b>(224.34)</b>	<b>223.79</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale / (Purchase) of Property, Plant & equipments	(1.70)	(27.41)	-	-
Subsidy received for Plant & Machinery	-	-	-	15.00
Interest Income	1.12	6.53	4.56	5.74
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(0.58)</b>	<b>(20.88)</b>	<b>4.56</b>	<b>20.74</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-
Interest & Finance Charges	(29.18)	(55.66)	(25.82)	(16.28)
Increase / (Repayment) of Long Term Borrowings	-	-	-	(45.00)
Increase / (Repayment) of Short Term Borrowings	(615.37)	601.22	(2.35)	82.30
Issue proceeds of Equity share capital	50.02	-	-	-
Securities Premium	355.16	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(239.38)</b>	<b>545.56</b>	<b>(28.17)</b>	<b>21.02</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(53.79)	57.13	(247.95)	265.55
Cash and cash equivalents at the beginning of the year / Period	137.84	80.71	328.66	63.11
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>84.05</b>	<b>137.84</b>	<b>80.71</b>	<b>328.66</b>

**Notes:**

- 1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.
- 2)The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV and Notes to the Restated Financial



## SECTION V-GENERAL INFORMATION

### Incorporation

Our Company was originally incorporated as 'Kalana Ispat Private Limited', a private limited company, under the Companies Act, 1956, with a certificate of incorporation issued under the hand of the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, dated on October 15, 2012. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 04, 2023, and consequently, the name of our Company was changed to "Kalana Ispat Limited", and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 21, 2023, was issued by the Registrar of Companies, Ahmedabad to our Company.

The Corporate Identification Number of our company is U27100GJ2012PLC072306.

### REGISTERED OFFICE OF THE COMPANY:

#### **Kalana Ispat Limited**

504, Ashwamegh Avnue, 5th Floor Nr, Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat-380009 India.

Tel: 7949208045

Email: [contact@kalanaispac.com](mailto:contact@kalanaispac.com)

Website: [www.kalanaispac.com](http://www.kalanaispac.com)

CIN: U27100GJ2012PLC072306

### CORPORATE OFFICE OF THE COMPANY:

#### **Kalana Ispat Limited**

C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015

Tel: 7949208045

Email: [contact@kalanaispac.com](mailto:contact@kalanaispac.com)

Website: [www.kalanaispac.com](http://www.kalanaispac.com)

CIN: U27100GJ2012PLC072306

### ADDRESS OF THE JURISDICTIONAL REGISTRAR OF COMPANIES ("RoC")

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Ahmedabad**

Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop

Naranpura, Ahmedabad-380013, Gujarat

Tel: 079-27438531

E-mail: [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

Website: [www.mca.gov.in](http://www.mca.gov.in)

### Changes in the Registered Office of the Company

There has been no change in the registered office of the company since incorporation:

### DESIGNATED STOCK EXCHANGE

#### **National Stock Exchange of India Limited**

**(EMERGE Platform of National Stock Exchange of India Limited) ("NSE-EMERGE")**

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (E) Mumbai – 400 051



Tel No.: 022-2659 8100/ 2659 8114 / 66418100

Website: [www.nseindia.com](http://www.nseindia.com)

#### BOARD OF DIRECTORS

S. no	Name	Address	Designation	DIN
1.	Mr. Varghese Joseph Pottakerry	L-901, Iscon platinum, Bopal 200 FT ring road Ahmedabad Gujarat-380058	Managing Director	02771578
2.	Mr. Aftabhusen S Khandwawala	B/3, SalomiApts.,25, Muslim Society, Navarangpura Ahmedabad Gujarat India 380009	Executive Director	02771726
3.	Mr. Gurubaxsing Jamiatsing Bagga	Sardarbhavan Near Law Garden Gujarat India -380006	Non-Executive Director	06391512
4.	Mr. Nishant Bali	9, Sujan Avrenue, Laxmi Society, Law Garden Khadyata Colony, Ahmedabad, Gujarat-380006	Independent Director	10440133
5.	Ms. Rachna Sandeep Luthra	R-802, Iscon Platinum , Near Fly Over Bopal Cross, S.P Ring Road Bopal, Daskroi, Ahmedabad, Gujarat- 380058	Independent Director	10671201

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Manishi Jain**

**Kalana Ispat Limited**

C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015

**Tel. No.:** +91-81418 48159

**Email Id:** [compliance@kalanaispat.com](mailto:compliance@kalanaispat.com)

**Website:** [www.kalanaispat.com](http://www.kalanaispat.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or unblocking of ASBA accounts etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to relevant SCSB to whom the application was submitted, giving full details such as name, address of the applicant, number of equity shares applied for, amount blocked, ASBA bank account number and the designated branch of the relevant SCSBs to whom the Application form was submitted by the Applicants.

#### CHIEF FINANCIAL OFFICER

**Mr. Manoj Gopinathan Pillai**

**Kalana Ispat Limited**

C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015

**Tel No.:** +91 09925514243

**Email:** [pillaimanoj@yahoo.com](mailto:pillaimanoj@yahoo.com)

**Website:** [www.kalanaispat.com](http://www.kalanaispat.com)

#### LEGAL ADVISOR TO THE ISSUE

**Mr. Pankaj Swami**

**Address:** Chamber no. 58 C block District and sessions court complex Gurugram-122001

**Enrollment No.:** PH/5385/2022

**Tel:** +91 8287888953

**Email:** [advocatepankajswami@gmail.com](mailto:advocatepankajswami@gmail.com)



## **BANKERS TO THE COMPANY**

### **Federal Bank**

**Address:** G2 & G3 Ground Floor, Eventi Sardar Patel Nagar, off CG Road, Ahmedabad Gujarat-380006

**Website:** [www.federalbank.co.in](http://www.federalbank.co.in)

**Contact Person:** Alppesh V Shekhadia

**Designation:** Sr. Relationship Manager

**Contact Number:** 9898757587

## **LEAD MANAGER TO THE ISSUE**

### **JAWA CAPITAL SERVICES PRIVATE LIMITED**

**Address:** Plot No. 93, F/F, Pocket-2, Near DAV School, Jasola, Delhi-110025

**Tel:** +91-11-47366600

**E-mail:** [mbd@jawacapital.in](mailto:mbd@jawacapital.in)

**Investor Grievance Email:** [investorsrelations@jawacapital.in](mailto:investorsrelations@jawacapital.in)

**Website:** [www.jawacapital.in](http://www.jawacapital.in)

**Contact Person:** Mr. Sajal Gupta/ Ms. Archana Sharma

**SEBI Registration No.:** MB/INM000012777

## **REGISTRAR TO THE ISSUE**

### **SKYLINE FINANCIAL SERVICES PVT LTD**

**Address:** D-153A, 1st floor, Phase I, Okhla Industrial Area, Delhi -110020

**Tel No.:** 011- 40450193-97

**Fax No.** +91-11-26812683

**Email:** [ipo@skylinerta.com](mailto:ipo@skylinerta.com)

**Investor Grievance Email:** [ipo@skylinerta.com](mailto:ipo@skylinerta.com)

**Contact Person:** Mr. Anuj Rana

**Website:** [www.skylinerta.com](http://www.skylinerta.com)

**SEBI Registration Number:** INR000003241

## **BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS**

[•]

## **REFUND BANK**

[•]

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

### **Self-Certified Syndicate Banks (SCSB's)**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the above-mentioned SEBI link.

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

### **REGISTRAR AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and email address, is provided on the website of SEBI: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> respectively as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> , as updated from time to time.

### **PEER REVIEWED STATUTORY AUDITOR TO THE COMPANY**

#### **Dinesh R Thakkar & Co., Chartered Accountants**

**Address:** 1, Mayur Appartments, B/h Rambali School, 2, Motinagar Society, Mahalaxmi Char Rasta, Paldi Ahmedabad-380007

**Telephone:** 079-46016546

**Email:** [cadrt18@gmail.com](mailto:cadrt18@gmail.com)

**Website:** [www.dineshrthakkar.com](http://www.dineshrthakkar.com)

**Contact Person:** Mr. Dinesh

**Firm Registration:** 102612W;

**Membership Number:** 038216;

**Peer Review Number:** 012422

**M/s Dinesh R Thakkar & Co, Chartered Accountants** holds a peer review certificate dated October 15, 2010 issued by the Institute of Chartered Accountants of India. The validity of the said certificate is till September 30, 2024.

### **NOMINATED INVESTOR**

There are no Nominated Investors for this issue.

### **INTER-SE ALLOCATION OF RESPONSIBILITIES AMONG LEAD MANAGER(S)**

Since Jawa Capital Services Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

### **CREDIT RATING**

This being a public issue of equity shares, no credit rating is required.

### **IPO GRADING**

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

## **EXPERTS**

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

Except for the reports in the section “Financial Information” and “Statement of Tax Benefits” on page 158 and 90 of this Draft Prospectus respectively from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditors for inclusion of their name. However, the term “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus.

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

## **TRUSTEES**

This being an issue of Equity shares, appointment of Trustee is not required.

## **MONITORING AGENCY**

Since our Issue size does not exceed One Hundred Crore Rupees, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **APPRAISER**

The project has not been appraised by any external agency and is based upon Management Estimates.

## **FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed on NSE Emerge Platform.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus has not been submitted to SEBI, however, soft copy of 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 offer document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 and Section 28 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Ahmedabad, Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat at least (3) three working days prior from the date of opening of the Issue.

## **BOOK BUILDING PROCESS**

This issue is not being made through the Book-Building Process.

## **UNDERWRITING AGREEMENT**

This Issue is 100% Underwritten by [●] in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten	% of total Offer size underwritten
[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\*Includes up to [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018 as amended.

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

#### CHANGES IN AUDITORS

Our Company has following statutory Auditors Since its incorporation to till date:

From	To	Reason	Date
<b>Name:</b> Chintan Parikh & Co., Chartered Accountants <b>Address:</b> 1, Mayur Apprt, 2, Motinagar Society, B/H Rambali School, Mahalaxmi, Paldi Ahmedabad, Gujarat-GJ-380007 <b>E-mail:</b> <a href="mailto:cadrt18@gmail.com">cadrt18@gmail.com</a> <b>Firm Registration No:</b> 131255W <b>Peer Review Certificate No.:</b> Not Available	<b>Name:</b> Dinesh K Thakkar & Co, Chartered Accountants <b>Address:</b> 1, Mayur Apprt, 2, Motinagar Society B/H Rambali School, Mahalaxmi, Paldi Ahmedabad, Gujarat-GJ- 380007 <b>Email:</b> <a href="mailto:cadrt18@gmail.com">cadrt18@gmail.com</a> <b>Peer Review Certificate No.:</b> 012422 <b>Firm Registration No.:</b> 102612W	Appointed as Statutory Auditor in Casual vacancy.	February 12, 2024

#### MARKET MAKER

##### Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager have entered into a tripartite agreement dated [●], with the following Market Maker, duly registered with the National Stock Exchange of India Limited (“NSE”) to fulfill the obligations of Market Making:

**Name:** [●]  
**Address:** [●]  
**Tel No.:** [●]  
**Email:** [●]  
**Contact Person:** [●]  
**SEBI Registration No:** [●]

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for

each and every black out period when the quotes are not being issued by the Market Maker.

2. The Prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the Stock Exchange and SEBI from time to time.
3. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings less than Rs. 1,00,000 shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. [●]/- per share the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, is revised by the Stock Exchange.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide buy quote if the shares of Market Maker in our Company reaches to 25% of the Issue Size (including the 5% Issue size out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue size would not be taken into consideration of computing the threshold of 25% of Issue Size. Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. As soon as the Equity Shares of the Market Maker in our Company reduces to 24% of Issue Size, Market Maker will resume providing 2-way quotes.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the Stock Exchange may intimate the same to SEBI after due verification.
8. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Stock Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Stock Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving a one months' notice or on mutually acceptable terms to the Lead Manager who, shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above-mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI ICDR Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint another Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 10.00 a.m. to 5.00 p.m. on working days.

11. **Risk containment measures and monitoring for Market Makers:** The Stock Exchange will have all margins which are applicable on the Main Board of the said Stock Exchange viz. Mark- to- Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. The Stock Exchange can impose any other margins as deemed necessary from time-to- time.
12. **Punitive Action in case of default by Market Makers:** Stock Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non- compliances. Penalties /fines may be imposed by the Stock Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Stock Exchange from

time to time. The Stock Exchange will impose a penalty on the Market Maker in case he is not present in the market (Offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Stock Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

13. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time:
14. Pursuant to SEBI circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 crores	25%	24%
Rs. 20 to Rs. 50 crores	20%	19%
Rs. 50 to Rs. 80 crores	15%	14%
Above Rs. 80 crores	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/the Stock Exchange from time to time.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue 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-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE Emerge on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and there after determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

#### ISSUE PROGRAMME

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]

- A. Our Company shall, in consultation with the Lead Manager, consider closing the Issue Period for QIBs, one Working Day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations
- B. UPI mandate end time and date shall be at 5.00 p.m. on Issue Closing Date.

The above time table is indicative and does not constitute any obligation on our Company. 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 NSE is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company 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.



**Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchange,** in case of Applications by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## SECTION VI-CAPITAL STRUCTURE

Share capital of our Company as at the date of filing of this Draft Prospectus with NSE is set forth below:

Share Capital	Aggregate Value at Face Value (in Rs.)	Aggregate Value at Issue Price (in Rs.)
<b>(A) Authorized Share Capital</b>		
1,35,00,000 Equity Shares of Rs.10 each	13,50,00,000	-
<b>(B) Issued, Subscribed and Paid-Up Capital before the Issue</b>		
81,01,185 Equity Shares of Rs.10 each fully paid up	8,10,11,850	-
<b>(C) Present Issue in terms of the Draft Prospectus 1#</b>		
49,40,800 Equity Shares of Rs.10 each fully paid up		
Comprising of:		
<b>Market Maker Portion: 2,48,000</b> Equity Shares of Rs. 10 each fully paid up	24.80	163.68
<b>Net Issue to Public: 46,90,000</b> Equity Shares of Rs. 10 each fully paid up	469.00	3,095.40
<b>(D) Paid up Equity Capital after the Issue</b>		
1,30,39,185s Equity Shares of Rs.10 each fully paid up	13,03,91,850	-
<b>(E) Securities Premium Account</b>		
Before the Issue		-
After the Issue		2,765.28

\* The present Issue has been authorized pursuant to a resolution of our Board dated, February 09, 2024 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated February 09, 2024 under Section 62(1)(c) of the Companies Act, 2013.

\*\*Our Company has only one class of share, i.e., Equity Shares having face value of ₹10/- each and there are no partly paid-up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this draft prospectus.

The details of changes in authorized share capital of our Company after the date of incorporation till filling of the Draft Prospectus with NSE is as follows:

Date of change	Nature of increase/ change	Number of Shares	of Face Value	Nature of Instrument	Cumulative authorized Share Capital (In Rs.)
October 15, 2012 (Incorporation)	Initial Capital	10,000	10	Equity	1,00,000
February 16, 2015	Increase in Authorized Share capital	10,00,000	10	Equity	1,00,00,000
October 14, 2023	Increase in Authorized Share capital	1,35,00,000	10	Equity	13,50,00,000

## Notes to Capital Structure:

### 1. Details of the existing Equity Share Capital of our Company

Date of Allotment of Shares	Nature of Allotment	Number of shares allotted	Type of Shares	Face Value (Rs.)	Issue Price (Rs.)	Form of Consideration	Cumulative No. of Equity Shares	Cumulative Equity paid up share capital (in Rs.)	Cumulative share premium (in Rs.)
Incorporation , October 15, 2012	Subscribers to Memorandum and Articles <sup>(1)</sup>	10,000	Equity	10	10	Cash	10,000	Nil	Nil
June 20, 2015	Right Issue <sup>(2)</sup>	9,90,000	Equity	10	10	Cash	10,00,000	Nil	Nil
November 21, 2023	Right Issue <sup>(3)</sup>	4,07,407	Equity	10	81	Cash	14,07,407	1,40,74,070	2,89,25,897
November, 29, 2023	Conversion of Loan <sup>(4)</sup>	92,813	Equity	10	81	other than cash	15,00,220	1,50,02,200	3,55,15,620
November 30, 2023	Bonus Issue <sup>(5)</sup>	66,00,965	Equity	10	Nil	other than cash	81,01,185	8,10,11,850	Nil

Notes:

(1) Initial Subscribers to Memorandum of Association hold 10,000 Equity Shares of face value of Rs. 10/- each fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Varghese Joseph Pottakerry	3,000
2.	Mr. Aftabhusen S Khandwawala	3,000
3.	Mr. Gurubaxsing Jamiatsing Bagga	2,000
4.	Mr. Sadik Nannabhai Qureshi	2,000
	<b>Total</b>	<b>10,000</b>

(2) Allotment pursuant to the right issue of 9,90,000 Equity Shares of Face Value of Rs.10/- each fully paid up, details of which are given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Varghese Joseph Pottakerry	2,97,000
2.	Mr. Aftabhusen S Khandwawala	2,97,000
3.	Mr. Gurubaxsing Jamiatsing Bagga	1,98,000
4.	Mr. Sadik Nannabhai Qureshi	1,98,000
	<b>Total</b>	<b>9,90,000</b>

(3) Allotment pursuant to the right issue of 4,07,407 Equity Shares of Face Value of Rs. 10/- each fully paid up at a Issue price of Rs. 81/-

Sr. No	Name of Person	No. of Shares Allotted
1.	M/s MIT Iron and Steel Pvt. Ltd	1,85,185
2.	Mr. Varghese Joseph Pottakerry	74,074
3.	Mr. Aftabhusen S Khandwawala	74,074

Sr. No	Name of Person	No. of Shares Allotted
4.	Mr. Pashmin A Khandwawala	37,037
5.	Ms. Riya Varghese Pottakerry	37,037
	<b>Total</b>	<b>4,07,407</b>

(4) Allotment pursuant to the conversion of unsecured loan from the promoters cum directors of 92,813 Equity Shares of Face Value of Rs. 10/- each fully paid up at a price of Rs.81.

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Sadik Nannabhai Qureshi	55,886
2.	Mr. Gurubaxsing Jamiatsing Bagga	21,481
3.	Mr. Varghese Joseph Pottakerry	12,185
4.	Mr. Aftabhusen S Khandwawala	3,261
	<b>Total</b>	<b>92,813</b>

(5) Bonus Allotment of 66,00,965 Equity shares of face Value Rs. 10/- each fully paid up in the ratio of 88:20

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Varghese Joseph Pottakerry	16,99,495
2.	Mr. Aftabhusen S Khandwawala	16,60,274
3.	Mr. Sadik Nannabhai Qureshi	11,25,898
4.	Mr. Gurubaxsing Jamiatsing Bagga	9,74,516
5.	M/s MIT Iron and Steel Pvt. Ltd	8,14,814
6.	Mr. Pashmin A Khandwawala	1,62,962
7.	Ms. Riya Varghese Pottakerry	1,62,962
8.	M/s Mika Steel & Alloys	44
	<b>Total</b>	<b>66,00,965</b>

2. Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Benefits accrued to our Company	Allottees
November 30, 2023	66,00,965	Rs. 10	Nil	Bonus Issue in the ratio of 88:22, made to the existing shareholders of the Company	Augmenting the capital base of the Company	Varghese Joseph Pottakerry, Aftabhusen S Khandwawala, Gurubaxsing Jamiatsing Bagga, Sadik Nannabhai Qureshi, Mit Iron And Steel Pvt. Ltd, Pashmin A Khandwawala, Riya Varghese Pottakerry, Mika Steel & Alloys

3. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.

4. Since incorporation, our Company has not issued any equity shares in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.

5. Our Company has not issued equity shares under any employee stock option schemes.
6. Except as stated below, our Company has not issued Equity Shares in the last one year below the Issue Price:

Date of Allotment	Number of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Benefits accrued to our Company	Allottees
November 30, 2023	66,00,965	Rs. 10	Nil	Bonus Issue in the ratio of 88:22, made to the existing shareholders of the Company	Augmenting the capital base of the Company	Varghese Joseph Pottakerry , Aftabhusen S Khandwawala, Gurubaxsing Jamiatsing Bagga, Sadik Nannabhai Qureshi, Mit Iron And Steel Pvt. Ltd, Pashmin A Khandwawala, Riya Varghese Pottakerry, Mika Steel & Alloys

*(This Section has been left blank intentionally)*

## 7. Shareholding Pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft 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 share Depository Receipts (VI)	Total No. of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)			No. of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A+B+C2) (XI=VII+X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)	
								Class X	Class Y	Total			Total as % of (A+B+C)	Nos of shares held (a)	As % of total number of shares held (b)	Nos of shares held (a)		As % of total number of shares held (b)
	II.	III.	IV.	V	VI.	VII.	VIII.	IX.			X.	XI.	XII.		XIII.		XIV.	
A.	Promoter & Promoter Group	8	81,01,185	-	-	81,01,185	100%	81,01,185	-	81,01,185	100%	-	-	-	-	-	-	81,01,185
B.	Public			-	-							-	-	-	-	-	-	
C.	Non-Promoter Non-Public	-	-	-	-				-	-	-	-	-	-	-	-	-	-
D 1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D 2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>08</b>	<b>81,01,185</b>			<b>81,01,185</b>	<b>100%</b>	<b>81,01,185</b>		<b>81,01,185</b>	<b>100.00%</b>							<b>81,01,185</b>

As on date of this Draft Prospectus, 1 Equity share holds 1 vote.

As on date, we have only one class of Equity Shares of face value of Rs. 10/- each.

All Pre-IPO equity shares of our company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on Emerge Platform of NSE.

In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters are dematerialized.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE Limited before commencement of trading of such Equity Share

- (i) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus are:

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issue Capital
1.	Mr. Varghese Joseph Pottakerry	20,85,744	25.75%
2.	Mr. Aftabhusen S Khandwawala	20,37,609	25.15%
3.	Mr. Sadik Nannabhai Qureshi	13,81,784	17.06%
4.	Mr. Gurubaxsing Jamiatsing Bagga	11,95,997	14.76%
5.	M/s MIT Iron and Steel Pvt. Ltd	9,99,999	12.34%
6.	Mr. Pashmin A Khandwawala	1,99,999	2.47%
7.	Ms. Riya Varghese Pottakerry	1,99,999	2.47%
<b>Total</b>		<b>81,01,131</b>	<b>100.00%</b>

- (ii) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issue Capital
1.	Mr. Varghese Joseph Pottakerry	20,85,744	25.75%
2.	Mr. Aftabhusen S Khandwawala	20,37,609	25.15%
3.	Mr. Gurubaxsing Jamiatsing Bagga	11,95,997	14.76%
4.	Mr. Sadik Nannabhai Qureshi	13,81,784	17.06%
5.	M/s MIT Iron and Steel Pvt. Ltd	9,99,999	12.34%
6.	Mr. Pashmin A Khandwawala	1,99,999	2.47%
7.	Ms. Riya Varghese Pottakerry	1,99,999	2.47%
<b>Total</b>		<b>81,01,131</b>	<b>100.00%</b>

- (iii) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior to date of this Draft Prospectus

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issue Capital
1.	Mr. Aftabhusen S Khandwawala	3,00,000	30.00%
2.	Mr. Varghese Joseph Pottakerry	2,99,990	30.00%
3.	Mr. Gurubaxsing Jamiatsing Bagga	2,00,000	20.00%
4.	Mr. Sadik Nannabhai Qureshi	2,00,000	20.00%
<b>Total</b>		<b>9,99,990</b>	<b>100.00%</b>

- (iv) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to date of this Draft Prospectus

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issue Capital
1.	Mr. Aftabhusen S Khandwawala	3,00,000	30.00%
2.	Mr. Varghese Joseph Pottakerry	2,99,990	30.00%
3.	Mr. Gurubaxsing Jamiatsing Bagga	2,00,000	20.00%
4.	Mr. Sadik Nannabhai Qureshi	2,00,000	20.00%
<b>Total</b>		<b>9,99,990</b>	<b>100.00%</b>

8. As on date we do not have any proposals or intentions, negotiations and considerations to alter the capital structure by way of split or consolidation of the denomination of the shares, or issue of Equity Shares on a

preferential basis or issue of bonus or rights or further public issue of Equity Shares, within a period of six months from the date of opening of the present issue.

### 9. Details of Shareholding of the Promoters

Date of Allotment/transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ consideration (Rs.)	Consideration	Date when the shares were made fully paid up	Percentage of Pre Issue capital	Percentage of Post Issue capital	Number of Pledged shares	Percentage of Pledged shares to Total Pre issue Holding
<b>1. Mr. Varghese Joseph Pottakerry</b>										
October 15, 2012	Subscribers to Memorandum and Articles	3,000	10	10	Cash	The shares were issued as fully paid up shares	0.04%	0.02%	0	0.00%
June, 20, 2015	Right Issue	2,97,000	10	10	Cash	The shares were issued as fully paid up shares	3.70%	2.28%	0	0.00%
April 04, 2022	Transfer	10	10	10	Cash	The shares were issued as fully paid up shares	0.00%	0.00%	0	0.00%
November 21, 2023	Right Issue	74,074	10	81	Cash	The shares were issued as fully paid up shares	4.62%	0.57%	0	0.00%
November 29, 2023	Conversion of Loan	12,185	10	81	Other than Cash	The shares were issued as fully paid up shares	4.77%	0.09%	0	0.00%
November 30, 2023	Bonus Issue in the ratio of 88:20	16,99,495	10	NIL	Other than Cash	The shares were issued as fully paid up shares	25.75%	13.03%	0	0.00%
<b>Total</b>		<b>20,85,744</b>					<b>38.88%</b>	<b>15.99%</b>	<b>0</b>	<b>0.00%</b>
<b>2. Mr. Aftabhusen S Khandwawala</b>										
October 15, 2012	Subscribers to Memorandum and Articles	3,000	10	10	Cash	The shares were issued as fully paid up shares	0.04%	0.02%	0	0.00%
June, 20, 2015	Right Issue	2,97,000	10	10	Cash	The shares were issued as fully paid up shares	3.70%	2.28%	0	0.00%
November 21, 2023	Right Issue	74,074	10	81	Cash	The shares were issued as fully paid up shares	4.62%	0.57%	0	0.00%
November 29, 2023	Conversion of Loan	3,261	10	81	Other than Cash	The shares were issued as fully paid up shares	4.66%	0.03%	0	0.00%
November 30, 2023	Bonus Issue in the ratio of 88:20	16,60,274	10	NIL	Other than Cash	The shares were issued as fully paid up shares	25.15%	12.73%	0	0.00%
<b>Total</b>		<b>20,37,609</b>					<b>38.17%</b>	<b>15.62%</b>	<b>0</b>	<b>0.00%</b>
<b>3. Mr. Gurubaxsing Jamiatsing Bagga</b>										
October 15, 2012	Subscribers to Memorandum and Articles	2,000	10	10	Cash	The shares were issued as fully paid up shares	0.02%	0.02%	0	0.00%
June, 20, 2015	Right Issue	1,98,000	10	60	Cash	The shares were issued as fully paid up shares	2.47%	1.52%	0	0.00%
November 29, 2023	Conversion of Loan	21,481	10	81	Other than Cash	The shares were issued as fully paid up shares	2.73%	0.16%	0	0.00%
November 30, 2023	Bonus Issue in the ratio of 88:20	9,74,516	10	NIL	Other than Cash	The shares were issued as fully paid up shares	14.76%	7.47%	0	0.00%
<b>Total</b>		<b>11,95,997</b>					<b>19.98%</b>	<b>9.17%</b>	<b>0</b>	<b>0.00%</b>

4. Mr. Sadik Nannabhai Qureshi										
October 15, 2012	On Incorporation	2,000	10	10	Cash	The shares were issued as fully paid up shares	0.02%	0.02%	0	0.00%
June, 20, 2015	Right Issue	1,98,000	10	10	Cash	The shares were issued as fully paid up shares	2.47%	1.52%	0	0.00%
November 29, 2023	Conversion of loan	55,886	10	81	Other than Cash	The shares were issued as fully paid up shares	3.16%	0.43%	0	0.00%
November 30, 2023	Bonus Issue in the ratio of 88:20	11,25,898	10	NIL	Other than Cash	The shares were issued as fully paid up shares	17.06%	8.63%	0	0.00%
<b>Total</b>		<b>13,81,784</b>					<b>22.71%</b>	<b>10.59%</b>		

10. Our Company has 08 (Eight) shareholders as on the date of this Draft Prospectus.

11. Details of the aggregate shareholding of the Promoter Group and of the directors of the promoters, where the Promoter is a body corporate:

Sr. No.	Name of Shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1.	Varghese Joseph Pottakerry	20,85,744	25.75%	20,85,744	15.99%
2.	Aftabhusen S Khandwawala	20,37,609	25.15%	20,37,609	15.62%
3.	Gurubaxsing Jamiatsing Bagga	11,95,997	14.76%	11,95,997	9.17%
4.	Sadik Nannabhai Qureshi	13,81,784	17.06%	13,81,784	10.59%
<b>Total- A</b>		<b>67,01,134</b>	<b>82.72%</b>	<b>67,01,134</b>	<b>51.38%</b>
<b>Promoters Group</b>					
5.	Riya Varghese	1,99,999	2.47%	1,99,999	1.53%
6.	Pashmin Aftab Khandwawala	1,99,999	2.47%	1,99,999	1.53%
7.	MIT Iron and Steel Pvt. Ltd	9,99,999	12.34%	9,99,999	7.67%
8.	Mika Steel & Alloys LLP	54	0.00%	54	0.00%
<b>Total- B</b>		<b>14,00,051</b>	<b>17.28%</b>	<b>14,00,051</b>	<b>10.73%</b>
<b>Total Shareholding (A+B)</b>		<b>81,01,185</b>	<b>100.00%</b>	<b>81,01,185</b>	<b>62.12%</b>

12. The following are the instances of sale or purchase of the Equity Shares by the Promoter Group and/or by the Directors of The Issuer and their immediate relatives within six months immediately preceding the date of filing draft offer document with the NSE.

#### Shares Acquired by the Promoters and Promoters Group

a. In case of Acquisition by Transfer - Nil

b. In case of Acquisition by Allotment

Date of Transaction	No. of Equity shares allotted/ acquired/ Sold	Face Value Per Equity Shares (In ₹)	Issued Price/ Acquired Price/ Transfer Price per Equity Shares	Nature of Transaction	Nature of Consideration	Name of the Allottees / Transferor / Transferee	Category
November 21, 2023	74,074	10	81	Right Issue	Cash	Varghese Joseph Pottakerry	Promoter
November 21, 2023	74,074	10	81	Right Issue	Cash	Aftabhusen S Khandwawala	Promoter
November 21, 2023	1,85,185	10	81	Right Issue	Cash	Mit Iron And Steel Pvt. Ltd	Promoter Group
November 21, 2023	37,037	10	81	Right Issue	Cash	Pashmin A Khandwawala	Promoter Group
November 21, 2023	37,037	10	81	Right Issue	Cash	Riya Varghese Pottakerry	Promoter Group
November 29, 2023	12,185	10	81	Loan Conversion	Other than Cash	Varghese Joseph Pottakerry	Promoter
November 29, 2023	3,261	10	81	Loan Conversion	Other than Cash	Aftabhusen S Khandwawala	Promoter
November 29, 2023	21,481	10	81	Loan Conversion	Other than Cash	Gurubaxsing Jamiatsing Bagga	Promoter
November 29, 2023	55,886	10	81	Loan Conversion	Other than Cash	Sadik Nannabhai Qureshi	Promoter
November 30, 2023	16,99,495	10	NIL	Bonus Issue	Other than Cash	Varghese Joseph Pottakerry	Promoter
November 30, 2023	16,60,274	10	NIL	Bonus Issue	Other than Cash	Aftabhusen S Khandwawala	Promoter
November 30, 2023	9,74,516	10	NIL	Bonus Issue	Other than Cash	Gurubaxsing Jamiatsing Bagga	Promoter
November 30, 2023	11,25,898	10	NIL	Bonus Issue	Other than Cash	Sadik Nannabhai Qureshi	Promoter
November 30, 2023	8,14,814	10	NIL	Bonus Issue	Other than Cash	Mit Iron And Steel Pvt. Ltd	Promoter Group
November 30, 2023	1,62,962	10	NIL	Bonus Issue	Other than Cash	Pashmin A Khandwawala	Promoter Group
November 30, 2023	1,62,962	10	NIL	Bonus Issue	Other than Cash	Riya Varghese Pottakerry	Promoter Group
November 30, 2023	44	10	NIL	Bonus Issue	Other than Cash	Mika Steel & Alloys	Promoter Group

13. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no

loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

14. There are no financing arrangements whereby the Promoters, Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.

#### 15. Details of Promoters' Contribution and Lock-in for Three Years

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Draft Prospectus, our Promoters holds 67,01,134 Equity Shares constituting 82.72% of the pre issue, subscribed and paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute of the post issue Equity Share capital of our Company as Promoters' Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoters' Contribution and his lock-in details are as follows:

Date of Allotment/ Acquisition	Date when the shares were made fully paid up	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition Price (Rs.)	Percentage of Pre Issue capital	Percentage of Post Issue capital
Mr. Varghese Joseph Pottakerry							
30-Nov-23	30-Nov-23	Bonus Issue in the ratio of 88:20	16,45,970	10	NIL	20.32%	12.62%
<b>Sub-Total (A)</b>			<b>16,45,970</b>			<b>20.32%</b>	<b>12.62%</b>
Mr. Gurubaxsing Jamiatsing Bagga							
30-Nov-23	30-Nov-23	Bonus Issue in the ratio of 88:20	9,62,430	10	NIL	11.88%	7.38%
<b>Sub-Total (B)</b>		<b>Total</b>	<b>9,62,430</b>			<b>11.88%</b>	<b>7.38%</b>
<b>Total (A) + (B)</b>			<b>26,08,400</b>			<b>32.20%</b>	<b>20.00%</b>

The Equity Shares that are being locked-in with depositories are not, and will not be, ineligible for computation of Promoters Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, or bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution;
- (ii) The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;

- (iii) The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- (iv) Specific written consent has been obtained from the Promoters for inclusion of 26,08,400 Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- (v) The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI ICDR Regulations. The Promoters' Contribution constituting 26,08,400 Equity Shares which is 20% of the post issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.
- (vi) We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

**16. Equity Shares locked-in for one year other than Minimum Promoters' Contribution**

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoter, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares held by persons other than promoters shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

**17. Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

**18. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important nonbanking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a) if the equity shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

**19. Transferability of Locked in Equity Shares**

In terms of Regulation 243 of the SEBI ICDR Regulations and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI ICDR Regulations may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI ICDR Regulations may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**20. Buy-back and Standby arrangements**

The Company, its Promoters and Promoters Group, its Directors and the Lead Managers have not entered into any buy back arrangements for purchase of the Equity Shares of the Company from any person.

21. All the Equity Shares offered through the issue shall be fully paid-up.
22. The details of shareholding, if any, of the Lead Managers and their associates in the Company – **Nil**.
23. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
24. None of the Directors or key managerial personnel holds Equity Shares in the Company except as stated in the section titled "Our Management" on page 132 of this Draft Prospectus.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum lot, during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
26. 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 Lead Manager and NSE Emerge. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
27. An applicant cannot make an application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
28. As on the date of filing the Draft Prospectus with NSE, there are no outstanding financial instruments or any other right, which would entitle the Promoters or Shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
29. At any given point of time there shall be only one denomination of Equity Shares of our Company, unless otherwise permitted by law. The Company shall comply with such disclosures and accounting norms specified by SEBI from time to time.
30. The Company, the Directors, the Promoter or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Prospectus.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if



any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within twenty-four (24) hours of such transactions being completed.

34. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, the Issue is being made for at least 25% of the Post-Issue Paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time.
35. Our Promoters and members of our Promoter Group will not participate in this Issue.
36. The Equity Shares held by the Promoter are not subject to any pledge.

**SECTION VII: PARTICULARS OF THE ISSUE  
OBJECTS OF THE ISSUE**

**The objects of the present issue of Equity Shares are:**

- a. Capital Expenditure for Installation of 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure
- b. Capital expenditure for setting up of rolling mill at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad by construction of the industrial shed, purchase of equipment/machineries, other assets etc.; and
- c. General Corporate Purpose

Collectively referred to as “Objects”.

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

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised by us through the Issue.

**Utilisation of Issue Proceeds**

The details of the Issue Proceeds are summarized below:

Particulars	Amount in Rs. Lakh
Issue Proceeds	3,259.08
Less: Issue related expenses	[●]
<b>Net Proceeds</b>	<b>[●]</b>

We intend to utilize the Net Proceeds for the Objects as stated above.

The details of the estimated proceeds of the Issue are as follows:

**Fund requirement and utilisation of Net Proceeds of the Issue**

The utilization of the Net Proceeds of the Issue is as follows:

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)	Amount Deployed as on [●] 2024 (In Rs. Lakh)	Balance Amount remaining to be deployed (In Rs. Lakh)	Amounts to be financed from Net Proceeds of the Issue (In Rs. Lakh)	Estimated Net Proceeds Utilization (In Rs. Lakh)	
						FY 2024-25	FY 2025-26
1.	Capital Expenditure for Installation of 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure	2,298.75	Nil	2,298.75	2,298.75	2,298.75	-
2.	Capital expenditure for setting up of rolling mill at Survey No. 4/1 Taluka	799.45	Nil	799.45	799.45	799.45	-

S. No.	Particulars	Total Estimated Amount (In Rs. Lakh)	Amount Deployed as on [●] 2024 (In Rs. Lakh)	Balance Amount remaining to be deployed (In Rs. Lakh)	Amounts to be financed from Net Proceeds of the Issue (In Rs. Lakh)	Estimated Net Proceeds Utilization (In Rs. Lakh)	
						FY 2024-25	FY 2025-26
	Sanand, Mouje Kalana village, Ahmedabad by construction of the industrial Shed, purchase of equipment/machineries, other assets etc.						
3.	General Corporate Purpose	[●]	[●]	[●]	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]	[●]	[●]	[●]

We intend to completely finance the Objects from the Net Proceeds, accordingly, we confirm that there is no requirement for us to make any further arrangements for financing the same through any verifiable means.

The fund requirement described below is based on the internal management estimates and is not appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, please refer to section titled "Risk Factors" beginning on page 27 of this Draft Prospectus.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan and estimates from time to time and consequently our funding requirements and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds, subject to compliance with applicable law.

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 this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, cash flow from our operations and/or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

While we intend to utilize the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group concerns/companies promoted by our promoters.

#### Details of the objects

##### 1. Capital expenditure for installation of 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure

For the purpose of running the manufacturing unit, we need to incur substantial amount of funds on meeting the power/electricity needs. Our manufacturing unit requires huge power consumption, which consists of significant portion of our expenses. In order to curtail the expenses incurred by us for meeting our power needs,

we propose to install a 4 MW DC & 3.5 MW AC Mounted Solar Power Plant - TPSAT Structure . The Company has submitted an application (Application No. GEDA/RE/24-25/GMS/2612) dated June 25, 2024, with Gujarat Electricity Regulatory Commission (“GERC”) under the Green Energy Open Access policy provided under Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 (“Open Access Regulations”), for generating solar energy for captive consumption. The proposed Solar Plant would be located at a remote location and would be connected to State Grid and the power generated from the said solar power plant, would be directly supplied through the State Grid to State Electricity Board which would supply equivalent power to the Manufacturing Unit of the Company at nominal charges, as per the Open Access Policy. Under the Open Access Policy, the Open Access Consumers are required to pay certain charges such as transmission charges, wheeling charges, cross-subsidy surcharge, additional surcharge, standby-charges, scheduling charges, deviation settlement charges, reactive energy charges, and such other charges as provided under Open Access Regulations, or under any notifications/circulars/guidelines issued by GERC. This would result in substantial reduction of overhead incurred by us in connection with electrifying our manufacturing unit, thus enabling us to boost our profitability. The GERC vide their letter dated June 26, 2024 having PR No.: GEDA/PR/GMS/24-25/06/2612/1843 has granted us Provisional Registration of Renewable Energy Project under Gujarat Renewable Energy Policy- 2023. The said Provisional Registration is valid for the period of 6 months from the date of issuance of the said letter.

The Company has already taken on lease a land admeasuring 56658 sq. Meters, located at Survey No. 430/P1 and 430/P2. Village Jasanvada, Tal. Bhabhar District Banaskantha-385320, for the purpose of setting up of the Solar Plant. The land Survey No. 430/P1 Village Jasanvada, Tal. Bhabhar District Banaskantha-385320 is owned by Mr. Chaudhary Nagjibhai Nanjibhai and Survey No.430/P2, Village Jasanvada, Tal. Bhabhar District Banaskantha-385320 is owned by Mr. Chaudhari Ashvinbhai Nanjibhai. The Company has engaged services of M/s. Soleos Solar Energy Pvt. Ltd. for installation of the solar power plant on turnkey basis.

The following table depicts the break-down of the estimated expenses related to installation of solar power plant:

S. No.	Particulars	Total estimated cost in Rs. Lakhs
a.	Land Development Cost	48.33
b.	Solar Power Plant	2,250.42
	<b>Total</b>	<b>2,298.75</b>

#### Land

The land on which the Solar Power Plant would be installed i.e. Survey No. 430/P1 and 430/P2. Village Jasanvada, Tal. Bhabhar District Banaskantha-385320, is owned by Mr. Chaudhary Nagjibhai Nanjibhai and Mr. Chaudhari Ashvinbhai Nanjibhai, respectively; and admeasures 56658 sq. Meters. Our Company has taken the said land on lease for a period of 11 months from Mr. Chaudhary Nagjibhai Nanjibhai and Mr. Chaudhari Ashvinbhai Nanjibhai vide Deed of Lease dated June 24, 2024.

The estimated cost for Site/land development expenses is Rs. 48.33 Lakhs, which is based on cost estimates provided to the management by Shaikh Mo. Uvesh Mohhammad Salim, Civil Engineer vide their quotation dated June 24, 2024. The quotation, as provided by the Civil Engineer is valid for a period of 90 days.

The lease rental is fixed at Rs. 2,80,000 per year for each parcel of land. The lease rent would be paid through internal accruals only and won’t be paid out of issue proceeds.

For further details, please see “Risk Factors” beginning on page 27 of this Draft Prospectus.

#### Solar Power Plant

The break-up of the cost of project is provided as under:

S. No.	Description	Qty.	Rate/KW	Amount in Rs. Lakhs
1.	Solar Power Plant	4,000	Rs. 49,390	1,975.60
	Net Total			1,975.60
	Output Tax SGST			136.32
	Output Tax CGST			136.32

	TCS Payable			2.19
	<b>Grand Total</b>			<b>2,250.42</b>

The above price is Exclusive of all other taxes, duties and levies at prevailing rates.

The above-mentioned cost includes charges in connection with Evacuation Line, SS End Material, Meter & CTPT and Government Charges and excludes cost of land, land development charges and, expenses pertaining to Operation & Maintenance. The estimated cost for Solar Power Plant is Rs. 2,250.42 Lakhs, which is based on cost estimates provided to the management by M/s Soleos Solar Energy Pvt Ltd vide their quotation dated February 01, 2024. We are yet to place purchase order for installation of the Solar Power Plant.

### Plant & Machinery

The following table depicts the details of plant and machinery, to be procured in connection with the Solar Power Project. Since it is a turnkey project, the cost of the plant and machinery is included in the total cost of the project and no specific quotation for the same has been obtained by us:

Sr. No.	List Of Material	Technical Specification	Brand of the machinery	Qty.	Unit	Warranties
1	Solar Module	580 Watt Topcon Bi Facial Mono Half Cut 1500 VDC, 16 BB 144 cells	Axitec/ Equivalent	7340	Nos.	30 years' warranty for Materials and Processing. 30 year warranty for Extra linear power output
2	Inverter	Ongrid String Inverter 250 kW 1500 VDC/800VAC (IEC61727, IEC 62116)	Solis/ Equivalent	14	Nos.	20 Years Inverter Warranty From Manufacturer.
3	Structure	TPSAT Structure, Hot-Dip Galvanised Avg. 120 Micron/Galvalume	SSE Approved	4000	KW	5 Years warranty 25 Years' Service life
4	LT Panel	Outdoor Type 800 VAC Capacity 3500 KW IP 65 Enclosure (4 in 1 out)	ABB/ Equivalent	4	Nos.	1 Year Switchgear Manufacturer Warranty
5	HT Panel/VCB	Outdoor Type 11 KV VCB Rated Frequency (50 Hz / 60 Hz ) IP 65 Enclosure	Schneider/ ABB/ Equivalent	1	Nos.	1 Year Switchgear Manufacturer Warranty
6	DC Cables	Tinned Copper conductor, XLPO Insulated, UV, Ozone, Temperature & Hydrolysis resistant Resistive, 1C x 6 Sq. mm. 1500 VDC (Red)	LAP/ Equivalent	35000	Mtr.	N/A
		Tinned Copper conductor, XLPO Insulated, UV, Ozone, Temperature & Hydrolysis resistant Resistive, 1C x 6 Sq. mm. 1500 VDC (Black)		35000		
7	AC Cables	Aluminium Stranded XLPE insulated, 240 Sq mm. 3.5 Core, 1.1 KV (Inv. To ACDB )	Polycab/ Equivalent	4200	Mtr.	N/A
		300 Sqmm 3.5 Core X 2(R Y B), Alu.stranded XLPE 1.1 KV Cable ( ACDB to Transformer)		600		
8	Transformer	3500 KVA 11 KV Stepup Transformer Voltage Ratio (0.800/11KV) connection on	Schneider/ ABB/ Equivalent	1	Nos.	5 Years warranty from Manufacturer

Sr. No.	List Of Material	Technical Specification	Brand of the machinery	Qty.	Unit	Warranties
		primary/secondary : Delta / Delta Outdoor type Oil Immersed Tapping ( +7.5 % to -7.5 % )/( +10% to -10 % ) Copper Winding				
9	Earthing	Complete Earthing System IS 3043 Copper Coated Solid Rod, OD 17.3 mm	Soleos Approved	192	Set	1 Years warranty from Manufacturer
10	Lightning Arrester	ESE Type LA, Radius Covered 107 Mtr Standard :As per NF C17-102 2011 & also CPRI tested.	Soleos Approved	5	Set	1 Years warranty from Manufacturer
11	Multi Contact Connector	1500 VDC Copper Tinned Plated 6 Sq mm MC4 & Y Degree of protection IP Rating - IP68 Safety Class - Class- II	Staubli/Elmex	1200	Nos.	N/A
12	Room	Office of 15x18 feet with furniture, Spare Parts Room & Electric Room	SSE Approved	1	Nos.	N/A
13	Cable laying Pipe	DWC Pipe for DC Cabling Work Made with the High-density polyethylene/ AC Cable laying in trench	Astral/ Equivalent	4800	Mtr.	1 Years warranty from Manufacturer
14	Lugs and Accessories	BI-METALLIC Lugs and Accessories	SSE Approved	4	MW	1 Years warranty from Manufacturer
15	LT Material	Gland, Clamp, Socket, Washer, AC-Spray, Cable tie, PVC Tap, Cables	SSE Approved	4	MW	N/A
16	HT Material	HT Termination kit, Washer, Epoxy Compound, High Voltage Busbar, Erection channel, Cables, Bimettalic whasher, Termination protector	SSE Approved	4	MW	N/A
17	Monitoring System	SCADA Unit	Inverter Compitible	1	set	1 year warranty From Manufacturer
18	Weather Station	WMS logger, Pyranometer, Module Temperature Sensor, Ambient Temperature Sensor, Wind speed sensor, wind direction sensor, Modbus Module, integrated weather moduler	SSE Approved	1	Set.	1 Years warranty from Manufacturer
19	Surveillance System	8 Hight Res 360 Degree CCTV Camera with 27" Screen	SSE Approved	1	Set	N/A
20	Illumination System	Illumination System	SSE Approved	30	MW	N/A
21	Auxilliary Transformer	3 Phase, RATING: 20 KVA, Vector: DYN11	SSE Approved	4	Nos.	1 year warranty From Manufacturer
22	Cleaning System	Borewell, Water Storage Tank & Internal water pipeline for cleaning	Astral/ Equivalent	4	MW	N/A
23	Other Work	Inverter Stand & Canopy,	SSE Approved	4	MW	N/A

Sr. No.	List Of Material	Technical Specification	Brand of the machinery	Qty.	Unit	Warranties
		Transformer Canopy, Danger Board, Signages, Fire Extinguisher				
24	Switchyard	LT Panel, Transformer & VCB Canopy with Fencing	SSE Approved	1	MW	N/A
25	Transportation	Material transportation charges	SSE Approved	4000	KW	N/A
26	Soleos Overheads	Site Expense, Design, Procurement and Project Management	SSE Approved	4000	KW	N/A
27	Liasoning	Government Liasoning	SSE Approved	4000	KW	N/A
28	I&C	Installation and Commissioning	SSE Approved	4000	KW	N/A
29	Meters	ABT Meters with Testing	Discom Approved	4	Nos.	N/A
30	CTPT	CTPT with Testing	Discom Approved	2	Nos.	N/A
31	RTU Device	With installation and testing	Discom Approved	1	Nos.	N/A
32	SS End VCB	With installation and testing	Discom Approved	1	Nos.	N/A
33	Evacuation Line	Underground Evacuation Line as per DisCom Estimate	Discom Approved	3500	Mtr.	N/A
34	Government Charges	As per DisCom Estimate	Discom Approved	4	MW	N/A
35	O&M	First year Turnkey Operation & Maintenance including Cleaning, Security, Engineer & Technician		4000	KW	N/A
36	Insurance	After Plant Commissioning		1	Plant	
		Erection-6 Months		1	Plant	

The Company does not intend to buy second-hand machinery and/or equipment out of the proceeds of the present issue.

#### Schedule of Implementation

Activity	Estimated Days	Start Date	End Date
Land Acquisition	0	01-Jul-24	01-Jul-24
Land Development	30	01-Jul-24	31-Jul-24
<b>Phase 1: Documentation Process</b>			
Quotation Approval	0	01-Jul-24	01-Jul-24
Purchase Order	3	01-Jul-24	04-Jul-24
Technical Material Approval	15	04-Jul-24	19-Jul-24
Financial Closure	10	19-Jul-24	29-Jul-24
GEDA Application	40	29-Jul-24	07-Sep-24
CEI Application	1	29-Jul-24	30-Jul-24
UGVCL Connectivity Permission	7	07-Sep-24	14-Sep-24
<b>Phase 2: Pre-Design Phase</b>			
Land and Soil Testing	7	04-Jul-24	11-Jul-24
Site analysis	7	04-Jul-24	11-Jul-24
Radiation assessment	1	11-Jul-24	12-Jul-24
Environmental study	1	04-Jul-24	05-Jul-24

<b>Phase 3: Design Phase</b>			
Mechanical Design	2	12-Jul-24	14-Jul-24
Electrical Design	5	12-Jul-24	17-Jul-24
Single Line Diagram	3	12-Jul-24	15-Jul-24
Safety Diagram	2	12-Jul-24	14-Jul-24
<b>Phase 4: Manufacturing Phase/Material Order</b>			
Inverter	15	17-Jul-24	01-Aug-24
Solar Modules	30	17-Jul-24	16-Aug-24
Structure	15	17-Jul-24	01-Aug-24
BOS	15	17-Jul-24	01-Aug-24
Misc.	10	01-Aug-24	11-Aug-24
<b>Phase 5: EPC Phase</b>			
Civil Work	30	17-Jul-24	16-Aug-24
Structure Installation	45	16-Aug-24	30-Sep-24
Panel Mounting	30	30-Sep-24	30-Oct-24
Inverter Mounting	15	30-Oct-24	14-Nov-24
BOS Mounting	15	14-Nov-24	29-Nov-24
Electrical Installation	15	29-Nov-24	14-Dec-24
Inspection and Testing	7	14-Dec-24	21-Dec-24
Commissioning	3	21-Dec-24	24-Dec-24
Networking	3	24-Dec-24	27-Dec-24
<b>Total Project Completion time line-Days</b>			<b>179</b>

**Note:** The tentative timeline is based on estimated start date of July 01, 2024. With the assumption that there would be inflow of funds before July 1, 2024. In case of delay in raising funds from IPO, then the project will be delayed accordingly.

**2. Capital expenditure for setting up of rolling mill at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad by construction of the industrial shed, purchase of equipment/machineries, other assets etc.**

With a view to diversify our product portfolio and to increase our profitability, we intend to utilise Rs. 799.54 Lakhs from the Net Proceeds to setting up of rolling mill at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad by construction of the building, purchase of equipment/machineries, other assets etc. The site where the rolling mill is to be installed falls within the boundary of the plot where the current manufacturing activities are carried on. The said premises is owned by our Company.

The following table depicts the break-down of the estimated expenses related to expansion of our existing manufacturing facility:

S. No.	Particulars	Total estimated cost in Rs. Lakhs
a.	Building construction and civil works	176.00
b.	Plant and Machinery	501.50
	GST	121.95
	<b>Total</b>	<b>799.54</b>

**Land**

The land on which the rolling mill is proposed to be set-up is owned by our Company. The said land forms parcel of the premises where the current manufacturing unit of the Company is located i.e. Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad, the entire plot admeasures 4018 sq meters. The Rolling Mill would be commissioned at the vacant place of the existing manufacturing plant

#### **Building construction and civil works**

We propose to construct a factory shed in order to accommodate the machineries to be installed at the rolling mill. The estimated cost (exclusive of GST) for civil works, laying down foundation, erecting of shed, setting up of transformer and water tank and consultancy charges is Rs. 176.00 Lakhs, which is based on cost estimates provided to the management by M/s Gajanand Industries vide their quotation dated April 02, 2024. The quotation, as provided by the said vendor is valid for a period of six months.

Further, the estimated cost of Rs. 176.00 Lakhs (exclusive of GST) for civil works, laying down foundation, erecting of shed, setting up of transformer and water tank and consultancy charges, has also been revalidated by Shaikh Mo. Uvesh Mohhamad Salim, Civil Engineer vide their letter dated May 30, 2024.

#### **Plant and Machinery**

We have taken quotation for plant and machinery for a value of Rs. 501.50 Lakhs (exclusive of GST) for our proposed rolling mill We are yet to place order for the plant and machinery. The list of plant and machinery proposed to be acquired along with details of quotations are set forth below:

S. No.	Equipment	Quantity	Name of Supplier	Date of quotation	Validity of the quotation	Amount as mentioned in quotation in Rs. Lakhs
<b>14" Mill</b>						
1	Mill stand with Assembly without Roll 3Hi	4no	Gajanand Industries	02-Apr-24	01-Oct-24	56.00
2	Mill stand with Assembly without Roll 2 Hi	1no				12.00
3	3 Hi Pinion Gear Box with Gear Coupling & shonkon wobbler	1no				13.50
4	Reduction Gear Box with Gear Coupling	2no				26.50
5	Fly wheel (7 Ton approx) with Pedestnal & Gear Coupling	1no				18.00
6	Motor Rail	4no				2.50
7	Pinion Base plate	2no				6.00
8	Mill Base Plate	10 no				22.00
9	Spindle	14 no				5.60
10	Wobbler Coupling	28 no				3.40
<b>Roller Table asper Lay out</b>						
11	1100 B.L x 6000 mm	1no	Gajanand Industries	02-Apr-24	01-Oct-24	20.00
12	1000 B.L x 8000 mm	1no				20.00
13	800 B.L x 12000mm + 12000mm	2no				20.00
14	450 B.L x 60000 mm For Colling Bad	1no				20.00
<b>Colling Bed</b>						
15	6000mm x 24000mm		Gajanand Industries	02-Apr-24	01-Oct-24	50.00
16	Raiway Rail 150/125 Pound	170 no				
<b>End Cutting Shear &amp; Demsho</b>						
17	900 Dia Blade Rotary Demsho	2no	Gajanand Industries	02-Apr-24	01-Oct-24	24.00
18	Shear for Material Cutting	1 no				12.00
<b>Motor Set</b>						
19	1200 H.P 740 R.P.M Slipring Motor	1 no	Gajanand Industries	02-Apr-24	01-Oct-24	28.00
20	10 H.P 960 rpm	1set				15.00
21	Distribute Penal	1 no				6.00

22	Water Stater for 1200 h.p. Motor	1 no				4.50
23	Colling Bed Roller Table Motor	1 set				6.50
<b>Work Shop</b>						
24	16" Center Lathe Machine	4 no	Gajanand Industries	02-Apr-24	01-Oct-24	55.35
25	1" Drill Machine	1 no				2.80
26	30" Shaping Machine	1 no				2.90
27	400 amp Welding Machine	1 no				0.45
28	Gas Cutter Set	1 no				0.50
29	Over Head Crean ( 5 ton )	2 no				8.00
<b>Mill Roll</b>						
30	Mill Roll 1+ 1 set	28 no	Gajanand Industries	02-Apr-24	01-Oct-24	40.00
<b>Total</b>						<b>501.50</b>

**Notes:**

1. The above quotations are Ex-factory and exclusive of taxes.
2. Erection commission charges, Labour charges, accommodation charges or any other other charges incurred would be extra
3. Salary of technical person / non-technical person as required would be on actuals at the time requirement.
4. No second- hand machinery is proposed to be acquired from the proceeds of the IPO.

**Schedule of Implementation**

Activity	Estimated date of completion
Land Acquisition	Done
Commissioning of Rolling Mill	150 working days
Date of commercial production	30 days after commissioning

**3. General Corporate Purpose**

We will have flexibility in utilizing the balance net proceeds, aggregating to Rs. [●] lakhs equal to [●]% of the aggregate of the gross proceeds from the Issue towards general corporate purposes, such utilisation does not exceeding 25% of the aggregate of the gross proceeds from the Issue, in accordance with Regulation 230 (2) of the SEBI ICDR Regulations, including but not restricted towards part or full prepayment/repayment of our borrowings, strategic initiatives, acquisitions, investments in future subsidiaries of our Company, opening or setting up offices, business development initiatives, R&D, acquiring fixed assets, meeting any expense (including capital expenditure requirements) of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the net proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of net proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of net proceeds.

**Details of all material existing or anticipated transactions in relation to utilisation of the issue proceeds or project cost with promoters, directors, key management personnel, associates and group companies.**

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled 'Interest of Promoters' & 'Interest of Directors' as mentioned on page 138 and 151 of this Draft Prospectus.

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 through internal accruals and/or debt.

**Funding Plans (Means of Finance)**

Particulars	Amount (In Rs. Lakh)
Net Proceeds of the issue	[●]
<b>Total</b>	<b>[●]</b>

The stated objects of the Issue are proposed to be entirely financed by the Net Proceeds of the Issue, thus, we are not required to make any firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 230(1)(e) of the SEBI ICDR Regulations.

**Balance portion of the means of finance for which no firm arrangement has been made.**

Nil. The Means of Finance consists only of proceeds from the Proposed Issue.

In case of shortfall in net proceeds required to fund our stated objects, we may explore a range of options including utilizing our internal accruals, and / or seeking debt from lenders to fund our stated objects.

**The details of funds tied up and the avenues for deployment of excess proceeds, if any.**

No funds have been tied up and no excess proceeds are expected to be received. Oversubscriptions, if any, shall be duly refunded.

**Appraisal**

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency. The estimated requirement of funds for the Objects of the Issue are based upon Management estimates and commercial quotations received from vendors and suppliers. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

**Deployment of funds**

The Company has received the Sources and Deployment Funds Certificate dated [●] from the Statutory Auditors, [●]. The certificate states that the Company has deployed amounts aggregating Rs. [●] Lakhs till April 20, 2024. Details of the sources and deployment of funds as on [●] as per the certificate are as follows:

Particulars	Amount (Rs. in Lakh)
[●]	[●]
<b>Total</b>	<b>[●]</b>

**Sources of Financing of Funds Already Deployed**

Particulars	Amount (Rs. Lakh)
-------------	-------------------

[●]	[●]
<b>Total</b>	<b>[●]</b>

### Deployment of Balance Funds

(in Rs. Lakh)

Deployment of Funds	Already incurred till April 20, 2024	To be incurred in Financial Year March 2024-25	To be incurred in Financial Year 2025-26	Total
Capital Expenditure for Installation of 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure	Nil	2,298.75	Nil	2,298.75
Capital expenditure for setting up of rolling mill at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad by construction of the industrial shed, purchase of equipment/machineries, other assets etc.	Nil	799.45	Nil	799.45
General Corporate Purpose	[●]	[●]	[●]	[●]

### Interim Use of Funds

The management, in accordance with the policies set up by the Board, will be deploying the net proceeds received by the company from the Issue. In case of any change in the implementation schedule of the deployment of funds, the same shall be carried out in accordance with applicable laws. Pending utilization for the purposes described above, we intend to deposit the net issue proceeds pending utilization only in the scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934.

### Issue Related Expenses

The expenses of this Issue include, among others, Lead Manager Fees, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (in Rs. Lakh)	Percentage of Issue Expenses	Percentage of the Issue size
Lead manager(s) fees including underwriting commission	[●]	[●]%	[●]%
Brokerage, selling commission and upload fees including Market maker <small>(Refer Notes 1 to 4)</small>	[●]	[●]%	[●]%
Registrars to the issue	[●]	[●]%	[●]%
Legal Advisors	[●]	[●]%	[●]%
Advertising and marketing expenses	[●]	[●]%	[●]%
Regulators including stock exchanges	[●]	[●]%	[●]%
Printing and distribution of issue stationary	[●]	[●]%	[●]%
Restatement of Accounts and Peer Review Auditor	[●]	[●]%	[●]%
<b>Total Estimated Issue expenses</b>	<b>[●]</b>	<b>[●]%</b>	<b>[●]%</b>

(1) The SCSBs and other intermediaries will be entitled to a commission of Re. 1/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

*(2) The SCSBs would be entitled to processing fees of Re. 1/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.*

*(3) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.001% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*

*(4) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

#### **Bridge Loan**

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds.

#### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed Rs.10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 262 of the SEBI ICDR Regulations.

Our Board and the management will monitor the utilization of the Net Proceeds through our audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Except in the usual course of business, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors, Group Companies or key managerial employees.

For risks associated with respect to the objects of this Issue, please see "Risk Factors" beginning on page 27 of the Draft Prospectus.

#### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable laws, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

#### **Other Confirmations**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our directors or Key Managerial Personnel, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹ 66 per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share and the Issue Price is ₹ 66 per Equity Share. The Issue Price is 6.6 times the face value.

Investors should refer to the sections titled **“Risk Factors”, “Business Overview”, “Financial Statements as Restated” and “Management Discussion and Analysis of Financial Condition and Results of Operations”** beginning on pages 27, 102, 158 and 192 respectively of this Draft Prospectus to get an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

- Innovation focused business model;
- Consistent track record of profitable growth due to a scalable business model;
- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and motivated employees; and
- Cordial relations with our customers.

For further details, under section titled **“Business Overview”** beginning on page 102 of this Draft Prospectus.

### Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. For details, please refer section titled **“Financial Statements as Restated”** beginning on page 158 of this Draft Prospectus.

Some of the quantitative factors which form the basis or computing the price, are as follows:

#### 1) Basic and Diluted Earnings Per Share (EPS) (Face value of ₹ 10 each), as adjusted for change in capital:

As per Restated Financial Statements:

Period	Basic and Diluted EPS (In ₹) Pre-Bonus	Weights
For the Financial Year ended March 31, 2021	1.39	1
For the Financial Year ended March 31, 2022	1.55	2
For the Financial Year ended March 31, 2023	5.03	3
<b>Weighted Average</b>	<b>3.26</b>	-
For the Nine months ended December 31, 2023	2.26	-

#### Note:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with significant accounting policies and the Notes to the Restated Financial Statements as provided under the Chapter **“Financial Statements as Restated”** beginning on page 158 of this Draft Prospectus.
- v.  $Basic\ Earnings\ per\ share = Profit\ for\ the\ period / Weighted\ average\ number\ of\ equities\ shares\ outstanding\ during\ the\ three\ years.$
- vi.  $Diluted\ Earnings\ per\ share = Profit\ for\ the\ period / Weighted\ average\ number\ of\ potential\ equities\ shares$

outstanding during the three years.

## 2) Price to Earnings (P/E) ratio in relation to Issue Price ₹ 66 per Equity Share of ₹ 10.00/- each full paid up

Particulars	P/E Ratio*
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023	13.12
P/E ratio based on the Weighted Average EPS, as restated.	20.25

### Industry Peer Group P/E ratio

There are three listed companies in India that is engaged in a business similar to that of our Company:

- Supershakti Metaliks Limited
- Incredible Industries Limited
- Gallantt Ispat Limited

<b>Highest</b>	<b>61.63</b>
<b>Lowest</b>	<b>18.17</b>
<b>Average</b>	<b>41.35</b>

Note:

- Our Company is primarily engaged in manufacturing of M.S. Billets and Alloy Steel Billets of various grades, accordingly, in selection of the Peer Group, we have shortlisted the Companies operating in "Iron & Steel Products" segment, which have a similar product portfolio as our Company.
- The industry high and low has been considered from the industry peer set provided hereinbelow. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed below
- P/E Ratio has been computed based on the closing market price of equity shares on BSE Limited on June 26, 2024, divided by the diluted EPS.

All the financial information for listed industry peers is sourced from the annual reports of the relevant companies for Financial Year 2023, as available on the websites of BSE Limited.

## 3) Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements:

Period	RONW	Weights
For the Financial Year ended March 31, 2021	3.69%	1
For the Financial Year ended March 31, 2022	3.95%	2
For the Financial Year ended March 31, 2023	11.38%	3
<b>Weighted Average</b>	<b>7.62%</b>	
For the Nine months ended December 31, 2023	16.98%	

Note:

- The figures disclosed above are based on the Restated Financial Statement of our Company. Return on Net worth has been calculated as per the following formula:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated PAT attributable to Equity Shareholders}}{\text{Net Worth}} \times 100$$

## 4) Net Asset Value (NAV) per Equity Share, as adjusted for change in capital:

Period	Net Asset Value Per Share (In ₹)
For the Financial Year ended March 31, 2021	13.30
For the Financial Year ended March 31, 2022	44.19
For the Financial Year ended March 31, 2023	39.16
For the Nine months ended December 31, 2023	37.62
Net Asset Value per Equity Share after Issue	32.82
Issue Price	66

**Note:**

The NAV per Equity Share has been computed by dividing restated net worth with weighted average number of equity shares outstanding at the end of the year/period.

**5) Comparison with industry peers**

S No.	Name of the Company	Face Value (₹)	Revenue from Operations (₹ in Lakhs)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E Ratio	Net worth (₹ in Lakhs)	RONW (%)	Net Asset Value per Equity Share (₹)
1	Kalana Ispat Limited	10.00	8,303.86	5.03	5.03	13.12	441.94	11.38%	44.19
<i>Listed Peers</i>									
2	Supershakti Metaliks Limited	10.00	72,981.83	28.89	28.89	18.17	23,725.41	14.04%	205.86
3	Incredible Industries Limited	10.00	74,060.70	1.05	1.05	44.75	12,662.95	3.88%	27.08
4	Gallantt Ispat Limited	10.00	4,03,458.27	5.84	5.84	61.13	222,503.16	6.33%	92.22

**Notes:**

1. Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the outstanding number of Equity Shares used in calculating basic earnings per share.
2. All the financial information for listed industry peers mentioned above is on a standalone basis and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2023 submitted to Stock Exchanges and our Company's financial information mentioned above is also for Financial Year ended March 31, 2023.
3. P/E Ratio has been computed based on the closing market price of equity shares on BSE on June 26, 2024, being the last trading price available divided by the Diluted EPS provided.
4. Return on Net Worth is computed as restated net profit/(loss) after tax attributable to equity holders of our Company divided by restated average Net Worth for Equity Shareholders of our Company.

**6) Key financial and operational performance indicators ("KPIs")**

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated April 26, 2024. Further, the Audit Committee has on April 26, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Draft Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate

dated April 27, 2024 issued by M/s. Dinesh R Thakkar & Co., Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated April 27, 2024 issued by M/s. Dinesh R Thakkar & Co, Chartered Accountants, has been included in the chapter titled **“Material Contracts and Documents for Inspection – Material Documents”** on page 308 of this Draft Prospectus.

The KPIs herein have been certified by Statutory Auditor, M/s. Dinesh R Thakkar & Co, Chartered Accountants, by their certificate dated April 27, 2024.

The KPIs of our Company have been disclosed in the chapters titled **“Business Overview”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 102 and 192, respectively. We have described and defined the KPIs, as applicable, in **“Definitions and Abbreviations”** on page 5.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter 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 for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

#### Key Performance Indicators of our Company

*(Amount in Lakhs, except %)*

Key Performance Indicator	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations[1]	4,628.87	8,303.86	5,774.88	4,286.44
Revenue Growth Rate %	-25.68%	43.79%	34.72%	6.24%
EBITDA [2]	280.83	143.67	79.44	73.78
EBITDA Margin [3]	6.07%	1.73%	1.38%	1.72%
Restated Profit After Tax	173.27	50.29	15.45	13.87
PAT Margin [4]	3.74%	0.61%	0.27%	0.32%
Net Worth [5]	1,020.38	441.94	391.65	376.19
Capital Employed	1,266.80	1,303.73	652.22	639.12
ROE% [6]	23.70%	12.07%	4.02%	3.76%
ROCE% [7]	20.04%	8.33%	6.31%	5.38%
Inventory Turnover ratio (In times)	7.03	13.52	20.13	12.71
Current Ratio	2.73	1.07	1.03	1.01
Total Assets Turnover ratio (In times)	3.17	5.13	4.56	3.22

#### Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as Profit before tax + Finance Cost + Depreciation
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- 5) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
- 6) Return on Equity is ratio of Profit after Tax and average Shareholder Equity
- 7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total borrowings (current & non-current).

### Operational KPIs of our Company

Particulars	For the period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Installed Capacity p.a.	38000 MT*	38000 MT*	38000 MT*	38000 MT*
Licensed Capacity p.a.	18000 MT**	18000 MT**	18000 MT**	18000 MT**
Capacity Utilization	8432 MT	12012 MT	11496 MT	11149 MT
Contribution of Revenue from Top 5 Customers (%)	78.63%	60.33%	68.16%	68.03%

\*As per declaration from management

\*\* As per GPCB Certificate

#### Explanation of KPI Metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for respective periods
EBITDA	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
PAT	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
Net worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
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.

### Comparison of financials KPIs of our Company and our listed peers

Particulars	Kalana Ispat Limited			Supershakti Metalinks Limited			Incredible Industries Limited			Gallantt Ispat Limited		
	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations <sup>(1)</sup>	8,303.86	5,774.88	4,286.44	72,981.83	63,363.32	37,683.37	74,060.70	53,567.22	49,394.18	403,458.27	301,737.60	210,514.42
Revenue from Operation Growth %	43.79%	34.72%	6.24%	15.18%	68.15%	-19.30%	38.26%	8.45%	-1.59%	33.71%	43.33%	143.36%
EBITDA <sup>(2)</sup>	143.67	79.44	73.78	5,000.29	3,042.69	2052.46	1,775.16	1,670.36	1510.35	34,196.73	29,625.18	26,923.56
EBITDA Margin <sup>(3)</sup>	1.73%	1.38%	1.72%	6.82%	4.79%	5.40%	2.40%	3.12%	3.06%	8.42%	9.65%	12.74%
Restated Profit After Tax	50.29	15.45	13.87	3,330.19	1,771.99	1,248.61	490.73	356.11	362.66	14,091.09	17,583.93	14,786.53
PAT Margin <sup>(4)</sup>	0.61%	0.27%	0.32%	4.54%	2.79%	3.29%	0.66%	0.66%	0.73%	3.47%	5.73%	6.99%
Net Worth <sup>(5)</sup>	441.94	391.65	376.19	23,725.41	17,881.48	15,934.27	12,662.95	12,172.52	11,812.29	222,503.16	208,311.94	190,537.97
Capital Employed	1,303.73	652.22	639.12	22,837.66	17,668.94	15,642.64	9,676.54	9,792.78	9,619.80	178,676.12	179,545.60	161,571.93
ROE% <sup>(6)</sup>	12.07%	4.02%	3.76%	16.01%	10.48%	8.42%	4.00%	3.00%	3.00%	6.54%	8.82%	7.76%
ROCE% <sup>(7)</sup>	8.33%	6.31%	5.38%	18.63%	13.88%	10.51%	7.50%	7.17%	6.15%	11.08%	11.64%	10.40%

**Notes:**

- (1). Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements and Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- (2). EBITDA is calculated as Profit before tax + Depreciation & amortization + Finance Cost.
- (3). EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- (4). PAT Margin (%) is calculated as PAT for the period/year divided by revenue from operations.
- (5). Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.
- (6). Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth attributable to the owners of the company.
- (7). Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.

## 7) Comparison of KPIs based on additions or dispositions to our business.

No acquisitions and/or dispositions have been made by our Company during the six-month period ended September 30, 2023 and the last three financial years ended March 31, 2023, March 31, 2022 and March 31, 2020.

## 8) Weighted average cost of acquisition.

a) *The price per share of our Company based on the primary/ new issue of shares (equity/convertible securities) excluding shares issued under ESOP/ESOS and issuance of bonus shares.*

The details of the issuance of Equity Shares during the 18 months preceding the date of this Draft Prospectus, 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 employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days, is provided below.

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

Date of Allotment	No. of equity shares allotted	Face value per equity shares	Issue Price per equity share	Nature of Allotment	Nature of Consideration	Total Consideration (INR in Lakhs)
<b>Primary Transaction</b>						
November 21, 2023	4,07,407	10	81	Right Issue	Cash	329.99
November 29, 2023	92,813	10	81	Conversion of loan into equity	Other than cash	75.17
November 30, 2023	66,00,965	10	-	Bonus Issue	Other than cash	660.09
<b>Total</b>	<b>71,01,185</b>	-	-	-	-	<b>1065.27</b>
<b>Weighted Average Cost of Acquisition (Primary Transaction)</b>						<b>15.00</b>

b) *The price per share of our Company based on the secondary sale / acquisition of shares (equity shares)*

There have been no secondary sale/acquisitions of Equity Shares, where the Promoters, members of the 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 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 employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) *Since there are no such transactions to report to under (a) and (b) therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters/ members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Prospectus irrespective of the size of transactions, is as below*

<b>Secondary Transaction</b>
Nil

d) The Issue Price is 4.40 times of the Weighted average cost of acquisition based on primary transactions as below:

Past Transaction	Weighted average cost of acquisition	Issue Price in ₹ 66
WACA* of Primary Issuance	15.00	4.40
WACA* of Secondary Transaction	Nil	NA

\*WACA- Weighted average cost of acquisition

## STATEMENT OF POSSIBLE TAX BENEFITS

### STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
**KALANA ISPAT LIMITED**  
504, Ashwamegh Avnue,  
Nr. Mithakhali Underbridge,  
Mithakhali, Ahmedabad – 380009.

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits available to **Kalana Ispat Limited** (the “Company” or the “Issuer”) (CIN: U27100GJ2012PLC072306) and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”) and the Companies Act, 2013, as amended (the “Act”).

We hereby report that the enclosed annexure prepared by the management of **KALANA ISPAT LIMITED (CIN: U27100GJ2012PLC072306)**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”) presently in force in India.

These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**Date: 20.04.2024**  
**Place: Ahmedabad**

**FOR, DINESH R. THAKKAR & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN: 102612W**  
**DINESH R. THAKKAR**  
**(PARTNER)**  
**M NO. 038216**  
**Peer Review Certificate No.: 012422**  
**UDIN: 24038216BKEELC7826**

## ANNEXURE

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS

*The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

#### A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

#### B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

#### Notes:

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. 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 law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to 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 any other person in respect of this statement.

Yours faithfully,

**FOR, DINESH R. THAKKAR & CO.**

**CHARTERED ACCOUNTANTS**

**FRN: 102612W**

**DINESH R. THAKKAR**

**(PARTNER)**

**M NO. 038216**

**Peer Review Certificate No.: 012422**

**UDIN: 24038216BKEELC7826**

**Date: 20.04.2024**

**Place: Ahmedabad**



## **SECTION VIII-ABOUT THE COMPANY INDUSTRY OVERVIEW**

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Prospectus, including the information in “Business Overview” and “Financial Information” beginning on page 102 and 158 of this Draft Prospectus respectively. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “Risk Factors” beginning on page 27 of this Draft Prospectus.

### **OVERVIEW OF ECONOMY**

#### **GLOBAL ECONOMIC ENVIRONMENT**

The global economic recovery from the COVID-19 pandemic, Russia’s invasion of Ukraine and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply- side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than- expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and than assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers’ near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is

needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

[Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>]

## Overview of the Economy

The global economy was on the path of recovery after the waning of the COVID-19 pandemic until the Russia-Ukraine conflict broke out in February 2022. The conflict further disrupted the global supply chains and led to a spike in prices of critical commodities such as crude oil, natural gas, fertilisers, and wheat. In turn, this aggravated the inflationary pressures already triggered by uneven demand recovery, loose monetary policy and fiscal stimulus given in many Advanced Economies (AEs). The spike in global commodity prices, accompanied by extreme weather conditions and China's zero COVID-19 policy, triggered inflationary pressures in many Emerging Market Economies (EMEs).

To counter the inflationary pressures, many central banks worldwide have raised interest rates and ended their bond purchase programmes in pursuance of their mandate to maintain price stability. This has led to the tightening of global financial conditions and resulted in an outflow of capital from most of the EMEs into the traditionally safe-haven market of the US, thereby exerting pressures on the currencies of EMEs. The Nominal Effective Exchange Rate of the US dollar appreciated 11.1 per cent in 2022, up to November. A stronger dollar and higher commodity prices means higher current account deficit and inflation pressures for many emerging and developing economies.

The impact of increased borrowing costs and stubbornly high inflation is beginning to show in multiple leading indicators of global economic activity. The global manufacturing PMI has now dropped into the contractionary zone of below 50 since September 2022 and stood at a 30-month low of 48.6 in December 2022, while the global composite PMI, a measure of overall economic activity, has remained in the contractionary zone since August 2022 and stood at 48.2 in December 2022. Owing to unfavourable global developments, the IMF has projected global growth to slow from 6.2 per cent in 2021 to 3.4 per cent in 2022 and 2.9 per cent in 2023 (January 2023, World Economic Outlook).

Global developments posed downside risks to India's growth and overall macroeconomic stability. Rising international commodity prices and extreme weather conditions like excessive heat and unseasonal rains in many parts of the country kept food inflation high in India. Retail inflation crept above the RBI's tolerance range in January 2022. It remained outside the target range for eleven months before returning to below the upper end of the target range of 6 per cent in November and December 2022, partially because of the easing of global commodity prices, pre-emptive measures taken by the government and monetary policy decisions of the Reserve Bank of India.

Monetary tightening by US Federal Reserve has also led to an outflow of portfolio investments from India, exerting pressure on the rupee. As a result, the rupee depreciated by 8.3 per cent between April 2022 and December 2022 against the US\$. Several other currencies lost even more value against the US dollar than the Indian rupee. India's current account deficit (CAD) widened in FY 2022-23 due to higher global prices for crude oil, edible oils and fertiliser, etc. Slower export growth in comparison to FY 2021-22 also contributed to the widening of the CAD. The outflow of portfolio investments led to a drawdown of foreign exchange reserves (forex) between January 2022 and December 2022.

As per the World Economic Outlook (October 2022, IMF) estimates, the Indian economy continues to be one of the fastest-growing major economies in FY 2022-23, which is a reflection of India's underlying economic resilience and strong macroeconomic fundamentals.

India's economy is relatively insulated from global spillovers compared to other EMEs, partly because of its large domestic market and relatively looser integration in global value chains and trade flows. As a result, despite external exogenous shocks, India's real GDP registered year-on-year (y-o-y) growth of 9.7 per cent in H1 of FY 2022-23, higher than major economies. The growth momentum of Q2 has been sustained in Q3 of FY 2022-23, as indicated in the

performance of High-Frequency Indicators (HFIs) during October-December 2022. PMI Manufacturing at 57.8 in December 2022 reflects a robust improvement in the health of the manufacturing sector that was the best seen since October 2020, driven by an upturn in output and a rebound in domestic consumption. The Index of Eight Core Industries registered y-o-y growth of 5.4 per cent in November 2022, with growth witnessed in the production of all the sub-sectors except Crude Oil, Refinery Products and Natural Gas. The index of industrial production also rose to a 5-month high of 7.1 per cent in November 2022, driven by growth in all sub-sectors.

Rebound in consumption has also been driven by the pent-up demand for contact-intensive services. As a result, steady growth momentum in service activity has been witnessed in Q3 of FY 2022-23. PMI Services registered strong expansion during Q3 of FY 2022-23, which can be attributed to the growth in output and accommodative demand conditions, leading to a sustained upturn in sales. The growth impetus in rail freight and port traffic remains upbeat, with further improvement in the domestic aviation sector. Higher output in the manufacturing and services sectors raised the composite PMI to 59.4 in December 2022 from 56.7 in the previous month, signalling a strong pace of expansion.

GST collections, another indicator of economic activity, continue to register robust growth. GST collections during December 2022 were 15 per cent higher on a y-o-y basis, crossing the `1.4 lakh crore benchmark for successive nine months. Other HFIs, such as passenger traffic, e-way bills, electronic toll collection (ETC), etc., also point towards healthy domestic economic activity. Domestic auto sales registered y-o-y growth of 5.2 per cent in December 2022, indicating an improvement in demand conditions in urban and rural areas.

RBI Services and Infrastructure Outlook Survey suggests an improvement in demand conditions in Q3 and Q4 of 2022-23 for Services and Infrastructure businesses as reflected in their optimistic sentiments on turnover, job landscape, and overall business situation. While firms anticipate lower sales prices, they also anticipate input cost pressures easing, which is likely to boost output growth.

## **Economic Growth**

As per the First Advance Estimates (FAE) of National Income, 2022-23, India's Real GDP and Nominal GDP are projected to grow by 7 per cent (y-o-y) and 15.4 per cent (y-o-y), respectively, in FY 2022-23.

On the demand side, private consumption has witnessed continued momentum. It is estimated to grow at 7.7 per cent in FY 2022-23 compared to 7.9 per cent in FY 2021-22. Gross Fixed Capital Formation (GFCF) is estimated to grow at 11.5 per cent in FY 2022-23, supported by various reforms and measures taken by the Government leading to the reinvigoration of the capex cycle and crowding-in of private investment. The government has continued to support the investment activity with capital expenditure reaching `4.5 lakh crore during April-November 2022, which is 63.4 per cent higher than last year's corresponding period. Private investment also picked up in FY 2022-23, partially driven by increased public capex and because of the strengthening of the balance sheets of the Corporates and the consequent increase in credit flow. Exports are estimated to grow at 12.5 per cent in FY 2022-23 despite sustained supply chain disruptions and an uncertain geopolitical environment. The share of exports in GDP (at 2011-12 prices) also increased to 22.7 per cent in FY 2022-23 compared to 21.5 per cent in FY 2021-22.

On the supply side, agriculture, forestry and fishing are expected to witness y-o-y growth of 3.5 per cent in FY 2022-23. The growth in the agriculture sector is likely to remain buoyant, supported by healthy progress in Rabi sowing, with the area sown being higher than the previous year. This has led to a recovery in the rural economy. The improvement in rural demand can also be deduced from the robust domestic tractor, two and three-wheelers sales during Q3 of FY 2022-23. The industry sector is likely to witness modest growth of 4.1 per cent in FY 2022-23 compared to a strong growth of 10.3 per cent in FY 2021-22. The services sector is expected to rebound with y-o-y growth of 9.1 per cent in FY 2022-23 compared to 8.4 per cent in FY 2021-22, driven by a recovery of the contact-intensive service sector (Trade, hotels, transport, communication and services related to broadcasting) which is likely to witness the highest growth of 13.7 per cent on account of the release of pent-up demand.

## Growth outlook

Growth in FY 2023-24 will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes like IBC and GST that have enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance. More importantly, strong balance sheets in the corporate and financial sectors provide a solid underpinning to growth, unlike in the pre-pandemic years of FY 2018-19 and FY2019-20. India's public digital infrastructure expansion is leading to accelerated financial inclusion for low-income households, micro and small businesses, and the economy's rapid formalisation. Together these two factors - balance sheet strength and digital advancement - are growth differentiators not only for FY 2023-24 but also in the years ahead.

Further, the execution of various path-breaking policies such as the PM GatiShakti, National Logistics Policy and the PLI schemes will strengthen the infrastructural and manufacturing base while bringing down costs in the value chain. This will lay a strong foundation for sustained economic growth and improved resilience.

Near-time downside risks to stability and growth emanate from global inflationary pressures, tightening global financial conditions, prolonged supply chain disruptions, global trade slowdown, etc. A rapid return to normalcy in the Chinese economy would lead to higher demand for commodities such as crude oil, industrial metals and coal, etc. That would raise input costs and aggravate India's external deficit.

On the other hand, if recessionary tendencies take hold in major AEs in 2023, it may trigger cessation of monetary tightening and a return of capital flows to India amidst a stable domestic inflation rate below 6 per cent. That would also dampen global prices of industrial and energy goods such as copper, iron ore, coal and crude oil. This will lower input costs for manufacturing enterprises, lead to an improvement in animal spirits and provide further impetus to private sector investment.

Various international agencies such as the World Bank, the IMF, and the ADB project India to grow between 6-7 per cent in 2023-24.

*[Extracts from: Statements of Fiscal Policy as required under the Fiscal Responsibility and Budget Management Act, 2003 as available at <https://www.indiabudget.gov.in/doc/frbm1.pdf>]*

## AN OVERVIEW OF STEEL SECTOR

### Introduction

#### Global Scenario

- In 2022, the world crude steel production reached 1885.4 million tonnes (MT). World Steel Association in its Short-Range Outlook, October 2023 forecasts that steel demand will grow by 1.8% in 2023 and reach 1,814.5 MT after contracting by 3.3% in 2022. In 2024, steel demand will see a further increase of 1.9% to 1,849.1 MT.
- India is the second largest producer of crude steel. China was world's largest crude steel producer in 2022 (1018.0 MT) followed by India (125.3 MT), Japan (89.2 MT) and the USA (80.5 MT).
- Per capita finished steel consumption in 2022 was 221.8 kg for world and 645.8 kg for China. The same for India was 86.7 kg in 2022-23.

#### Domestic Scenario

- Steel is a de-regulated sector. The Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.
- In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31.

- Government of India is implementing a Production-linked Incentive (PLI) Scheme for Specialty Steel. It is expected that the specialty steel production will reach 42 MT by the end of 2026-27.
- India's crude steel capacity was 161.3 mt in 2022-23.

### Performance of Steel sector

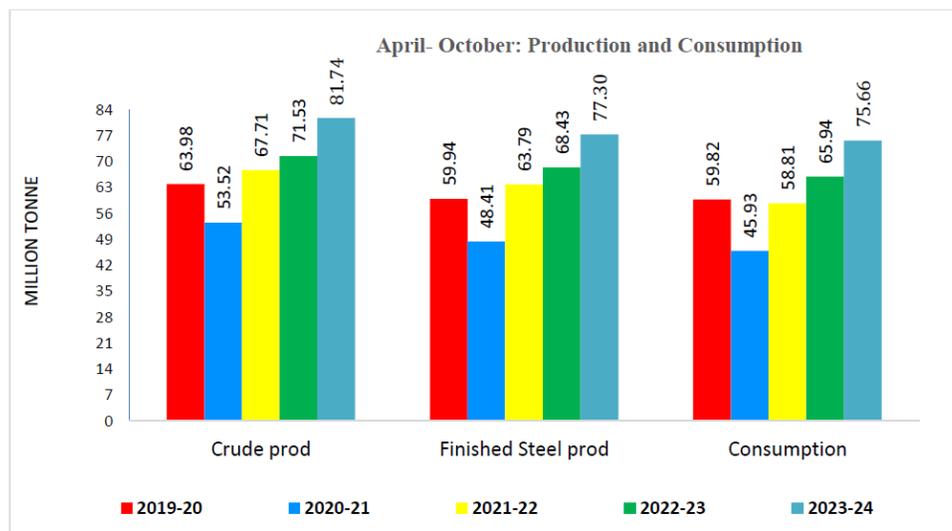
Production of pig iron, sponge iron and total finished steel (alloy/stainless + non-alloy) are given in table below for last five years and current year:

<b>Table 1: Indian steel industry: Production (in Million Tonnes)</b>						
Category	2018-19	2019-20	2020-21	2021-22	2022-23	Apr-Oct 2023-24*
Pig Iron	6.41	5.42	4.88	6.26	5.86	4.14
Sponge Iron	34.71	37.10	34.38	39.20	43.62	29.10
Total Finished Steel	101.29	102.62	96.20	113.60	123.20	77.78

Source: Joint Plant Committee; \*Provisional

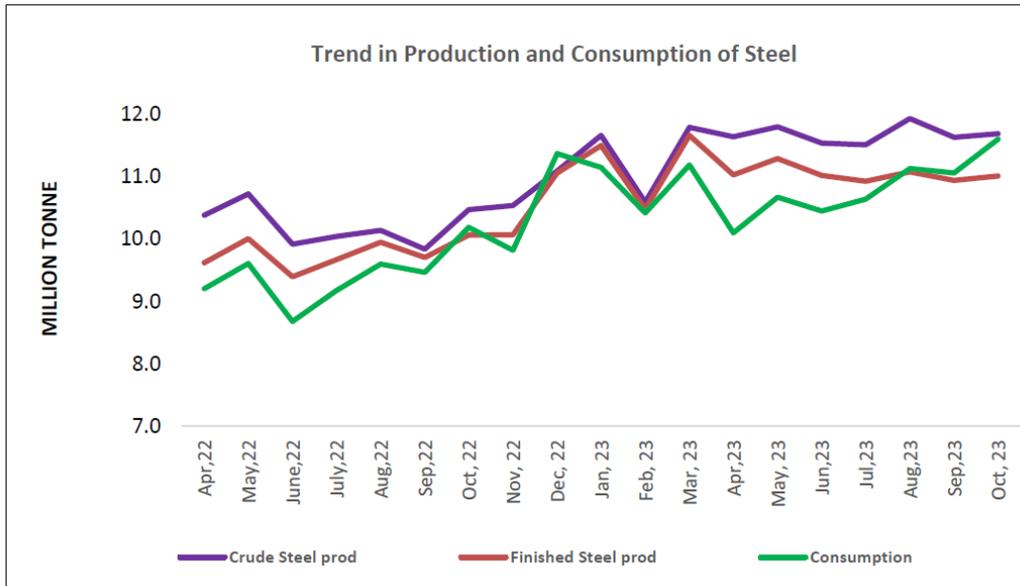
Performance of Steel sector during April-October, FY '24 has been best ever in April-October of any fiscal year. Cumulative production and consumption of steel during April-October of last five financial years are given in the following table and graph below:

<b>Table 2: Production and consumption in Million Tonnes (April-October)</b>					
	2019-20	2020-21	2021-22	2022-23	2023-24
Crude prod	63.981	53.522	67.708	71.534	81.745
Finished Steel prod	59.944	48.405	63.787	68.433	77.302
Consumption	59.820	45.933	58.808	65.940	75.662

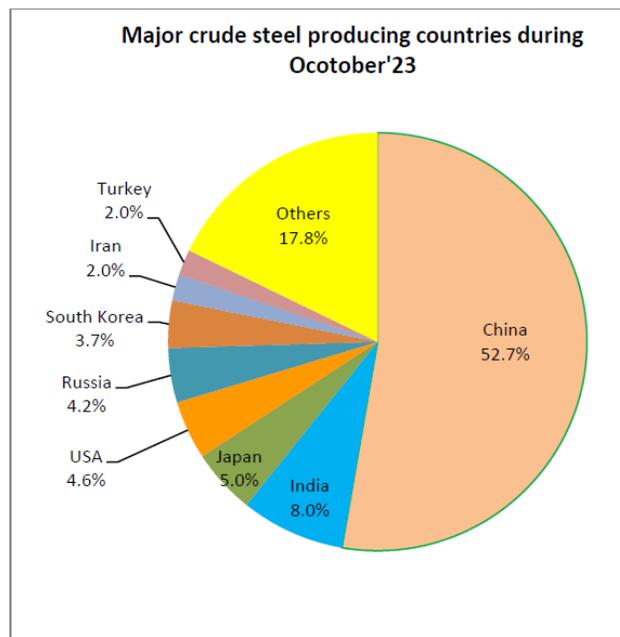


The month-wise production and consumption indicates month-on-month fluctuations. Broadly speaking it has shown an increasing trend after 2020-21, during which production and consumption was adversely affected by

Covid-19 pandemic. The production of crude Steel, finished steel and consumption since April, 2022 may be seen from Graph Below:



The global production of crude steel increased by 0.2% to 1,567.33 MT in April- October '23 against 1,564.96 MT in April- October' 22. Among the major steel producing countries, India achieved highest growth in April-October '23 over CPLY followed by China, Russia, and South Korea. Country wise share of crude steel production in October, 2023 may be seen from the following graph:



## International Trade of Steel

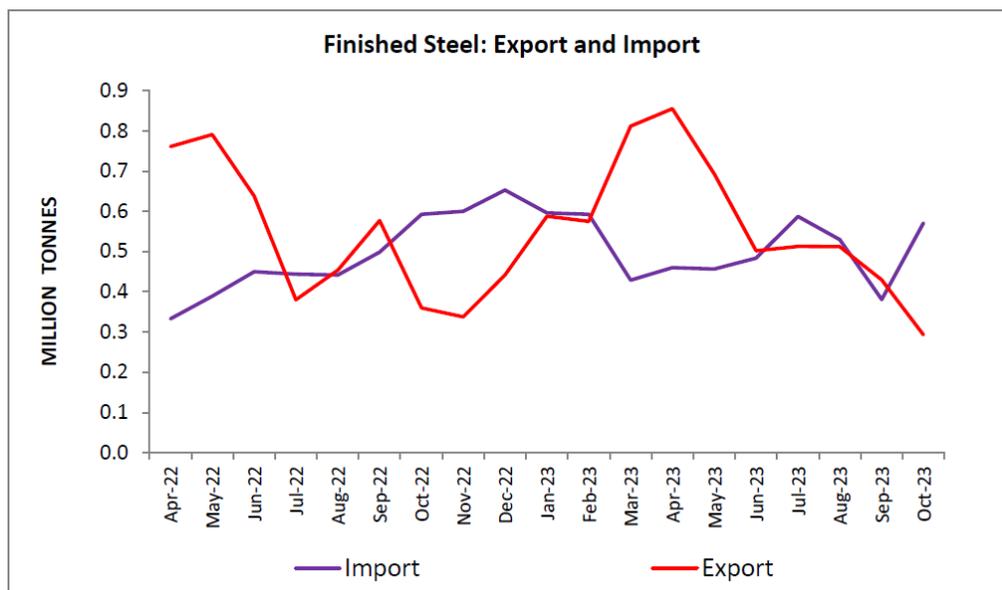
During last four years, India was a net exporter of total finished steel for each year as may be seen in Table below:

	2019-20	2020-21	2021-22	2022-23	2023-24 (Apr-Oct)
Export	8355	10784	13494	6716	3522
Imports	6768	4752	4669	6021	3470
Net Exports	<b>1588</b>	<b>6031</b>	<b>8824</b>	<b>695</b>	<b>52</b>

Source: JPC

Month-wise data of current financial year indicates that since July 2023 (except September '23) India has lost its status of net exporter as may be seen in Table and graph below:

Item	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sept 23	Oct 23
Imports	460	457	484	587	530	381	571
Exports	855	693	502	513	512	430	293
Net Exports	395	236	18	-74	-18	49	-278



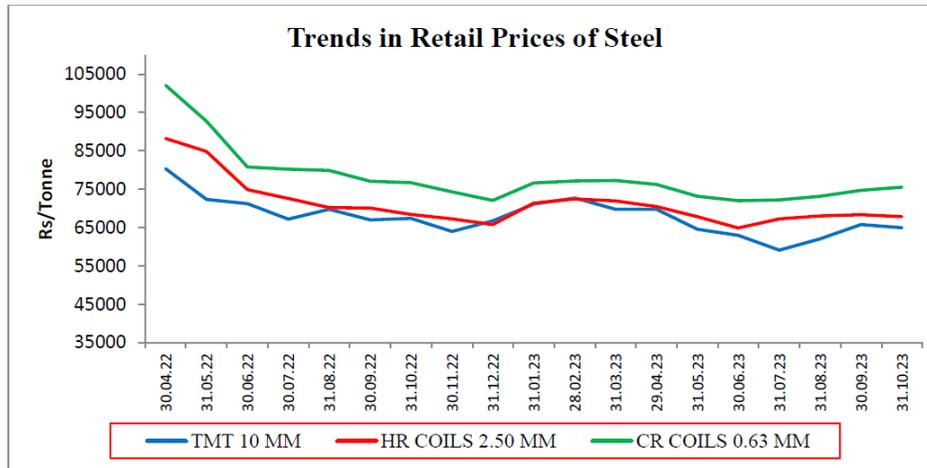
## 4. Steel Prices

Price regulation of iron & steel was abolished on 16.1.1992. Since then, domestic steel prices are determined by the interplay of market forces.

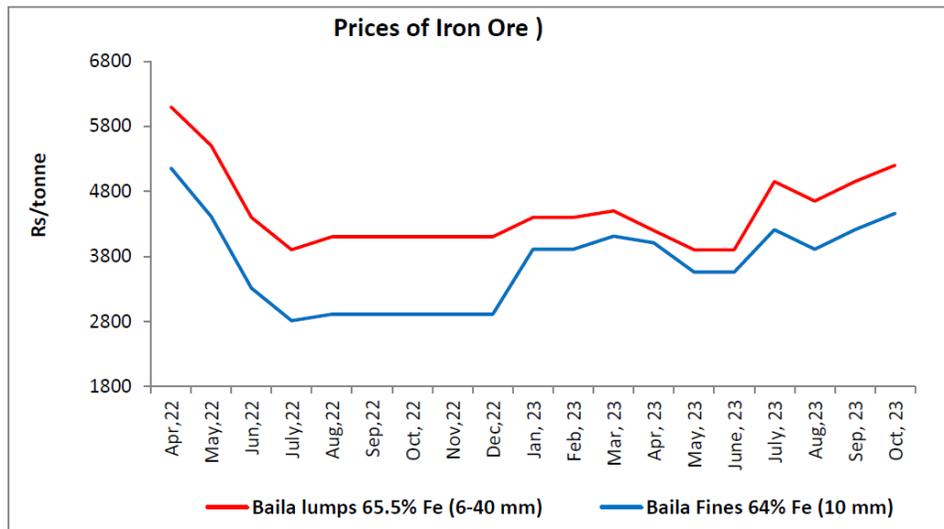
Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.

As a facilitator, the Government monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment.

The fluctuations in retail prices of steel (TMT, HRC and CRC) may be seen from the following graph:



The prices of iron ore have increased after December '22. In recent months, since April, 2023, prices of iron ore have witnessed fluctuations. The prices of iron ore increased in October '23 as may be seen from the graph below:



### 5. Important Policies and initiatives of Government of India

Steel is a de-regulated sector, Government acts as a facilitator, by creating conclusive policy environment for development of the steel sector. Government of India has notified National Steel Policy, 2017 which envisages development of a technologically advanced and globally competitive steel industry that provides environment for attaining self-sufficiency in steel production by providing policy support and guidance to steel producers. National Steel Policy covers all aspects of steel sector such as steel demand, steel capacity, raw material security, infrastructure and logistics, Research & Development (R&D) and energy efficiency. Overall projections of domestic crude steel capacity, production and per capita finished steel consumption value envisaged in the National Steel Policy (NSP) 2017 are shown below: -

**Production Linked Incentive (PLI) Scheme** for Specialty Steel was approved by the Union Cabinet on 22.07.2021, with total financial outlay of Rs. 6,322 crore to promote the manufacturing of 'Specialty Steel' within the country by attracting capital investment, generate employment and promote technology up-gradation in the steel sector. The Scheme was notified in the official Gazette on 29.7.2021 and detailed Scheme guidelines were published on 20.10.2021. Post closure of application submission date on 15.09.2022 under the Scheme, total of 79 applications were received from 35 companies with total Investment Commitment of Rs. 46,030 crore, total Capacity commitment of 27,980 thousand tonnes. The applications were scrutinized by a selection committee consisting of members from NITI Aayog, DPIIT and Ministry of Steel. A total of 67 applications from 30 companies were recommended by the selection committee with total investment commitment of Rs. 42,493 crore and capacity commitment of 26,750 thousand tonne. On 17.03.2023, Ministry of Steel signed Memorandum of Understanding (MoU) with the 27 selected companies having 57 applications. This Scheme will attract total investment commitment of Rs. 29,530 crore with capacity addition of 24,780 thousand tonnes.

S. No.	Parameter	Projections (2030-31)
1	Total Crude Steel Capacity	300 mt
2	Total Crude Steel demand/Production	255 mt
3	Per Capita Finished Steel Consumption in kgs	158 mt
Sources: National Steel Policy (NSP) 2017		mt: Million Tonnes

**Steel Quality Control Order (QCO):** Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic producers & imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards are made available to the end users. As on date 145 Indian Standards have been notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 144 Indian Standards have been enforced.

**Research & Development (R&D):** Ministry of Steel is providing financial assistance for pursuing Research & Development to address the technological challenges faced by the Iron & Steel sector. In this regard, in May 2023, Ministry of Steel has sought R&D Project proposals in joint collaborative mode from reputed Academic Institutions, Research Laboratories and Steel Companies for pursuing R&D projects on the identified thrust areas, for providing financial assistance under the R&D Scheme for the Financial Year 2023-24. The thrust areas for providing financial assistance under the R&D Scheme include development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (green steel production, H2 based steel production, CCUS etc.), waste utilization, resource efficiency, etc. The details of the R&D Scheme including guidelines for financial support and an indicative list of R&D projects that can be taken up to address common issues of the Iron & Steel Sector, have been uploaded on Ministry of Steel's website in May 2023.

Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting procurement of Made in India Steel by government and public sector projects.

Notification of Steel Scrap Recycling Policy to enhance the availability of domestically generated scrap.

[Source: <https://steel.gov.in/en/overview-steel-sector>]

## BUSINESS OVERVIEW

*This Chapter should be read in conjunction with and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and the chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on pages 27, 158 and 192, respectively, of this Draft Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this Chapter of this Draft Prospectus, all references to “we”, “us”, “our” and “our Company” are to Mandeep Auto Industries Limited.*

### OVERVIEW

Our Company was originally incorporated as ‘Kalana Ispat Private Limited’, a private limited company, under the Companies Act, 1956, with a certificate of incorporation issued under the hand of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, dated on October 15, 2012. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 04, 2023, and consequently, the name of our Company was changed to “Kalana Ispat Limited”, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 21, 2023, was issued by the Registrar of Companies, Ahmedabad to our Company.

The Corporate Identification Number of our company is U27100GJ2012PLC072306.

Our Company is promoted by Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nannabhai Qureshi.

In the year 2012, Mr. Aftabhusen S. Khandwawala and Varghese Joseph Pottakerry collaborated and laid down the foundation of our Company. Initially, the Company was engaged in trading metal scraps, which were procured through imports from various countries, sourced from shipbreaking yards and local merchants. As the business progressed, our Company ventured into manufacturing M.S. Billets and set up its manufacturing unit in Ahmedabad, Gujarat in the year 2015. Today, our Company is engaged in manufacturing M.S. Billets and Alloy Steel Billets/Ingots.

Our Company carries out its operations from its manufacturing unit located at Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad. As on December 31, 2023, we were operating at our maximum capacity with installed capacity of 38000 M.T.

## I. DETAILS OF THE BUSINESS OF THE ISSUER

### A. Primary business of the Issuer:

Our Company is primarily engaged in manufacturing of M.S. Billets and Alloy Steel Billets of various grades. Our manufacturing facilities have been duly certified in accordance with international standards of quality management systems such as ISO 2830:2012.

The Segment wise break-up of our revenue from operation as per the restated financial statements of the Company for the nine months period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is provided hereunder:

*Amount in ₹ Lakhs*

Particulars	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Sale Of Products				
(a) Manufacturing Goods	4,604.67	7,231.92	6,412.34	4,755.22

(b) Traded Goods	714.51	2,516.73	355.42	268.22
Sale of Services	142.88	50.38	46.61	33.40
Rental Income of Truck	-	-	-	0.98
Less : GST	833.20	1,495.17	1,039.49	771.38
<b>Total</b>	<b>4,628.87</b>	<b>8,303.86</b>	<b>5,774.88</b>	<b>4,286.44</b>

The breakup of revenue earned from sale of products, as per the restated financial statements of the Company for the nine months period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is provided hereunder:

*Amount in ₹ Lakhs*

Particulars	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
M S Billet	3,912.09	6,118.27	5,334.50	4,011.42
M.S Scrap & Sponge Iron	390.68	2,161.19	238.95	-
Total (excluding GST)	4,302.77	8,279.46	5,573.45	4,011.42

#### OUR LOCATIONS

<b>Registered office</b>	504, Ashwamegh Avnue, 5th Floor, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009.
<b>Corporate Office</b>	C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015
<b>Manufacturing Unit</b>	Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad

#### B. Plant, machinery, technology, process, etc.:

##### *Plant and Machinery*

The following tables set forth *the details of the key equipment being used for business:*

S. No.	Equipment Name	Equipment Description	Quantity	Make
1.	Induction Furnace	An induction furnace is an energy-efficient, clean-melting furnace used to melt all type of metals such as steel, iron, copper, zinc and aluminum.	1	Inductotherm 8 mt duraline furnace
2.	Continuous Casting Machine	It is a machine used to solidify molten metal is solidified into a "semifinished" billet, bloom, or slab for subsequent rolling in the finishing mills.	1	Electrotherm make
3.	EOT Crane	Electric overhead traveling cranes or EOT cranes are a common type of overhead crane, also called bridge cranes. They consist of parallel runways, much akin to rails of a railroad, with a traveling bridge spanning the gap.	2	Asian Crane
4.	Transformer	transformer, device that transfers electric energy from one alternating-current circuit	2	NPT Limited

		to one or more other circuits, either increasing (stepping up) or reducing (stepping down) the voltage		
5.	Sharding machine	Metal shredders are frequently used to reduce metal debris to a standard shape and size for sorting and additional processing in scrap yards and metal recycling operations.	1	Shree Ram
6.	Bending Machine	A bending machine used to assemble a bend on a workpiece. A bend is manufactured by using a bending tool during a linear or rotating move.	-	In-house
7.	Water Treatment Plant	It is used to remove damaging impurities from your cooling tower feed water, circulation water,	-	Towertech Cooling System

Further, the Company is proposing to utilize part of the proceeds from the present issue for purchase of machinery, to be installed at the existing location of the manufacturing unit, for the purpose of setting up rolling mill. The Company proposes to utilize a part of the proceeds of the Issue for the purpose of funding the following plan & machinery, proposed to be installed for setting up of rolling mill:

S. No.	Equipment	Quantity	Name of Supplier	Date of quotation	Validity of the quotation	Amount as mentioned in quotation in Rs. Lakhs
<b>14" Mill</b>						
1	Mill stand with Assembly without Roll 3Hi	4no	Gajanand Industries	02-Apr-24	01-Oct-24	56.00
2	Mill stand with Assembly without Roll 2 Hi	1no				12.00
3	3 Hi Pinion Gear Box with Gear Coupling & shonkon wobbler	1no				13.50
4	Reduction Gear Box with Gear Coupling	2no				26.50
5	Fly wheel (7 Ton approx) with Pedestnal & Gear Coupling	1no				18.00
6	Motor Rail	4no				2.50
7	Pinion Base plate	2no				6.00
8	Mill Base Plate	10 no				22.00
9	Spindle	14 no				5.60
10	Wobbler Coupling	28 no				3.40
<b>Roller Table asper Lay out</b>						
11	1100 B.L x 6000 mm	1no	Gajanand Industries	02-Apr-24	01-Oct-24	20.00
12	1000 B.L x 8000 mm	1no				20.00
13	800 B.L x 12000mm + 12000mm	2no				20.00
14	450 B.L x 60000 mm For Colling Bad	1no				20.00
<b>Colling Bed</b>						
15	6000mm x 24000mm		Gajanand Industries	02-Apr-24	01-Oct-24	50.00
16	Raiway Rail 150/125 Pound	170 no				
<b>End Cutting Shear &amp; Demsho</b>						
17	900 Dia Blade Rotary Demsho	2no	Gajanand Industries	02-Apr-24	01-Oct-24	24.00
18	Shear for Material Cutting	1 no				12.00
<b>Motor Set</b>						

S. No.	Equipment	Quantity	Name of Supplier	Date of quotation	Validity of the quotation	Amount as mentioned in quotation in Rs. Lakhs
19	1200 H.P 740 R.P.M Slipring Motor	1 no	Gajanand Industries	02-Apr-24	01-Oct-24	28.00
20	10 H.P 960 rpm	1set				15.00
21	Distribute Penal	1 no				6.00
22	Water Stater for 1200 h.p. Motor	1 no				4.50
23	Colling Bed Roller Table Motor	1 set				6.50
<b>Work Shop</b>						
24	16" Center Lathe Machine	4 no	Gajanand Industries	02-Apr-24	01-Oct-24	55.35
25	1" Drill Machine	1 no				2.80
26	30" Shaping Machine	1 no				2.90
27	400 amp Welding Machine	1 no				0.45
28	Gas Cutter Set	1 no				0.50
29	Over Head Crean ( 5 ton )	2 no				8.00
<b>Mill Roll</b>						
30	Mill Roll 1+ 1 set	28 no	Gajanand Industries	02-Apr-24	01-Oct-24	40.00
<b>Total</b>						<b>501.50</b>

Note: the Company does not plan to buy second-hand machinery out of the proceeds of the present issue.

Apart from the above, the Company is proposing to install a solar plant at Survey No.430/P1 and 430/P2. Village Jasanvada, Tal. Bhabhar District Banaskantha-385320, on turnkey basis. The power generated from the said solar plant shall be utilized for generating electricity which would ultimately captive consumption of power on set-off basis in terms of Green Energy Open Access policy provided under Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 ("Open Access Regulations"), for generating solar energy for captive consumption, owing to which the expense incurred by us in connection with powering of the operations of our manufacturing unit and the proposed rolling mill, will be substantially reduced. The land where the Company proposes to erect solar plant is located at Survey No.430/P1 and 430/P2. Village Jasanvada, Tal. Bhabhar District Banaskantha-385320, the land of Survey No. 430/P1 Village Jasanvada, Tal. Bhabhar District Banaskantha-385320 is owned by Mr. Chaudhary Nagjibhai Nanjibhai and Survey No.430/P2, Village Jasanvada, Tal. Bhabhar District Banaskantha-385320 is owned by Mr. Chaudhari Ashvinbhai Nanjibhai. An amount of ₹2,298.75 Lakhs, from the IPO proceeds, shall be utilized by our Company for erecting and/or setting up the Solar plant. The details of the plant & machinery, proposed to be installed for setting up of solar plant, is provided hereunder:

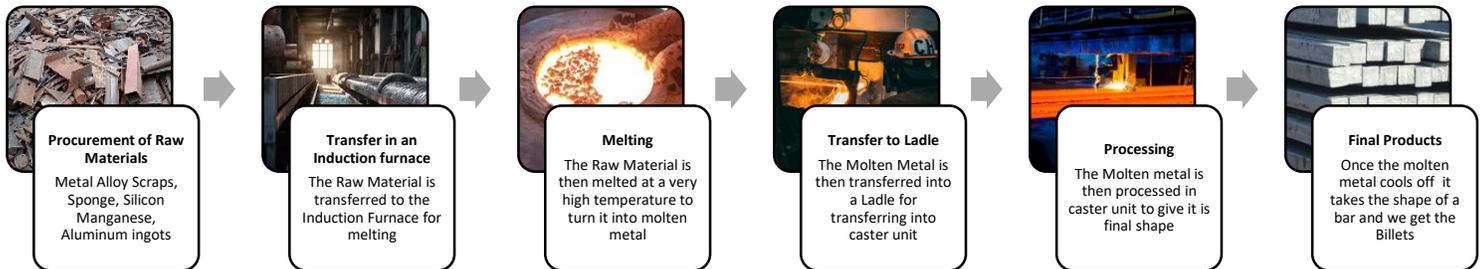
Sr. No.	List Of Material	Technical Specification	Brand of the machinery	Qty.	Unit	Warranties
1	Solar Module	580 Watt Topcon Bi Facial Mono Half Cut 1500 VDC, 16 BB 144 cells	Axitec/ Equivalent	7340	Nos.	30 years' warranty for Materials and Processing. 30 year warranty for Extra linear power output
2	Inverter	Ongrid String Inverter 250 kW 1500 VDC/800VAC (IEC61727, IEC 62116)	Solis/ Equivalent	14	Nos.	20 Years Inverter Warranty From Manufacturer.
3	Structure	TPSAT Structure, Hot-Dip Galvanised Avg. 120 Micron/Galvalume	SSE Approved	4000	KW	5 Years warranty 25 Years' Service life

Sr. No.	List Of Material	Technical Specification	Brand of the machinery	Qty.	Unit	Warranties
4	LT Panel	Outdoor Type 800 VAC Capacity 3500 KW IP 65 Enclosure (4 in 1 out)	ABB/ Equivalent	4	Nos.	1 Year Switchgear Manufacturer Warranty
5	HT Panel/VCB	Outdoor Type 11 KV VCB Rated Frequency (50 Hz / 60 Hz ) IP 65 Enclosure	Schneider/ ABB/ Equivalent	1	Nos.	1 Year Switchgear Manufacturer Warranty
6	DC Cables	Tinned Copper conductor, XLPO Insulated, UV, Ozone, Temperature & Hydrolysis resistant Resistive, 1C x 6 Sq. mm. 1500 VDC (Red)	LAP/ Equivalent	35000	Mtr.	N/A
		Tinned Copper conductor, XLPO Insulated, UV, Ozone, Temperature & Hydrolysis resistant Resistive, 1C x 6 Sq. mm. 1500 VDC (Black)		35000		
7	AC Cables	Aluminium Stranded XLPE insulated, 240 Sq mm. 3.5 Core, 1.1 KV (Inv. To ACDB )	Polycab/ Equivalent	4200	Mtr.	N/A
		300 Sqmm 3.5 Core X 2(R Y B), Alu.stranded XLPE 1.1 KV Cable ( ACDB to Transformer)		600		
8	Transformer	3500 KVA 11 KV Stepup Transformer Voltage Ratio (0.800/11KV) connection on primary/secondary : Delta / Delta Outdoor type Oil Immersed Tapping ( +7.5 % to -7.5 % )/( +10% to -10 % ) Copper Winding	Schneider/ ABB/ Equivalent	1	Nos.	5 Years warranty from Manufacturer
9	Earthing	Complete Earthing System IS 3043 Copper Coated Solid Rod, OD 17.3 mm	Soleos Approved	192	Set	1 Years warranty from Manufacturer
10	Lightning Arrester	ESE Type LA, Radius Covered 107 Mtr Standard :As per NF C17-102 2011 & also CPRI tested.	Soleos Approved	5	Set	1 Years warranty from Manufacturer
11	Multi Contact Connector	1500 VDC Copper Tinned Plated 6 Sq mm MC4 & Y Degree of protection IP Rating - IP68 Safety Class - Class- II	Staubli/Elmex	1200	Nos.	N/A
12	Room	Office of 15x18 feet with furniture, Spare Parts Room & Electric Room	SSE Approved	1	Nos.	N/A
13	Cable laying Pipe	DWC Pipe for DC Cabling Work Made with the High-density polyethylene/ AC Cable laying in trench	Astral/ Equivalent	4800	Mtr.	1 Years warranty from Manufacturer
14	Lugs and Accessories	BI-METALLIC Lugs and Accessories	SSE Approved	4	MW	1 Years warranty from Manufacturer
15	LT Material	Gland, Clamp, Socket, Washer, AC-Spray, Cable tie, PVC Tap,	SSE Approved	4	MW	N/A

Sr. No.	List Of Material	Technical Specification	Brand of the machinery	Qty.	Unit	Warranties
		Cables				
16	HT Material	HT Termination kit, Washer, Epoxy Compound, High Voltage Busbar, Erection channel, Cables, Bimettalic washer, Termination protector	SSE Approved	4	MW	N/A
17	Monitoring System	SCADA Unit	Inverter Compitible	1	set	1 year warranty From Manufacturer
18	Weather Station	WMS logger, Pyranometer, Module Temperature Sensor, Ambient Temperature Sensor, Wind speed sensor, wind direction sensor, Modbus Module, integrated weather moduler	SSE Approved	1	Set.	1 Years warranty from Manufacturer
19	Surveillance System	8 Hight Res 360 Degree CCTV Camera with 27" Screen	SSE Approved	1	Set	N/A
20	Illumination System	Illumination System	SSE Approved	30	MW	N/A
21	Auxilliary Transformer	3 Phase, RATING: 20 KVA, Vector: DYN11	SSE Approved	4	Nos.	1 year warranty From Manufacturer
22	Cleaning System	Borewell, Water Storage Tank & Internal water pipeline for cleaning	Astral/ Equivalent	4	MW	N/A
23	Other Work	Inverter Stand & Canopy, Transformer Canopy, Danger Board, Signages, Fire Extinguisher	SSE Approved	4	MW	N/A
24	Switchyard	LT Panel, Transformer & VCB Canopy with Fencing	SSE Approved	1	MW	N/A
25	Transportation	Material transportation charges	SSE Approved	4000	KW	N/A
26	Soleos Overheads	Site Expense, Design, Procurement and Project Management	SSE Approved	4000	KW	N/A
27	Liasoning	Government Liasoning	SSE Approved	4000	KW	N/A
28	I&C	Installation and Commissioning	SSE Approved	4000	KW	N/A
29	Meters	ABT Meters with Testing	Discom Approved	4	Nos.	N/A
30	CTPT	CTPT with Testing	Discom Approved	2	Nos.	N/A
31	RTU Device	With installation and testing	Discom Approved	1	Nos.	N/A
32	SS End VCB	With installation and testing	Discom Approved	1	Nos.	N/A
33	Evacuation Line	Underground Evacuation Line as per DisCom Estimate	Discom Approved	3500	Mtr.	N/A
34	Government Charges	As per DisCom Estimate	Discom Approved	4	MW	N/A
35	O&M	First year Turnkey Operation & Maintenance including Cleaning, Security, Engineer & Technician		4000	KW	N/A
36	Insurance	After Plant Commissioning		1	Plant	
		Erection-6 Months		1	Plant	

Note: the Company does not plan to buy second-hand machinery out of the proceeds of the present issue.

## Manufacturing Process



### Procurement of Raw Materials:

The major raw material used by us in our manufacturing process is M S Scrap, apart from this we also use raw materials like Spong Iron, Silicon Manganese, Aluminum Ingots etc.. Our base raw material remains M S Scrap and the other raw materials are used in proportionate basis, based on the grade of the billets to be manufactured. Our major raw material is MS Scrap is locally available and we source the same from shipbreaking yards and local merchants. We also import scrap, depending on our requirements. The other raw materials such as Iron Ore, Silicon Manganese, Aluminum ingots are sourced by us locally from Gujarat or from Maharashtra, Karnataka and Raipur. After procuring the required Raw Material, it is kept in the respective Raw Material Yard and unloaded with the help of magnet crane after quality and chemical compositions checking.

### Transfer in an Induction furnace

Post the quality and chemical composition checking, the Raw Material is then is transferred using conveyor belts, magnet cranes etc. to the Induction Furnace for melting.

### Melting in an Induction furnace:

The Raw Material is then melted at a very high temperature to turn it into molten metal. The temperature is checked using thermocouple temperature recorder by dipping its tip in the molten metal. Once the optimum temperature is achieved the molten metal is then transferred to ladle. Time to time samples from each cycle is taken for confirming the composition.

After achieving the required temperature of heat recorded through thermocouple temperature recorder by dipping the tips, furnace is titled angle & the molten metal is poured into the Ladle.

### Transfer to Ladle

The Molten Metal is then transferred into a Ladle by tilting furnace to a specific angel. From the ladle the molten metal is then transferred to the caster unit for processing.

### Processing or Continuous Casting

Ladle goes to continuous Casting Machine (CCM) where temperature is confirmed and piercing with nitrogen is carried to ensure that all the products of the batch are homogeneous. Then nozzle of Ladle is opened through a remote control of hydraulic power pack and metal goes in tundish. Then nozzles of tundish are opened so that metal goes in to the mould tube, metal catches the dummy bar and DC oscillator works to level the molten metal. After primary cooling the Billets goes in to secondary cooling zone in apron and reaches to straighten and through roller table it reaches to cooling Bed to both stands. The required length Billets is cut with the help of hot gas cutter on roller table while continuous casting.

**Final Products**

Once the entire process is completed, the Billets are shifted to the billet yard from cooling bed with the help of crane.

**C. Collaborations, any performance guarantee or assistance in marketing by the collaborators: -Nil**

**D. Infrastructure facilities for raw materials and utilities like water, electricity, etc.**

**i. Infrastructure Facilities**

The premises where our Registered Office is located, admeasures approx. 43.99 Sq meters. The premises where our Registered Office is located, is owned jointly by Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry. The Company is occupying the said registered office in terms of Lease/Rent Agreement dated April 02, 2024. Our registered office is well equipped with facilities required for our business operations to function smoothly.

The premises where our Corporate Office is located, admeasures approx. 75.08 Sq meters. The premises where our Corporate Office is located, is owned by M/s MIT Iron and Steel Private Limited. The Company is occupying the said registered office in terms of Lease/Rent Agreement dated April 02, 2024. Our registered office is well equipped with facilities required for our business operations to function smoothly.

The Premises where our Manufacturing Unit is located, admeasures approx. 4,018 Sq Meters, the said premises is owned by the Company. Our manufacturing unit is well equipped with facilities required for our business operations to function smoothly.

**ii. Raw Material**

The Raw Material required by us for our Manufacturing Process is M.S. Scrap, Iron Ore, Silicon Manganese, Aluminum ingots. Our major raw material is MS Scrap, which is locally available and we source the same from *shipbreaking yards and local merchants. We also import scrap, depending on our requirements.* The other raw materials such as Iron Ore, Silicon Manganese, Aluminum ingots are sourced by us locally from Gujarat or from Maharashtra, Karnataka and Raipur.

Some of the major Raw Materials which is used in our manufacturing unit are as follows:

	<p><b>MS Scrap</b></p> <p>MS Scrap, or Mild Steel Scrap is the major raw material used in our operations. It is basically metal scrap items containing iron. We source our MS Crap requirements from domestic as well as international markets by way of Imports.</p>
<p><b>Sponge Iron</b></p> <p>Sponge Iron is derived from direct reduction of iron ore (in the form of lumps, pellets, or fines) into iron, by removing oxygen contained in various forms of iron ore, either through gas-based process or coal-based process. We generally source our sponge Iron requirements either locally from Gujarat itself or from Maharashtra and Karnataka.</p>	

	<p><b>Silicon Manganese</b></p> <p>Silicon Manganese is an alloy composed of manganese, silicon, iron and a small amount of carbon and other elements. We source our Silicon Manganese requirements from Raipur.</p>
<p><b>Aluminum ingots</b></p> <p>Aluminum ingots is a non-ferrous metal produced by pouring melting aluminum in molds. We source our Aluminum requirements locally from Gujarat itself.</p>	

The breakup of the Raw material used by us for the nine months period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is provided hereunder:

Particulars	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Domestic</b>				
MS Scrap	7930 MT	10732 MT	11142 MT	9177 MT
Iron Ore	2000 MT	0	0	0
Silicon Manganese	137 MT	182 MT	166 MT	150 MT
Aluminium ingots	5.05MT	4.10MT	2.50MT	1.74MT
<b>Imported</b>				
MS Scrap	952 MT	8896 MT	2292 MT	3181 MT
Iron Ore	0	0	0	0
Silicon Manganese	0	0	0	0
Aluminium ingots	0	0	0	0

**iii. Power**

Our registered office and our corporate office have sufficient shared load from Torrent Power. Furthermore, we have adequate power supply arrangements for our operations, like power for lighting and operating the machinery/equipment of our Manufacturing unit from Uttar Gujarat Vij Company Ltd., with a Contract demand of 3700 KVA.

**iv. Water**

Water is required for human consumption at registered office and our corporate office, adequate water

through supply is available at our registered office, and our corporate office. The requirements are fully met at the existing premises.

The water is used in our Manufacturing Unit in the cooling towers, the requirement of water at the Manufacturing Unit is sourced from Ground water. Further, the Company has Certificate of Exemption for Ground Water Withdrawal issued by Central Ground Water Board West Central Region, Gujarat, for withdrawal of ground water.

**E. Our Product Portfolio:**

	<p><b>MS BILLETS</b></p> <p>MS Billets or Mild Steel Billets are semi-finished product which is used as a major raw material by rolling mills. We use a combination of raw materials such as MS Scrap, Sponge Iron, Silicon Manganese, Aluminum ingots and certain salts, which are melted at high temperature and are poured in casts to form a rectangle or metal bar or MS Billet. We produce MS Billets of various grades.</p> <p>These MS Billets are forged at the rolling mills and are converted into products such as bars, wires, rods, sheet metal etc. These billets find its application in various industries like Construction industry, Infrastructure industry, Automotive industry etc.</p>
	<p><b>ALLOY STEEL BILLETS</b></p> <p>Alloy Steel Billets are metal bars which are made out of melted molten metals of various kinds, such as MS Scrap, Sponge Iron, Silicon Manganese, Aluminum ingots etc. These are semi-finished products and are further processed into useful products such as bars, rods, wire, etc.</p> <p>Although we are not engaged in active manufacturing of Alloy Steel Billets, we produce them on order basis.</p>

**F. The Approach to marketing and Proposed Marketing Set up.**

**MARKETING:**

The product manufactured by us is basically a commodity product and does not require marketing as such. However, in order sustain positive reputation amongst our existing clients and to retain our existing clients, we focus on maintaining the quality of the products offered by us. We do not engage in any marketing activities as our reputation amongst the industrial setup speaks volumes about the products manufactured by us. Our commitment to provide quality products backed by our leadership teams expertise, has been instrumental in onboarding clients and gaining repeat orders from customers. Further, we have locational advantage, as many rolling mills are operating withing the radius of 200-300 km from our manufacturing unit. Our marketing basically comprise of word of mouth of by our existing clients. Further, our leadership team has combined experience of more than 3 decades, owing to which they have connections in the industry, which is capitalized by our Company for on boarding new clients.

**G. The export possibilities and export obligations, if any.**

As on date of this Draft Prospectus, Our Company does not have any export obligation.

**H. Competition**

Manufacturing industry of Billets and M.S. Billets is characterized by intense competition, with both global giants and local players vying for prominence in the market.

The competitive landscape is intricate, with companies differing in terms of geographical presence, product focus, and market strategies. Understanding this intricate web of competition necessitates comprehensive research into aspects such as market share, customer feedback, technological innovations, and the ability to adapt to evolving industry trends.

Our aim is to provide branded, standardized, and uniform quality products at competitive prices to our consumers. Many of our competitors have a substantially large capital base and resources than we do and offer a broader range of products. As the industry continues to evolve, these competitors, driven by innovation and a commitment to meeting the world's growing product demands.

Set forth below are our Significant Competitors:

1. Friends Steel Private Limited
2. Shiv Jyot Industries Private Limited
3. Mono Steel Limited
4. Haq Steel Private Limited

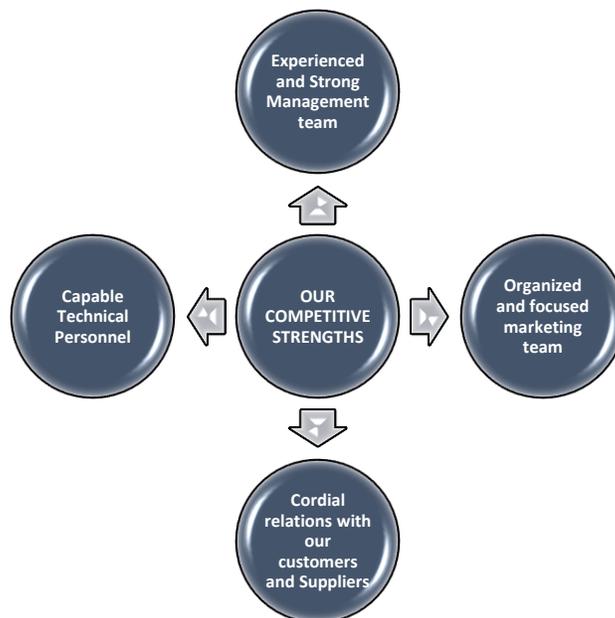
**I. Information Technology**

We believe that an appropriate information technology infrastructure is important to support the growth of our business. Our IT infrastructure enables us to track orders from customers, procurement of raw materials, sale of finished goods and inventory management.

**II. OUR COMPETITIVE STRENGTHS**

**Our Strengths:**

We derive our strength from the following factors:



#### **Experienced and Strong Management team:**

We have experienced management team led by our Promoter Directors Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry. Our Promoter Directors viz. Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, have rich experience in manufacturing of Alloy Billets and M.S. Billets, which has been major factor for the consistent growth of our Company. The long-term vision of growth and under the guidance of our leadership team coupled with our dedicated efforts of our management team, our Company's business has grown many folds, which is evident from the track record of growth in our business.

Our Promoters have vast experience in Billets manufacturing industry allowing them to assess and take advantage of current and future market opportunities available in the industry. We believe that our qualified management team provides us a competitive advantage and enables us to function effectively and efficiently.

#### **Capable Technical Personnel**

Manufacturing of Alloy Billets and M S Billets require expertise and technical knowledge. Our Company has onboard a team of qualified operators who handle the entire manufacturing process efficiently. Apart from the above, our Company has a team of experienced, trained & qualified personnel dedicated to Research & Development and has in place quality management systems, which is instrumental in ensuring the quality of the products being manufactured by us.

#### **Organized and focused marketing team**

We have a dedicated managerial team which is involved in the sales and marketing. Our Sales and Marketing Team studies the opportunities available in the market and then pitch for prime projects at the appropriate time. Our team ensures compatibility and reliability with the clients servicing their needs and requirements efficiently. This is the reason our clients continue to associate with our Company year on year.

#### **Cordial relations with our Customers and Suppliers**

Our track record has helped us to build strong and cordial relationships with our Customers and Suppliers, owing to which we are able to secure repetitive orders from our Customer base as well as timely and cost effective delivery of raw materials from our suppliers, resulting in efficient and timely execution of projects.

#### **Location of our Manufacturing Unit**

The location of our Manufacturing unit gives us two-way advantage. Being located on a Highway and within 300-400 kms from the Port, we find it advantageous to procure Raw Material (both domestic and imported) and to supply our finished product. Further there are many rolling mills located within the radius of 200-300 km of our existing facility, these rolling mills require the products manufactured by us as their primary raw material.

### **III. OUR BUSINESS STRATEGY**

Our business strategy is to focus on the growth of our Company by identifying opportunities and tapping those them at opportune time. We have constantly endeavored to expand our business and to innovate our operations. We strive to venture into business where our existing capabilities and setup can be utilized to maximum benefit. We intend to achieve this by implementing the following strategies:



#### **Focusing on reduction of overheads:**

For the purpose of running the manufacturing unit, we need to incur substantial amount of funds on meeting the power/electricity needs. Our manufacturing unit requires huge power consumption, which consists of significant portion of our expenses. In order to curtail the expenses incurred by us for meeting our power needs, we propose to install a 4 MW DC & 3.5 MW AC Ground Mounted Solar Power Plant - TPSAT Structure. The Company has made application (Application No. GEDA/RE/24-25/GMS/2612) dated June 25, 2024, with Gujarat Electricity Regulatory Commission (“GERC”) under the Green Energy Open Access policy provided under Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 (“Open Access Regulations”), for generating solar energy for captive consumption. Under the Open Access Policy, the Open Access Consumers will be required to pay certain charges such as transmission charges, wheeling charges, cross-subsidy surcharge, additional surcharge, standby-charges, scheduling charges, deviation settlement charges, reactive energy charges, and such other charges as provided under Open Access Regulations, or under any notifications/circulars/guidelines issued by GERC. This would result in substantial reduction of overhead incurred by us in connection with electrifying our manufacturing unit, thus enabling us to boost our profitability. The GERC vide their letter dated June 26, 2024 having PR No.: GEDA/PR/GMS/24-25/06/2612/1843 has granted us Provisional Registration of Renewable Energy Project under Gujarat Renewable Energy Policy- 2023. The said Provisional Registration is valid for the period of 6 months from the date of issuance of the said letter.

#### **Exploring opportunities for forward integration:**

Currently we are engaged in the business of manufacturing Alloy Billets and MS Billets. The said products are used by various industries such as Construction, Infrastructure, Automotive etc. as a raw material for manufacturing of products such as bars, wires, rods, sheet metal etc. Since we have already proven track record and understanding of the business and the industry we operate in, we plan to capitalize on the same by setting up a rolling mill plant. The output or finished product of our existing manufacturing unit will serve as prime raw material for the rolling mill plant. This is not only enable us to diversify our product portfolio but will also assist in tapping in new market.

#### **Continue to develop client relationships**

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a byproduct of relationship. Our Company believes that a long-term client relationship with large clients reap fruitful returns. Long-term relations are built on trust and continuous meeting with the requirements of the customers in a time bound manner.

#### **IV. CAPACITY AND CAPACITY UTILISATION:**

The details of capacity and capacity utilization of the Company for the nine months period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is provided hereunder:

*Amount in ₹ Lakhs*

Particulars	For the period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Installed Capacity p.a.</b>	38000 MT*	38000 MT*	38000 MT*	38000 MT*
<b>Licensed Capacity p.a.</b>	18000 MT**	18000 MT**	18000 MT**	18000 MT**
<b>Capacity Utilization</b>	8432 MT	12012 MT	11496 MT	11149 MT
<b>Capacity Utilization %</b>	46.84%	66.73%	63.87%	61.94%

\*As per declaration from management

\*\* As per GPCB Certificate

## V. INTELLECTUAL PROPERTY RIGHTS

The details pertaining to our Trademarks is provided herein below:

S. No.	Trademark No./ Application No.	Class	Date of Expiry	Status	Trademark/Logo
1.	Application No. 6313234	06	NA	Objected	Wordmark "Kalana"

## VI. LAND & PROPERTY

The Company occupies the following immovable properties:

S. No.	Location of Property	Activity carried out by the Company	Title of the Company	Lessor/ Licensor (if applicable)	Validity of Lease Deed	Lease Rental
1.	504, Ashwamegh Avnue, 5th Floor, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009	Registered Office	Lessee	Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry,	11 months from April 02, 2024	Rs. 5,000 per month
2.	C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015	Corporate Office	Lessee	MIT Iron and Steel Private Limited	11 months from April 02, 2024	Rs. 15,000 per month
3.	Survey No. 4/1 Taluka Sanand, Mouje Kala village, Ahmedabad	Manufacturing Unit	Owned	NA	NA	NA

Apart from the above, the Company has taken on lease the following immovable property for the purpose of setting up of Solar Plant. The cost of setting up of the solar plant and capital expenditure to be incurred in connection with procurement and setting up of plant and machinery for such solar plant, is one of the objects of the issue and would be funded from the proceeds of the present issue.

S. No.	Location of Property	Activity carried out by the Company	Title of the Company	Lessor/ Licensor (if applicable)	Validity of Lease Deed	Lease Rental
1.	Survey No.430/P1 Village Jasanvada, Tal. Bhabhar District Banaskantha-385320	Solar Plant	Lessee	Mr. Chaudhary Nagjibhai Nanjibhai	11 months from June 24, 2024	Rs. 2,80,000 per year
2.	Survey 430/P2. Village Jasanvada, Tal. Bhabhar District Banaskantha-385320	Solar Plant	Lessee	Mr. Chaudhari Ashvinbhai Nanjibhai	11 months from June 24, 2024	Rs. 2,80,000 per year

## VII. EMPLOYEES

As on the date of this Draft Prospectus, our Company has 3 (Three) KMPs and 15 (Fifteen) employees on its payroll. Further the Company arranges for manpower as per its requirements from service agencies on production basis.

The breakup of our manpower is as follows:

Sr. No.	Particulars	No. of persons
1.	KMP's	3
2.	Other Staff	15

### VIII. INSURANCE

Except as mentioned below, our Company does not have any Insurance Policy as on date of this Draft Prospectus.

Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Policy No.	Total Sum Insured (₹)	Premium (₹) (incl. GST)
Bajaj Allianz General Insurance Company Ltd.	Burglary Insurance Policy	Valid till February 18, 2025	Plant & Machinery and Stocks at Sy N 4 1 Nr Geb Sub Station Behind Megamnai Factory, Kalana Road Viramgam Sanand Highway, Ahmedabad, Gujarat 382110	OG-24-2202-4010-00004794	Plant & Machinery - ₹ 625.00 Lakhs Stock - ₹ 325.00 Lakhs	₹ 11,210
Bajaj Allianz General Insurance Company Ltd.	Employee's Compensation Insurance Policy	Valid till February 18, 2025	All skilled and semi-skilled workers of the Company, anywhere in India	OG-24-2202-2802-00006414	Semi Skilled Worker- ₹ 27.00 Lakhs Skilled Worker - ₹ 7.20 Lakhs	₹ 24,815
Bajaj Allianz General Insurance Company Ltd.	Bharat Laghu Udyam Suraksha	Valid till February 18, 2025	Building including plinth, Basement and additional structures, Plant & Machinery and Raw Material located at at Sy N 4 1 Nr Geb Sub Station Behind Megamnai Factory, Kalana Road Viramgam Sanand Highway, Ahmedabad, Gujarat 382110 against Fire and Earthquake	OG-24-2202-4057-00000981	Building including plinth, Basement and additional structures - ₹ 100.00 Plant & Machinery - ₹ 625.00 Lakhs Stock - ₹ 325.00 Lakhs	₹ 73,858

*Our Company believes that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and our Company cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.*

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Statutory Approvals**” of this Draft Prospectus.

### **BUSINESS AND/OR KEY INDUSTRY AND/OR TRADE RELATED LAWS AND REGULATIONS:**

#### **ENVIRONMENT PROTECTION ACT, 1986**

The **Environment Protection Act** was enforced in 1986 for the protection and improvement of the environment and to deal with prevention of hazards to human beings, other living creatures, plants and property. The rules framed under Act mandates Industrial units and corporates to act in a responsible manner to protect environment, ensure location and functioning of industries and manner of dealing with waste generation. Various Rules are notified to govern areas like waste prevention, minimization, reuse and recycle of municipal solid waste, industrial, agricultural and hazardous waste. Non- Compliance with the provisions of this Act, or the rules made or orders or directions issued thereunder attracts Penalty of imprisonment for five years or fine of one lakh rupees, or both. In case of continuing offense, the additional fine of five thousand rupees for every day. If the offense continues beyond a period of one year the imprisonment may extend to seven years.

#### **National Green Tribunal Act, 2010.**

The National Green Tribunal (NGT) Act, 2010 is an Act to provide for the establishment of a National Green Tribunal for the effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for any damages caused to persons and properties.

### **OTHER ENVIRONMENTAL LEGISLATIONS:**

#### **National Environmental Policy, 2006**

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. 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.

#### **Air (Prevention and Control of Pollution) Act, 1981 (the Air Act)**

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control areas and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

#### **Water (Prevention and Control of Pollution) Act, 1974 (the Water Act)**

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution Control Boards constituted under this Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the Board constituted under this Act.

#### **The Hazardous and other Wastes (Management & Trans-boundary Movement) Rules, 2016**

Hazardous Waste Management Rules were notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use, reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste. These Rules came into effect in the year 1989 and have been amended later in the years 2000, 2003 and with final notification of the Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008 in supersession of former notifications. The Rules lay down corresponding duties of various authorities such as the Ministry of Environment and Forests, Central Pollution Control Board, State/UT Govts., State Pollution Control Boards / Pollution Control Committees, Director General of Foreign Trade, Port Authority and Custom Authority. State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handling and their disposal.

#### **The Essential Commodities Act, 1955 (the “ECA”)**

The ECA empowers the Central Government, to control the production, supply and distribution of trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Under the ECA, an essential commodity means a commodity specified in the Schedule to the ECA, which is updated and notified from time to time. Using the powers under it, the Central Government has issued control orders for inter alia controlling the price of, regulating by licenses, permits or otherwise the production or manufacture of any essential commodity. Violations under the ECA are punishable by either imprisonment or monetary fines or both.

#### **The Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“Legal Metrology Act”) came into force on March 1, 2011. The Legal Metrology Act provides that the units of weights and measures must be in accordance with the metric system based on the international system of units, and prohibits quotations made otherwise. The Legal Metrology (General) Rules, 2011, which came into force on April 1, 2011, also provide the detailed specifications of standard weights and measures and the standard equipment. The Legal Metrology Act regulates the trade and commerce in weights and measures, and provides for the appointment of a director, controller and other legal metrology officers, and empowers them to undertake inspection or forfeiture to ensure compliance with its provisions. The Legal Metrology Act provides for

imposition of penalty on use of non-standard, or unverified weights and measures, and for making any transaction, deal or contract in contravention of the standards of weights and measures. The Legal Metrology Act allows companies to nominate a person who will be held responsible for the breach of provisions of this legislation.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act was enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED:**

#### **Shops and Establishments laws in various states**

As per the provisions of local Shops and Establishments laws applicable in the States of Gujarat establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

#### **Stamp Act in various states**

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Governments of Gujarat are empowered to prescribe or alter the stamp duty as per their need.

#### **Professions, Trade, Callings and Employments Act in various states**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Governments of Gujarat are empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and are also required to collect funds through professional tax. The professional taxes are charged on the income of individuals, profits of business or gains of vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such persons before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **GENERAL CORPORATE LAWS:**

### **Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private companies into public companies and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors, winding up, voluntary winding up, and appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

### **The Sale of Goods Act, 1930**

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers and sellers, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### **The Registration Act, 1908**

The Registration Act, 1908 ("Registration Act") was enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. The Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property and a lease of immovable property for any term exceeding one year or reserving a yearly rent. It also provides for non-compulsory registration of documents as enumerated in the provisions.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Specific Relief Act, 1963**

The Specific Relief Act is complementary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means the Court will order the party to perform his part of the agreement, instead of imposing on him any monetary liability to pay damages to another party.

## **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheques not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offense in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

### **TAX RELATED LEGISLATIONS:**

#### **Income Tax Act, 1961**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company which is assessed for income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

#### **Goods and Services Tax Act, 2017**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **EMPLOYMENT AND LABOUR LAWS:**

#### **The Factories Act, 1948**

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

## **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allow the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

### **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended by Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **The Payment of Bonus Act, 1965**

The Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2019 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, that concern our business. Details of these existing Acts are as follows –

### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months, 20 or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This law is applicable to all the establishments employing 5 or more migrant workmen from other states. In addition to this, this law is also applicable to contractors who have employed 5 or more inter-State workmen. The establishment must be registered with the local authority while employing migrant workers. This means that an establishment is prohibited from employing migrant workers from other states if they do not have a certificate from the concerned authority. The same law applies to the contractors too who employ workers from one state and deploy them in other states. As per this law, the contractors deploying the migrant workers must provide terms and conditions of the recruitment to the workers. These are the remuneration payable, hours of work, fixation of wages and other essential amenities.

### **The Industrial Relations Code, 2020**

The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows –

#### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. This Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provides for the constitution of grievance settlement machineries in any establishment having 20 or more workers.

#### **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provide that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business etc.

### **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments having 50 or more workmen employed, so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial establishment. The highlights of the Standing Orders are classification of workmen, manner of intimation to workers about work and wage related details, attendance and conditions for leaves, conditions of termination of employment and means of redressal for workmen in different matters.

### **The Code on Social Security, 2020**

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 9 separate 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 and the Payment of Gratuity Act, 1972. The relevant laws that the code shall subsume, are currently as follows –

#### **Employee’s Compensation Act, 1923**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employee’s Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employee’s Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 days of death/serious bodily injury.

#### **Employee’s State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employees’ State Insurance Corporation.

#### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act)**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make an equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees’ Provident Scheme, 1952.

#### **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other

performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which 10 or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms 'sexual harassment' and 'workplace' are both defined in the Act. Every employer should constitute an "Internal Complaints Committee" and every officer and member of the Committee shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**

The CLPR Act seeks to prohibit the engagement of children in certain occupations and to regulate the conditions of work of children in certain other occupations. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

## **INTELLECTUAL PROPERTY RIGHTS**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

### **The Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

### **Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “Copyright Laws”) governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Computer programme constitutes a literary work under Indian law and is afforded copyright protection and the owner of such computer programme becomes entitled to protect his works against unauthorized use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author. Reproduction of a copyrighted computer programme for sale or hire or trade exhibit in public or distribution or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the copyright owner amounts to infringement of the copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

### **The Patents Act, 1970 (“Patents Act”)**

The Patents Act, 1970 (“Patents Act”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. While the Patents Act prohibits patentability of a ‘computer programme’ as such, computer programmes in combination with novel hardware could be considered patentable depending on the substance of the invention and applicable provisions of the Patents Act. Computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Laws. In terms of the Patent Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

### **FOREIGN INVESTMENT LAWS:**

#### **Foreign Trade (Development and Regulation) Act, 1992**

The FTDR is the main legislation concerning foreign trade in India. The FTDR, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTDR read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTDR.

### **Foreign Exchange Management Act, 1999 & Rules thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 as amended in 2019, provide that the total holding by any individual NRI, on a repatriation basis, shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent 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 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

### **The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974**

COFEPOSA came into force for the reason to provide preventive detention and to protect and augment the guidelines of foreign exchange. The Act also aims to control smuggling activities and other issues in relation to these activities. COFEPOSA confers power on the Central and the State Governments to issue orders for detaining a person if it is satisfied that the person has acted detrimental to the protection of foreign exchange. The Government shall also issue an order of detention on the ground that the person has engaged in the activity of smuggling goods, assists any person in smuggling goods, transports or conceals such goods, harbours any person employed in the smuggling activities or does any other activity related with smuggling. Such an order shall be issued by the Joint Secretary to the Central Government or Secretary to the State Government or any senior officer authorized by the Government.

### **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 of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), 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 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. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from

time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who are eligible to make investments in India, for which eligibility criteria are prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. 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 the filing of Form FC-GPR.

## **ANTI-TRUST LAWS**

### **Competition Act, 2002**

The Act is to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect interest of consumers and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

## **GENERAL LAWS**

Apart from the above list of laws, which is inclusive in nature and not exhaustive, general laws like the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Transfer of Property Act, 1882, Information Technology Act, 2000 etc. are also applicable to the Company

## HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated as ‘Kalana Ispat Private Limited’, a private limited company, under the Companies Act, 1956, with a certificate of incorporation issued under the hand of the Registrar of Companies, Gujarat, Dadra and Nagar Havelli, dated on October 15, 2012. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 04, 2023, and consequently, the name of our Company was changed to “Kalana Ispat Limited”, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 21, 2023, was issued by the Registrar of Companies, Ahmedabad to our Company.

The Corporate Identification Number of our company is U27100GJ2012PLC072306.

Our Company is promoted by Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nannabhai Qureshi.

In the year 2012, Mr. Aftabhusen S Khandwawala and Varghese Joseph Pottakerry collaborated and laid down the foundation of our Company. Initially the Company’s was engaged in trading of metal scraps, which was procured through imports from various countries, sourced from shipbreaking yards and local merchants. As the business progressed, our Company ventured into manufacturing of M.S. Billets and set up its manufacturing unit at Ahmedabad, Gujarat. Today our Company is engaged in manufacturing of M.S. Billets and Alloy Steel Billets/Ingots.

Our Company carries out its operations from its manufacturing unit located at Survey No. 4/1-A Sanand - Viramgam Highway, Ahmedabad, Gujarat - 382110. As on December 31, 2023, we were operating at our maximum capacity with installed capacity of 38000 M.T.

For further details regarding our business operations, please see the chapter titled “Business Overview” beginning on page 102 of this Draft Prospectus

### Changes in the Registered Office since incorporation

Our Company’s Registered Office is presently situated at 504, 5th Floor, Ashwamegh Avenue, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat, India, 380009. There has been no change in the registered office of our Company since incorporation.

### 1. Major Events

Year/F.Y.	Key Events / Milestone / Achievements
October 2012	Started business by Incorporating the Company “Kalana Ispat Private Limited”
February 2015	Setup of Factory and started manufacturing of M.S. Ingots
July 2015	Obtained Certificate of Impoter Exporter Code
August 2015	Installed Billet Caster machine.
July 2017	Obtained Goods & Services Tax Registration
March 2018	Obtained MSME Registration

### 2. Key Awards, Accreditations or Recognitions

Calendar Year	Key Awards, Accreditations or Recognitions
	NA

**3. Changes in activities of our Company during the last five years**

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Prospectus.

**4. Capital raising (Equity/Debt)**

Our equity issuances in the past, have been provided in sections titled “Capital Structure” beginning on page 58. Further, our Company has not undertaken any public offering of debt instruments since its inception.

**5. Revaluation of Assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years from the date of this Draft Prospectus.

**6. Defaults or rescheduling of borrowings with financial institutions/ banks**

There have been no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company as on the date of this Draft Prospectus.

**7. Time and Cost Overrun in Setting up Projects by our Company**

There have been no time or cost overruns pertaining to the setting up of projects and the business operations undertaken by our Company, preceding the date of this Draft Prospectus.

**8. Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets**

There is no Acquisition of business as on the date of this Draft Prospectus.

**9. Main objects of our Company**

**MAIN OBJECTS OF MEMORANDUM OF ASSOCIATION**

The main objects of our Company, as set forth in our Memorandum of Association, of our company are as follows:

To carry on business of manufacturing, exporting, importing, trading and dealing in casting, Moulding, melting, drawing, pressing, stamping, trading, precesion casting, die-casting of all Types and alloy, tool and special steel including alloy, constructional steel in carbon, Manganese, nickel, chromium, nickel chromium chromium molybdenum, direct and case Hardening steel, corrosion resisting steels, stainless and heat resisting steel, free casting Steel and iron products.

**10. Changes in Memorandum & Articles of Association of the Company-**

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Year	Activities
February 16, 2015	Increase the authorised share capital of the company from Rs. 1,00,000 (Rupees 1 Lakh only) divided into 10,000 [Ten Thousand] Equity Shares of Rs.10/- [Rupees Ten only] each to Rs. 1,00,00,000 (Rupees One Crore only) divided into 10,00,000 [Ten Lakh] Equity Shares of Rs.10/- [Rupees Ten only] each.
October 14, 2023	Increase the authorised share capital of the company from Rs. 1,00,00,000 (Rupees One Crore only) divided into 10,00,000 [Ten Lakh] Equity Shares of Rs.10/- [Rupees Ten only] each to Rs. 13,50,00,000 (Rupees Thirteen Crore Fifteen Lakh only) divided into 1,35,00,000 [One Crore Thirty Five Lakh] Equity Shares of Rs.10/- [Rupees Ten only] each.
December 21, 2023	Conversion of Company from Private Limited to Public Limited and consequent change in the name of the Company by deletion of the word "Private".

#### 11. Holding Company, Subsidiary/Subsidiaries and Joint Venture(s) of the Company

As on the date of this Draft Prospectus, our Company does not have any holding company or subsidiary company or joint venture.

#### 12. Shareholders Agreement

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

#### 13. Other Agreements

Except the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

#### 14. Strategic and Financial Partnership

As on date of this Draft Prospectus our Company does not have any financial partnership. Apart from the various arrangements with bankers and financial institutions which our company undertakes in the ordinary course of business, our company does not have any other financial partners.

#### 15. Other Confirmations

Neither our Promoters nor any of the Key Managerial Personnel, 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.

#### 16. Other details about our Company:

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled "Business Overview", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on pages 102, 192 and 83 of this Draft Prospectus respectively. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "Our Management" and "Capital Structure" beginning on page 132 and 58 of this Draft Prospectus respectively.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the provisions contained under the Companies Act, a Public Limited Company is required to have minimum 3 (three) and maximum of 15 (fifteen) Directors. Currently, our Company has 05 (Five) Directors on its Board. Our Company is in compliance with the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Draft Prospectus.

Sr. No.	Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
1.	<p><b>Mr. Varghese Joseph Pottakerry</b></p> <p><b>DIN:</b> 02771578</p> <p><b>Designation:</b> Managing Director</p> <p><b>DOB:</b> 18/11/1955</p> <p><b>Age:</b> 68 years</p> <p><b>Qualification:</b> M. Com</p> <p><b>Experience:</b> 40 years</p> <p><b>Address:</b> L-901, Iscon Platinum, Bopal, 200 Ft. Ring Road, Ahmedabad, Gujarat-380058.</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> December 27, 2028</p> <p><b>Period of Directorship:</b> Since October 15, 2012 (Managing Director since December 28, 2023)</p>	<p>Public Limited Companies: Nil</p> <p>Private Limited Companies: M/s MIT Iron and Steel Private Limited</p> <p>Foreign Companies: Nil</p>
2.	<p><b>Mr. Aftabhusen S Khandwawala</b></p> <p><b>DIN:</b> 02771726</p> <p><b>Designation:</b> Executive Director</p> <p><b>DOB:</b> 09/07/1977</p> <p><b>Age:</b> 46 years</p> <p><b>Qualification:</b> Senior Secondary</p>	<p>Public Limited Companies: Nil</p> <p>Private Limited Companies: M/S Mit Iron and Steel Private Limited</p> <p>Foreign Companies: Nil</p>

Sr. No.	Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
	<p><b>Experience:</b> More than 26 years</p> <p><b>Address:</b> A-4, Salomi Apartment, Navarangpura, Muslim Society, Ahmedabad, Gujarat, India - 380009</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since October 15, 2012</p>	
3.	<p><b>Mr. Gurubaxsing Jamiatsing Bagga</b></p> <p><b>DIN:</b> 06391512</p> <p><b>Designation:</b> Promoter, Non- executive Director</p> <p><b>DOB:</b> 17/06/1947</p> <p><b>Age:</b> 76</p> <p><b>Qualification:</b> B.COM, LLB</p> <p><b>Experience:</b> 50 Years</p> <p><b>Address:</b> Sardar bhawan, Khadayat Colony, Nr. Law Garden, Navrangpura, Ahmedabad - 380009</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Director of the Company since October 15, 2012</p>	<p>Public Limited Companies: Nil</p> <p>Private Limited Companies: Nil</p> <p>Foreign Companies: Nil</p>

Sr. No.	Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
4.	<p><b>Mr. Nishant Bali</b></p> <p><b>DIN:</b> 10440133</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DOB:</b> 15/12/1985</p> <p><b>Age:</b> 38 years</p> <p><b>Qualification:</b> MBA</p> <p><b>Experience:</b> 10 Years</p> <p><b>Address:</b> 9, Sujan Avenue, Laxmi Society, Law Garden, Khadyata Colony, Ahmedabad, Gujarat-380006</p> <p><b>Occupation:</b> Business</p> <p><b>Date of expiration of current term:</b> In terms of Section 149(10) of the Companies Act, the director shall hold office for a term up to five consecutive years on the Board of a company.</p> <p><b>Period of Directorship:</b> Since December 28, 2023</p>	<p>Public Limited Companies: Nil</p> <p>Private Limited Companies: Nil</p> <p>Foreign Companies: Nil</p>
5.	<p><b>Ms. Rachna Sandeep Luthra</b></p> <p><b>DIN:</b> 10671201</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DOB:</b> 03/05/1977</p> <p><b>Age:</b> 47 years</p> <p><b>Qualification:</b> B.Com</p> <p><b>Experience:</b> 22 Years</p> <p><b>Address:</b> R-802, Iscon Platinum , Near Fly Over Bopal Cross, S.P Ring Road Bopal, Daskroi, Ahmedabad, Gujarat- 380058</p>	<p>Public Limited Companies: Nil</p> <p>Private Limited Companies: Nil</p> <p>Foreign Companies: Nil</p>

Sr. No.	Name, DIN, Designation, Date of Birth, Age, Qualification, Experience, Address, Occupation, Date of expiration of current term, Period of Directorship	Details of directorships in other companies
	<p><b>Occupation:</b> Employment</p> <p><b>Date of expiration of current term:</b> In terms of Section 149(10) of the Companies Act, the director shall hold office for a term up to five consecutive years on the Board of a company.</p> <p><b>Period of Directorship:</b> Since June 17, 2024</p>	

**Brief Profile of our Directors:**

**Mr. Varghese Joseph Pottakerry, Managing Director**

Mr. Varghese Joseph Pottakerry (DIN: 02771578), aged 68 years, is a promoter and Managing Director of the Company. He has been an integral part of the Company since incorporation. He holds a Masters in Commerce from Mysore University. Previously, he served as Chief Accountant at M/s. Kanan Construction, Ahmedabad, and later became a partner from 1983 to 1993. With 7 years of employment experience and 33 years in the business sector, he started his career as a retailer of consumable products and moved into the metal industry in 1995. He is also on the Board of M/s MIT Iron and Steel Private Limited as a director since 2011. He has overall 28 years of experience in the metal industry.

**Mr. Aftabhusen S Khandwawala, Executive Director**

Mr. Aftabhusen S Khandwawala (DIN: 02771726), aged 46 years, serves as a promoter and executive director of the company since its inception. Mr. Aftab completed senior secondary before venturing into Business. With 26 years of overall experience in the metal industry, he initially focused on trading activities involving metal scrap suppliers until 2011. Subsequently, he transitioned into the manufacturing sector, with specific focus on manufacturing of M.S. Billets.

**Mr. Gurubaxsing Jamiatsing Bagga, Non-Executive Director**

Mr. Gurubaxsing Jamiatsing Bagga (DIN: 06391512), aged 76 years, serves as a promoter and non-executive director of the Company. He holds a Bachelor's degree in Commerce and is also a law graduate from Gujarat University. He is a seasoned professional in the textile business, with an extensive experience spanning over 50 years. Additionally, he possesses over 12 years of experience in the iron and steel industry and maintains a solid understanding of the real estate sector.

**Mr. Nishant Bali, Independent Non-Executive Director**

Mr. Nishant Bali (DIN: 10440133), aged 38 years, is a non-executive Independent director of the Company. He has completed his Master's in business from IBS Ahmedabad (Gujarat University), one of the top colleges for MBA. He has 10 years of experience in the field of consultancy and currently working as a partner with M/s Investmentor Securities Ltd., and having a good command over various business models.

**Ms. Rachna Sandeep Luthra, Independent Non-Executive Director**

Ms. Rachna Sandeep Luthra (DIN: 10671201), aged 47 years, is a non-executive Independent Director of the Company. She has completed her graduation in B.com from Kurukshetra University in 1998. She has overall 22 Years of experience in the areas of Marketing, Sales & Management.

**Details of current and past directorship(s) of the above Directors in listed companies whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Prospectus, during the term of his/her directorship in such company.

**Details of current and past directorship(s) of the above Directors in listed companies which have been/ were delisted from the stock exchange(s), during his/her tenure**

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

**Nature of any family relationship between any of the directors or any of the directors and key managerial personnel.**

Mr. Aftabhusen S Khandwawala is son-in-law of Mr. Gurubaxsing Jamiatsing Bagga. Except as specifically stated hereinabove, there is no family relationship between any of the Directors or any of the Directors and Key Managerial Personnel of the Company.

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors was selected as a director or member of senior management.**

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

**Details of service contracts entered into by the directors with the Company providing for benefits upon termination of employment**

There are no service contracts entered into by the directors with the Company providing for benefits upon termination of employment.

**Details of Borrowing Powers**

Our Articles of Association, subject to the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, authorizes our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company.

The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on February 09, 2024 in accordance with the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, have authorized our Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 50 Crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled Main Provisions of Article Of Association beginning on page 272 of this Draft Prospectus.

### Compensation of Managing Directors and/or Whole-time Directors

The remuneration payable to our Managing/ Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Clause (54) and Clause (94) of Section 2 of the Companies Act, 2013, read with Section 196, Section 197, Section 198, and Section 203 of the Companies Act, 2013 and any other applicable 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 or any of the provisions of the Companies Act, 1956, for the time being in force).

**The details of remuneration paid and perquisites given to Managing Director and Executive Director for services rendered by them to the Company:**

#### Mr. Varghese Joseph Pottakerry

Particulars	Remuneration
Basic Salary	₹ 40,000/- p.m.*
Designation	Managing Director

(\*Payable in terms of April 07, 2024)

#### Mr. Aftabhusen S Khandwawala, Executive Director

Particulars	Remuneration
Basic Salary	₹ 50,000/- p.m.*
Designation	Executive Director

(\* Payable w.e.f. February 09, 2024)

No other director is taking remuneration as on the date of filling of draft prospectus.

### Sitting fees to Non-Executive Directors and Independent Directors

Other Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

**Remuneration paid to our Non-Executive Directors and Non-Executive Independent Director during the financial year 2023-24: Nil**

### Bonus or profit-sharing plan for our Directors

Our Company does not have any bonus or profit-sharing plan for our Directors.

### Shareholding of the Directors

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)
1	Mr. Varghese Joseph Pottakerry	20,85,744	25.75%
2	Mr. Aftabhusen S Khandwawala	20,37,609	25.15%
3	Mr. Gurubaxsing Jamiatsing Bagga	11,95,997	14.76%
	<b>Total</b>	<b>53,19,350</b>	<b>65.66%</b>

## **Qualification Shares required to be held by Directors**

Our Articles of Association do not require our Directors to hold qualification shares.

## **Interest of Directors**

### *Interest in promotion of Our Company*

Except as stated in the section titled “Promoter and Promoter Group” beginning on page 148, our Directors have no interest in the promotion of our Company as of the date of this Draft Prospectus, except in the ordinary course of business.

### *Interest in property*

Except as provided herein below, none of our Directors have any interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company:

The premises where the registered office of the Company is situated is owned by our promoters Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry. The Company is currently occupying the said space in terms of the Rent Agreement dated April 02, 2024 executed between Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry, and our Company. In terms of the said Rent Agreement, the Company is permitted to use the premises located at 504, Ashwamegh Avenue, 5th Floor, Nr Mithakhali Underbridge, Mithakhali, Ahmedabad, Gujarat 380009, for a period of 11 months, commencing from April 02, 2024. The rental for the premises is fixed at Rs. 5,000 per month.

Further, the premises where the corporate office of the Company is situated is owned by our promoters’ group company M/s MIT Iron and Steel Private Limited. The Company is currently occupying the said space in terms of the Rent Agreement dated April 02, 2024 executed between MIT Iron and Steel Private Limited, and our Company. In terms of the said Rent Agreement, the Company is permitted to use the premises located at C-918, Stratum at Venus Ground, Nr. Jhansi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015, for a period of 11 months, commencing from April 02, 2024. The rental for the premises is fixed at Rs. 15,000 per month.

Apart from above, all the 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 other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in 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 the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section titled “Related Party Transactions” on page 183 of this Draft Prospectus, the Directors do not have any other interest in the business of the Company.

Except for the Rent Agreements, all dated April 02, 2024, entered into between by the Company with a.) Mr. Aftabhusen S Khandwawala and Mr. Varghese Joseph Pottakerry for the registered office of the company, and b.) M/s MIT Iron and Steel Private Limited for the corporate office of the company, the Company has not entered into any other contract, agreement or arrangement during the preceding two years from the date of the Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business and being permitted as per the current rules and regulations governing the same. For

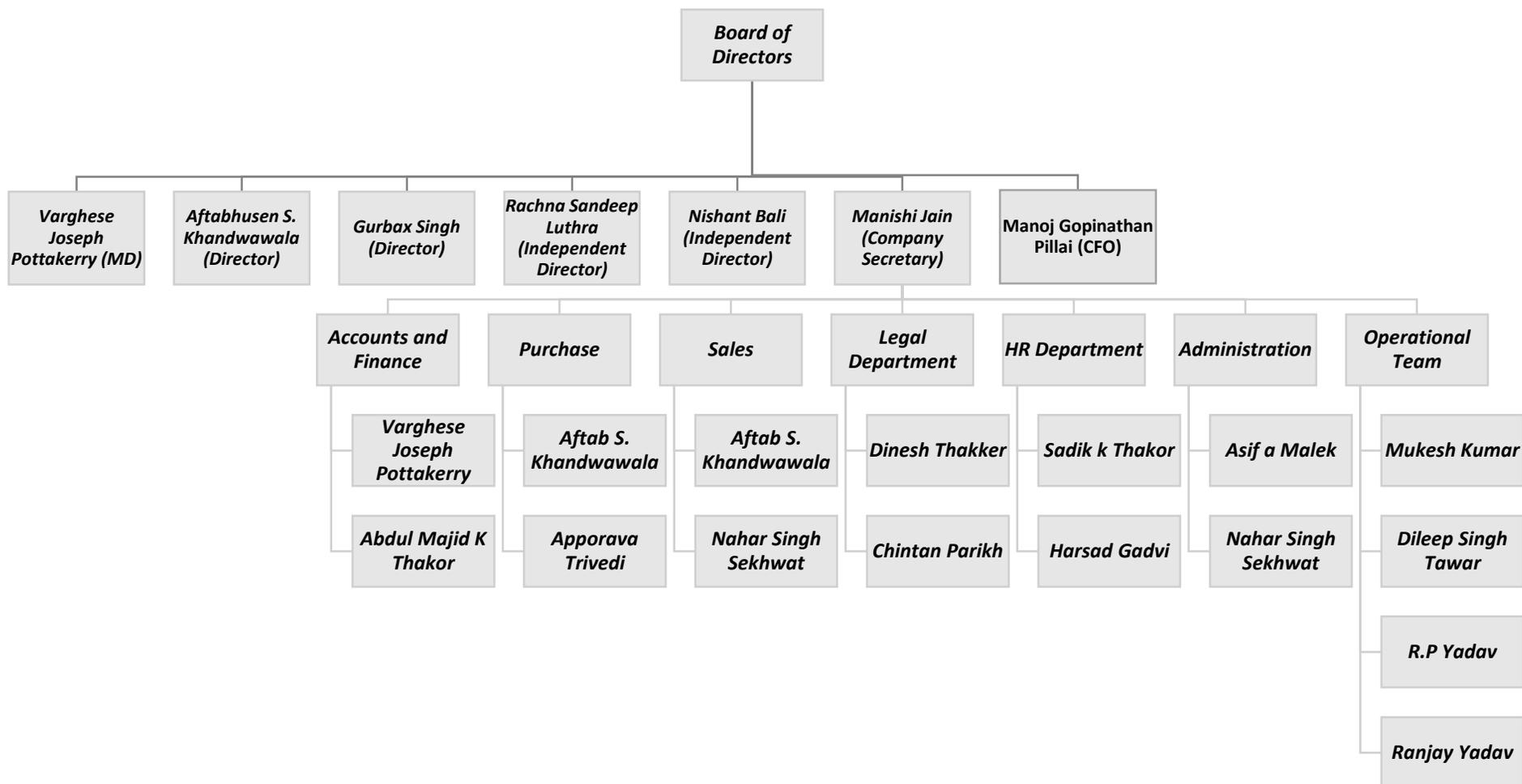
details of the Rent Agreements dated April 02, 2024, refer to section titled “Business Overview” beginning on page 102 of this Draft Prospectus.

#### Changes in the Board of Directors in the last 3 years

Name of Director	Date of Appointment/ Re-appointment	Reasons for Change
Sadik Nannabhai Qureshi	Resignation from the Board of director on 02 <sup>nd</sup> October, 2023	Resignation due to Pre – occupation somewhere else
Varghese Joseph Pottakerry	Change in designation from director to Managing Director of the Company on 27 <sup>th</sup> December, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Nishant Bali	Appointed as non-executive Independent director of the Company on 28 <sup>th</sup> December, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Sahistabanu Sajitmiya Thakor	Appointed as non-executive Independent Director of the company on 28 <sup>th</sup> December, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Gurubaxsing Jamiatsing Bagga	Designated as non-executive director of the company on 28 <sup>th</sup> December, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Sahistabanu Sajitmiya Thakor	Resigned from the position of non-executive Independent Director of the company on 17 <sup>th</sup> June, 20234	Due to pre-occupancy.
Rachna Sandeep Luthra	Appointed as non-executive Independent Director of the company on 17 <sup>th</sup> June, 2024	To ensure better Corporate Governance and compliance with Companies Act, 2013



## MANAGEMENT ORGANISATION STRUCTURE



## CORPORATE GOVERNANCE

Our Company is coming with this issue in terms of Chapter IX of the SEBI ICDR Regulations, and would consequently be listed on the SME Platform of the National Stock Exchange of India Limited/NSE Emerge, subject to receipt of necessary approvals. Post listing, the Company would be subject to compliance with the provisions contained under SEBI LODR Regulations, in addition to the applicable provisions contained under the Companies Act, 2013. It may be noted that in terms of provisions contained under Regulation 15(2)(a) of the SEBI LODR Regulations, the Company is not under obligation to comply with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI LODR Regulations. However, we have ensured compliance with requisite provisions of the applicable legislations, as far as the constitution of our Board and Committee thereof is concerned.

Currently, our Board has 5 (five) Directors. Further, at least two-thirds of our Directors, other than our Independent Directors are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under the SEBI LODR Regulations and the Companies Act, 2013.

### Committees of the Board

In terms of SEBI LODR Regulations and the provisions of the Companies Act, 2013, our Company has following committees of the Board:

#### 1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on February 09, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended).

The Company had reconstituted the audit committee vide resolution passed in the meeting of Board of Directors in their meeting held on June 17, 2024. Presently, the Audit Committee of the Board of Directors of the Company comprises of following members:

Sr. No.	Name of Director	Designation
1.	Mr. Nishant Bali	Chairman, Independent Director
2.	Ms. Rachna Sandeep Luthra	Member, Independent Director
3.	Mr. Varghese Joseph Pottakerry	Member, Director

The Company Secretary of our Company shall act as a secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements.

The scope and function of the Audit Committee and its terms of reference shall include the following:

#### A. Tenure

The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### B. Quorum and meetings of the Audit Committee

The Audit Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two

members or one third of the members of the Audit Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

### **C. Role and Powers**

The role of Audit Committee together with its powers as Part C of Schedule II of SEBI (LODR) Regulations and Companies Act, 2013 shall be as under:

- (a) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (c) Examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section (3) of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- (d) Examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (e) Approval or any subsequent modification of transactions of the Company with related parties
- (f) Scrutiny of inter-corporate loans and investments
- (g) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (h) Evaluation of internal financial controls and risk management systems;
- (i) Monitoring the end use of funds raised through public offers and related matters;
- (j) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (l) 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;
- (m) Discussion with internal auditors of any significant findings and follow up thereon;

- (n) 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;
- (o) 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;
- (p) 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);
- (q) Approval of appointment of Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. Of the candidate;
- (r) Reviewing the Management discussion and analysis of financial condition and results of operations;
- (s) Reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (t) Reviewing the Internal audit reports relating to internal control weaknesses;
- (u) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (v) Reviewing the functioning of the Whistle Blower mechanism;
- (w) Reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
- (x) Establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, 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 victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:
- (y) 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 SEBI (LODR) Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated February 09, 2024.

The Company had reconstituted the stakeholders' relationship committee vide resolution passed in the meeting of Board of Directors in their meeting held on June 17, 2024. Presently, the Audit Committee of the Board of Directors of the Company comprises of following members:

Sr. No.	Name of Director	Designation
1.	Ms. Rachna Sandeep Luthra	Chairman, Independent Director
2.	Mr. Nishant Bali	Member, Independent Director
3.	Mr. Gurubaxsing Jamiatsing Bagga	Member, Non-Executive Director

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

**A. Tenure**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**B. Quorum and meetings of the Stakeholders Relationship Committee**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Stakeholder Relationship Committee shall meet at least at least one time in a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. Since the formation of the Stakeholders Relationship Committee, no Stakeholders Relationship Committee meetings have taken place.

**C. Terms of Reference**

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- 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 Act read with SEBI (LODR) Regulations.

**3. Nomination and Remuneration Committee**

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated 09<sup>th</sup> February, 2024.

The Company had reconstituted the Nomination and Remuneration Committee vide resolution passed in the meeting of Board of Directors in their meeting held on June 17, 2024. Presently, the Audit Committee of the Board of Directors of the Company comprises of following members:

Sr. No.	Name of Director	Designation
1.	Ms. Rachna Sandeep Luthra	Chairman, Independent Director
2.	Mr. Gurubaxsing Jamiatsing Bagga	Member, Non-Executive Director
3.	Mr. Nishant Bali	Member, Independent Director

The Compliance Officer or Chief Financial Officer of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**ii. Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**iii. Quorum and meetings of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the Nomination and Remuneration Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**iv. Terms of Reference:**

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- e. Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package;
- f. To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
- g. Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- h. Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

**KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following Key Managerial Personnel and Senior Management assist the management of our Company:

S. No.	Name, Designation, Qualification	Date of Joining	Age (Yrs)	Term of office with date of expiration of term	Details of service contracts including termination/retirement benefits	Experience (yrs)	Previous Employment
1	<b>Mr. Varghese Joseph Pottakerry</b> Designation: Managing Director Qualification: M.com	Original Appointment date: October 15, 2012 Appointment as MD: 28 <sup>th</sup> December, 2023	68 years	As per Company rules	NA	40 years	Chief Accountant of M/S Kanan Construction
2	<b>Mr. Manoj Gopinathan Pillai</b> Designation: Chief Financial Officer Qualification: Chartered Accountant	June 17, 2024	51 years	As per Company rules	NA	●]-	Independent Advisor
3	<b>Ms. Manishi Jain</b> Designation: company secretary Qualification: company secretary	20 <sup>th</sup> January, 2024	32 years	As per Company rules	NA	More than 3 years	NA

## **Brief Profile of Key Managerial Personnel and Senior Management**

### **Mr. Varghese Joseph Pottakerry, Managing Director**

Mr. Varghese Joseph Pottakerry (DIN: 02771578), aged 68 years, is a promoter and Managing Director of the company since its incorporation. He holds a Masters in Commerce from Mysore University. Previously, he served as Chief Accountant at M/s. Kanan Construction, Ahmedabad, and later became a partner from 1983 to 1993. With 7 years of employment experience and 33 years in the business sector, he started his career as a retailer of consumable products and moved into the metal industry in 1995. Since then, he has been associated with M/s MIT Iron and Steel Private Limited as a director since 2011, He has overall 28 years of experience in the metal industry.

Prior to his joining the Company, he was working as Chief Accountant at M/s. Kanan Construction, Ahmedabad. During the financial year 2022-23, he received salary of Rs. 4.8 Lakhs from the Company. Except as stated herein above, no salary, compensation or benefits in kind were granted by the Company to Mr. Varghese Joseph Pottakerry, Managing Director, during the financial year 2022-23.

### **Mr. Manoj Gopinathan Pillai, Chief Financial Officer**

Mr. Manoj Gopinathan Pillai, aged 51 years, is a qualified Chartered Accountant. He has overall experience of over ----- years. Prior to joining our Company, he was working as an Independent Advisor and was engaged in providing services such as debt syndication for RE business, strategy for RE projects, and other advisory activities for various business for their funding needs. Further, he has worked as the Senior Vice President in the corporate banking department & handling the portfolio of real estate..

No Salary, compensation or benefits in kind were granted or paid by the Company to Mr. Manoj Gopinathan Pillai, Chief Financial Officer, during the financial year 2022-23, as he was recently appointed as Chief Financial Officer of the Company.

### **Ms. Manishi Jain, Company Secretary**

Ms. Manishi Jain, aged 32 years, has been serving as the company Secretary of the Company since 20th January, 2024. She holds the designation of Associate Member of the Institute of Company Secretaries and brings with her more than 3 years of experience in areas such as the Companies Act 2013, SEBI LODR Regulations, and various other applicable acts in India. Before joining the Company, she held the position of Company Secretary at Tansy Paints India Private Limited.

No Salary, compensation or benefits in kind were granted or paid by the Company to Ms. Manishi Jain, Company Secretary, during the financial year 2022-23, as she was recently appointed as Company Secretary and Compliance Officer of the Company.

### **Details of any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a key managerial personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management have been selected pursuant to any arrangement or understanding with any major shareholders, customers, suppliers to our Company or others.

### **Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management**

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management which does not form part of their remuneration.

### Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

The Company does not have any bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management.

**All the Key Managerial Personnel and Senior Management as stated above are Permanent employees of the Company.**

### Shareholding of Key Managerial Personnel and Senior Management

Except as stated below, none of the Key Managerial Personnel and Senior Management have any shareholding in the Company:

Sr. No.	Name of the Shareholder	No. of Equity Shares
1	Mr. Varghese Joseph Pottakerry	20,85,744
2	Mr. Aftabhusen S Khandwawala	20,37,609
	<b>Total</b>	<b>41,23,353</b>

### Nature of any family relationship between any of the Key Managerial Personnel and Senior Management:

None of the Key Managerial Personnel and Senior Management are related to each other.

### Interests of Key Managerial Personnel and Senior Management

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Our Key Management Personnel may be deemed interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Key Management Personnel may be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

### Changes in the Key Management Personnel

The changes in the key management personnel in the last three years are as follows: The Company has appointed following person as KMP.

Sr. No.	Name of the KMP	Designation	Date of Appointment	Date of cessation
1.	Mr. Varghese Joseph Pottakerry	Managing Director	28 <sup>th</sup> December, 2023	-
2.	Mr. Aftabhusen S Khandwawala	Chief Financial Officer	27 <sup>th</sup> December, 2023	17 <sup>th</sup> June, 2024
3.	Ms. Manishi Jain	Company Secretary	20 <sup>th</sup> January, 2024	-
4.	Mr. Manoj Gopinathan Pillai	Chief Financial Officer	17 <sup>th</sup> June, 2024	-

### Employees

#### Employee Stock Option Scheme and Employee Stock Purchase Scheme

The Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

#### Other Benefits to the Officers of the Issuer Company

Except for the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

Our Promoters are Mr. Varghese Joseph Pottakerry, Mr. Aftabhusen S Khandwawala, Mr. Gurubaxsing Bagga and Mr. Sadik Nanabhai Qureshi.

For details of the build-up of our Promoters' shareholding in our Company, see the section titled "Capital Structure – Notes to Capital Structure" beginning on page 58 of this Draft Prospectus.

The details of the Promoters are as follows:

#### Mr. Varghese Joseph Pottakerry



<b>Date of Birth</b>	18-11-1955
<b>Age</b>	68 years
<b>Personal Address</b>	L-901, Iscon Platinum, 200 Ft. Ring Road, Bopal, Ahmedabad- 380058.
<b>Educational qualifications</b>	M.com
<b>Experience in Business or Employment</b>	He holds 7 years of employment experience and 33 years of experience in the business sector, and out of the above experience 28 years of experience is specifically in the metal industry.
<b>Positions or Posts held in past</b>	He has worked as Chief Accountant with the leading construction group M/S Kanan Construction of Ahmedabad and later worked as partner since 1983 to 1993. He had a business of consumable products as retailer in his earlier days, in 1995 he entered into metal industry.
<b>Designation</b>	Managing Director
<b>Directorship held</b>	Please refer to the section "Our Management" beginning on page 132 of this Draft Prospectus.
<b>Other ventures</b>	For details of other ventures, please refer to the sub-head "Promoter Group - Companies and entities" on page 154 of this Draft Prospectus.
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is currently Managing Director of M/s Kalana Ispat Limited.
<b>Permanent Account Number</b>	AAVPV3965A
<b>DIN</b>	02771578

**Profile:** Mr. Varghese Joseph Pottakerry (DIN: 02771578), aged 68 years, is a promoter and Managing Director of the Company. He has been an integral part of the Company since incorporation. He holds a Masters in Commerce from Mysore University. Previously, he served as Chief Accountant at M/s. Kanan Construction, Ahmedabad, and later became a partner from 1983 to 1993. With 7 years of employment experience and 33 years in the business sector, he started his career as a retailer of consumable products and moved into the metal industry in 1995. He is also on the Board of M/s MIT Iron and Steel Private Limited as a director since 2011. He has overall 28 years of experience in the metal industry.

Mr. Varghese Joseph Pottakerry holds 20,85,744 Equity Shares, representing 25.74% of the pre-issue share capital and 15.99% of the post-Issue share capital of the Company.

**DECLARATION:**

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number, Driving License Number, Passport Number and Bank Account Number of our Individual Promoters will be submitted to the Stock Exchange where the Equity Shares are proposed to be listed at the time of filing this Draft Prospectus.

**Mr. Aftabhusen S Khandwawala**



<b>Date of Birth</b>	09-07-1977
<b>Age</b>	46 years
<b>Personal Address</b>	A-4, Salomi Apartment, Navarangpura, Muslim Society, Ahmedabad, Gujarat, India - 380009
<b>Educational qualifications</b>	Senior Secondary
<b>Experience in Business or Employment</b>	Mr. Aftabhusen S Khandwawala has accumulated 26 years of experience in the business
<b>Positions or Posts held in past</b>	He underwent training as a Trainee at Sun Bright Industries in Ahmedabad, focusing on field marketing of chemical products for one year. Subsequently, he received training under a Professional Marketing Group and commenced trading metal scrap in collaboration with Mr. Varghese Joseph Pottakerry.
<b>Designation</b>	Executive Director
<b>Directorship held</b>	Please refer to the section "Our Management" beginning on page 132 of this Draft Prospectus.
<b>Other ventures</b>	For details of other ventures, please refer to the sub-head "Promoter Group - Companies and entities" on page 154 of this Draft Prospectus.
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is Executive Director of M/s Kalana Ispat Limited
<b>Permanent Account Number</b>	AFIPK8334A
<b>DIN</b>	02771726

**Profile:** Mr. Aftabhusen S Khandwawala (DIN: 02771726), aged 46 years, serves as a promoter and executive director of the company since its inception. With 26 years of overall experience in the metal industry, he initially focused on trading activities involving metal scrap suppliers until 2011. Subsequently, he transitioned into the manufacturing sector, with specific focus on manufacturing of M.S. Billets.

Mr. Aftabhusen S Khandwawala holds 20,37,609 Equity Shares, representing 25.15% of the pre-issue share capital and 15.62% of the post-Issue share capital of the Company.

**DECLARATION:**

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number, Driving License Number, Passport Number and Bank Account Number of our Individual Promoters will be submitted to the Stock Exchange where the Equity Shares are proposed to be listed at the time of filing this Draft Prospectus.

**Mr. Gurubaxsing Jamiatsing Bagga**



<b>Date of Birth</b>	17-06-1947
<b>Age</b>	76 years
<b>Personal Address</b>	Sardar bhawan, Khadayat Colony, Nr. Law Garden, Navrangpura, Ahmedabad - 380009
<b>Educational qualifications</b>	B.COM, LLB
<b>Experience in Business or Employment</b>	He possesses an extensive overall experience of 50 years, primarily as a veteran in the textile business for the entire duration. Additionally, he has over 12 years of expertise in the iron and steel industry and holds substantial knowledge in the real estate sector.
<b>Positions or Posts held in past</b>	Nil
<b>Designation</b>	Non-Executive Director
<b>Directorship held</b>	Please refer to the section "Our Management" beginning on page [●] of this Draft Prospectus.
<b>Other ventures</b>	For details of other ventures, please refer to the sub-head "Promoter Group - Companies and entities" on page 154 of this Draft Prospectus.
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	He is Non-Executive Director of M/s Kalana Ispat Limited
<b>Permanent Account Number</b>	AJDPB1422H
<b>DIN</b>	06391512

**Profile:** Gurubaxsing Jamiatsing Bagga, aged 76 years, serves as a promoter and non-executive director of the Company. He holds a Bachelor's degree in Commerce and is also a law graduate from Gujarat University. He is a seasoned professional in the textile business, with an extensive experience spanning over 50 years. Additionally, he possesses over 12 years of experience in the iron and steel industry and maintains a solid understanding of the real estate sector.

Mr. Gurubaxsing Jamiatsing Bagga holds 11,95,997 Equity Shares, representing 14.76% of the pre-issue share capital and 9.17% of the post-Issue share capital of the Company.

**DECLARATION:**

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number, Driving License Number, Passport Number and Bank Account Number of our Individual Promoters will be submitted to the Stock Exchange where the Equity Shares are proposed to be listed at the time of filing this Draft Prospectus.

**Mr. Sadik Nannabhai Qureshi**



<b>Date of Birth</b>	27-10-1976
<b>Age</b>	47 years
<b>Personal Address</b>	45-Shawashray Soceity, Haji bawa ni Kui, Sarkhej Road, Ahmedabad -380055
<b>Educational qualifications</b>	B.COM
<b>Experience in Business or Employment</b>	He has experience of over 22 years in business.
<b>Positions or Posts held in past</b>	He resigned from the Board of Kalana on 02 <sup>nd</sup> October, 2023, He was director at the board of Kalana since 2012
<b>Designation</b>	Promoter
<b>Directorship held</b>	Nil
<b>Other ventures</b>	For details of other ventures, please refer to the sub-head "Promoter Group - Companies and entities" on page 154 of this Draft Prospectus.
<b>Special Achievement</b>	Nil
<b>Business and Financial Activities</b>	Nil
<b>Permanent Account Number</b>	AABPQ8096M
<b>DIN</b>	06392296

**Profile:** Mr. Sadik Nannabhai Qureshi, aged 47 years, is the Promoter of our Company. He served as a director on the Board since incorporation but resigned on 02<sup>nd</sup> October, 2023. He has completed his bachelor in Commerce and has over 22 years of business experience. Since 1996, he has been involved in the retail business of finished steel products. He joined our Company in 2012 as a Promoter Director. He continues to be actively engaged in the retail business on a large scale.

Mr. Sadik Nannabhai Qureshi holds 13,81,784 Equity Shares, representing 17.06% of the pre-issue share capital and 10.59% of the post-Issue share capital of the Company.

**DECLARATION:**

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number, Driving License Number, Passport Number and Bank Account Number of our Individual Promoters will be submitted to the Stock Exchange where the Equity Shares are proposed to be listed at the time of filing this Draft Prospectus.

**CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

**EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter "Our Management" beginning on page [●] of this Draft Prospectus.

**INTERESTS OF OUR PROMOTERS**

**Interest in the promotion and Shareholding of the Company**

Our Promoter are interested in our Company to the extent that of promotion our Company, and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. As of the date of this Draft Prospectus, our Promoters hold an aggregate of 67,01,134 Equity Shares, aggregating to 82.72% of the pre-Issue capital, subscribed and paid-up Equity Share capital of our Company.

For details of Equity Shares held by our Promoters, please refer to paragraph titled '*Notes to Capital Structure*' under the section titled '*Capital Structure*' beginning on page 58 of this Draft Prospectus.

Further, except as stated in this section titled '*Our Management*' and the section titled Restated Summary of Related Party Transactions' beginning on page 132 and 183 of this Draft Prospectus respectively and to the extent to remuneration received/ to be received by our Directors, none of our Directors any interest in the promotion of our Company.

#### **Interest in the property of Our Company**

Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of filing this Draft Prospectus or any property 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 in Section Financial Information on page 158 of this Draft Prospectus.

#### **Interest as Guarantor**

None of our Promoter have extended personal guarantees or collateral securities to the borrowing facilities availed by our Company.

#### **Interest as a director**

Mr. Varghese Joseph Pottakerry, Mr. Aftabhusen S Khandwawala, and Mr. Gurubaxsing Jamiatsing Bagga are interested as directors only to the extent of remuneration payable to them for their respective roles.

For further details, see '*Our Management*' beginning on page 132 of this Draft Prospectus.

#### **Business Interests**

Except as disclosed in this Draft Prospectus, the Promoters were interested as a member/partner of a firm or company, and a sum has been paid or agreed to be paid to the Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

For further details in relation to the same, please refer to the section titled '*Financial Information*', beginning on page 158 of this Draft Prospectus.

#### **Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years**

Except as stated in '*Financial Information*' beginning on page 158 of this Draft Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group since the incorporation of the Company.

#### **Material Guarantees given to Third Parties**

As on the date of this Draft Prospectus, none of our Promoters have given material guarantees to the third party (ies) with respect to the Equity Shares of our Company.

#### **Companies with which the Promoters has disassociated in the last three years**

None of our Promoter have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

#### **Other ventures of our Promoters:**

Save and except as disclosed in this section titled **“Our Promoters & Promoters Group”** beginning on page 148 of this Draft Prospectus, there are no other ventures, in which our Promoters have any business interests/ other interests.

#### **Related Party Transactions**

For details of related party transactions entered into by our Promoter, Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, please refer to “Statement of Related Party Transaction” chapter titled “Financial Statements” beginning on page 158 of this Draft 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.

#### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters, please refer to section titled ‘*Outstanding Litigations and Material Developments*’ beginning on page 210 of this Draft Prospectus.

#### **OUR PROMOTER GROUP**

##### **a) Natural Persons who are part of the Promoter Group:**

As per Regulation 2(1) (pp) (ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoters Group (due to their relationship with the Promoter) are as follows:

<b>Relationship</b>	<b>Mr. Varghese Joseph Pottakerry</b>	<b>Mr. Aftabhusen S Khandwawala</b>	<b>Mr. Gurubaxsing Jamiatsing Bagga</b>	<b>Mr. Sadik Nannabhai Qureshi</b>
Spouse	Mrs. Meena Varghese Pottakerry	Mrs. Pashmin Aftab Khandwawala	Mrs. Swarnakaur Gurubaxsing Bagga	Mrs. Shabnam Sadik Qureshi
Father	Late Joseph Ouseph Pottakerry	Mr. Shabbirhusien S Khandwawala	Late Jamiatsing Shyamsing Bagga	Mr. Nannabhai Azizbhai Qureshi
Mother	Late Elisa Joseph Pottakerry	Mrs. Alkaben S Khandwawala	Late Veerkaur Jamiatsing Bagga	Mrs. Nasrinben Qureshi
Brother	Mr. Thomas Joseph Pottakerry Mr. Babu Joseph Pottakerry	-	-	Mr. Zakir Nannabhai Qureshi; Mr. Asif Nannabha Qureshi
Sister	Ms. Laly Thomas; Ms. Achamma Mathai; Ms. Tresa David	Ms. Samira Mertiya	-	-
Son(s)	-	Mr. Rohan Aftab Khandwawala; Mr. Rahil Aftab Khandwawala	Mr. Ramindersingh Gurubaxsing Bagga	-
Daughter(s)	Ms. Riya Varghese; Ms. Reenu Varghese	-	Ms. Pashmin Aftab Khandwawala	-
Spouse's Father	Late Joseph Vareet	Mr. Gurubaxsing Jamiatsing Bagga	Mr. Harbans Singh Chawla	Late Saabir Bhai Nazir Bhai Qureshi
Spouse's Mother	Late Rossy Joseph	Mrs. Swarnakaur Gurubaxsing Bagga	Late Amrit Kaur Chawla	Late Najrin Sabbir Bahi Quershi
Spouse's Brother(s)	Mr. Jose; Mr. Anson; Mr. George Joseph	Mr. Raminder Singh Gurubaxsing Bagga	Mr. Paramjeet Singh	-
Spouse's Sister(s)	-	-	Ms. Manjeet Kaur R Chabda	Ms. Shahenajbanu Qureshi

##### **b) Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any body corporate in which Promoter or Immediate relative or a firm/ HUF in which core promoter or immediate relative is partner/ proprietor holds individually or collectively 20% shareholding and more.	<ul style="list-style-type: none"> <li>• Mit Iron and Steel Pvt. Ltd.</li> <li>• Mika Steel And Alloys LLP</li> <li>• Mit Developers (Partnership Firm)</li> <li>• Seebat Developers (Partnership Firm)</li> </ul>
Any body corporate in which a body corporate mentioned above holds 20% or more of the total shareholding.	NA
Any HUF / Firm in which Core Promoter or Immediate relative holds individually or collectively 20% stake and more.	Nil

**c) Other persons included in Promoter Group**

Person also forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018 – Nil

**UNDERTAKING/CONFIRMATION**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Our Promoters, members of our Promoter Group, and relatives of our Promoters have confirmed that they have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.
- None of our Promoters and members of the Promoter Group are a Fugitive Economic Offender.
- Neither our Promoters nor members of our Promoter Group or any persons in control have been debarred or restricted from accessing the capital markets for any reason, by SEBI or any other authorities. Our Promoters are not, nor have been promoter, director or person in control of any company, which is debarred or restricted from accessing the capital markets for any reason, by SEBI or any other authorities.
- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 210 of this Draft Prospectus.
- None of our Promoters person in control of our Company are or have ever been promoters, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

## GROUP ENTITIES OF OUR COMPANY

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated February 09, 2024 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfils both the below mentioned conditions: -

- i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations;

**Based on the above, the following company is identified as our Group company:**

MIT Iron and Steel Private Limited

### Details of MIT Iron and Steel Private Limited

Mit Iron and Steel Private Limited was originally incorporated on 09 September, 2005 under the Companies Act, 1956 pursuant to the certificate of registration issued by the Registrar of Companies, Ahmedabad. The CIN of "MIT Iron and Steel Private Limited" is U27100GJ2005PTC046745.

<b>CIN</b>	U27100GJ2005PTC046745
<b>PAN</b>	AAECM3894K
<b>Registered Office</b>	504, Ashwamegh Avenue, 5 <sup>th</sup> floor Nr Mithakhali Underbridge, Mithkhali, Ahmedabad, Gujarat, India - 380009
<b>Current Nature of Activities/Business Activities</b>	Currently engaged in the business of Iron & Steel.

### Board of Directors:

As on date of this Draft Prospectus, the following are the Board of Directors of the Mit Iron and Steel Private Limited:

Sr. No.	Name of Director	Designation	DIN
1.	Varghese Joseph Pottakerry	Director	02771578
2.	Aftabhusen S Khandwawala	Director	02771726

### Capital Structure

As on the date of this Draft Prospectus, the authorised share capital of the company is ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of company is ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10 each.

### Financial Information:

The summary of financial performance for the last three financial years are as follow:

(in thousands)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Reserves & Surplus	38,123.19	33,737.20	29,579.27
Revenue from Operations	1,02,657.05	1,70,679.27	3,83,264.16
Profit/ (Loss) after tax	4385.99	4157.93	2,863.74
Earnings Per Share	2.19	2.08	1.43
Diluted Earnings Per Share	2.19	2.08	1.43
Net asset value	58,123.19	53,737.20	49,579.27

### Litigations

Except as mentioned under the chapter Outstanding Litigation and Material Developments, our Group Companies does not have any pending litigation which can have any material impact on our Company.

### **Common pursuits among Group Companies**

MIT Iron and Steel Private Limited is engaged in the same and / or similar line of business / industry in which our Company operates and could offer services that are related to the business of our Company. Our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. For further details, see “Risk Factor” beginning on page 27 of this draft prospectus.

### **Nature and extent of interest of our Group Companies**

**a) Interest in the promotion of our Company**

Our Group company does not have any interest in the promotion of our Company.

**b) Interest in the property acquired or proposed to be acquired by the Company**

Our Group company is not interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

**c) Interest in transactions for acquisition of land, construction of building, or supply of machinery**

Our Group company is not interested directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

### **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “Financial Information –Related Party Transactions” on page 183 of this draft prospectus, there are no related business transactions between the Group Company and our Company.

### **Business interest of our Group Companies in our Company**

Except as disclosed in the section “Financial Information –Related Party Transactions” and “History and Corporate Structure” on page 183 of this draft prospectus and page 129 of this draft prospectus, our Group Company has no business interests in our Company.

### **Other confirmations**

- a) Our Group Company has not made any public and/ or rights issue of securities (as defined under the SEBI ICDR Regulations) in the preceding three years.
- b) Our Group Company is not in defaults in meeting any Statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against our Group Company.
- c) Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

### **Undertaking/ Confirmations by our Group Company**

None of our Promoters or Promoter Group or Group companies or person in control of our Company has been:

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoter (as defined under the Companies Act) nor our Group companies /Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e., <https://kalanaispat.com/>.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the Shareholders. Under the Companies Act, 2013, dividends may be paid out of the profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Further, in case of an offer for sale, dividends, if any, declared by our Company after the date of allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the offer for sale, for the entire year, in accordance with applicable law.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal.

Dividends are payable within thirty days of approval by the Equity Shareholders at the annual general meeting of our Company and in case of interim dividend within thirty days of declaration by the Board of Directors. When a dividend is declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

**SECTION IX FINANCIAL INFORMATION**  
**FINANCIAL STATEMENT AS RESTATED**

To,  
The Board of Directors of,  
**Kalana Ispat Limited (formerly known as Kalana Ispat Private Limited)**  
504, Ashwamegh Avenue,  
5<sup>th</sup> Floor, Nr. Mithakhali Under-bridge,  
Mithakhali, Ahmedabad - 380009  
Gujarat

Dear Sir,

Reference: - Proposed Public Issue of Equity Shares of **Kalana Ispat Limited**

1. We have examined the attached Restated Financial Statements of **Kalana Ispat Limited (formerly known as Kalana Ispat Private Limited)** ("Company") comprising the Restated Standalone Financial Statements of the Company constituting Restated Standalone Statement of Assets and Liabilities as at 31<sup>st</sup> December 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, the Restated Standalone Statements of Profit and Loss and the Restated Standalone Cash Flow Statement for the period ended 31<sup>st</sup> December 2023 and for the year ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 and the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Standalone Financial Statement"), as approved by the Board of Directors of the Company at their meeting held on 14<sup>th</sup> April, 2024 for the purpose of inclusion in the Draft Prospectus/Prospectus ("Draft Prospectus/Prospectus") 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 and 32 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").
2. The Company's Board of Directors is responsible for the preparation of the Restated financial statement for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, in connection with the proposed SME IPO. The Restated financial statement has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated financial statement. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated financial statement. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, **DINESH R THAKKAR & Co.** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds the peer review certificate dated 15/10/2020 valid till 30/09/2024.
4. We have examined such Restated standalone financial statement taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 12/02/2024 in connection with the proposed SME IPO of equity shares of the Company;
  - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated financial statement; and

- d) The requirements of Section 26 and 32 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 SME IPO.

5. These Restated Standalone Financial Statement have been compiled by the management of the company from:
- a) Audited interim Standalone financial statements of the company as at and for the nine-month period ended 31st December, 2023 prepared in accordance with Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 14<sup>th</sup> April, 2024.
- b) Audited standalone financial statements of the company as at and for the year ended 31st March 2023, 31st March 2022 and 31st March 2021 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 14<sup>th</sup> April, 2024.
6. We have audited the standalone financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with the Accounting Standard for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated 14<sup>th</sup> April, 2024 on these standalone financial statement to the Board of Directors who have approved these in their meeting held on 14<sup>th</sup> April, 2024.
7. For the purpose of our examination, we have relied on:
- a) Auditors' report issued by us on interim standalone financial statements of the company as at and for the nine-month period ended 31<sup>st</sup> December, 2023 and reaudited by us as at and for the year ended March 31, 2023.
- b) Auditors' Report issued by the Previous Auditors on the standalone financial statements of the company as at and for the years ended March 31, 2022 and 2021.
8. Based on our examination and according to the information and explanations given to us, we report that the Restated standalone financial statement have been prepared:
- a) after incorporating adjustments for the changes in accounting policies, material error and regrouping/reclassifications retrospectively, if any, as at 31<sup>st</sup> December 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine-month period ended 31<sup>st</sup> December, 2023; and
- b) There are no qualifications in the auditors' reports on the standalone financial statements of as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and interim standalone financial statements of the company as at and for the nine-month period ended 31st December, 2023, which require any adjustments to the Restated Standalone financial Statements.
- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have also examined the following Notes to the Restated standalone financial statement of the company set out in the Annexure V, prepared by the management and approved by the Board of Directors on 14<sup>th</sup> April, 2024 for the period ended 31<sup>st</sup> December, 2023 and for the year ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

**Annexure V - Notes to the Restated Standalone Summary Financial Information;**

- i. Restated Statement of Share Capital as appearing in Note 1 to this report;
- ii. Restated Statement of Reserves and Surplus as appearing in Note 2 to this report;

- iii. Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note 3 to this report;
- iv. Restated Statement of Long term provision as appearing in Note 4 to this report;
- v. Restated Statement of Short term borrowings as appearing in Note 5 to this report;
- vi. Restated Statement of Trade Payables as appearing in Note 6 to this report;
- vii. Restated Statement of Other Current Liabilities as appearing in Note 7 to this report;
- viii. Restated Statement of Short Term Provisions as appearing in Note 8 to this report;
- ix. Restated Statement of Property, Plant and Equipment as appearing in Note 9 to this report;
- x. Restated Statement of Inventories as appearing in Note 10 to this report;
- xi. Restated Statement of Trade Receivables as appearing in Note 11 to this report;
- xii. Restated Statement of Cash and Cash Equivalents as appearing in Note 12 to this report;
- xiii. Restated Statement of Other Current Assets as appearing in Note 13 to this report;
- xiv. Restated Statement of Revenue from Operations as appearing in Note 14 to this report;
- xv. Restated Statement of Other Income as appearing in Note 15 to this report;
- xvi. Restated Statement of Cost of Material & Consumable Consumed & Purchases of Stock-in-Trade as appearing in Note 16 to this report;
- xvii. Restated Statement of Change in Inventories as appearing in Note 17 to this report;
- xviii. Restated Statement of Employee Benefit Expenses as appearing in Note 18 to this report;
- xix. Restated Statement of Finance Cost as appearing in Note 19 to this report;
- xx. Restated Statement of Depreciation Expenses as appearing in Note 20 to this report;
- xxi. Restated Statement of Other Expenses as appearing in Note 21 to this report;
- xxii. Restated Statement of Earnings per equity share as appearing in Note 22 to this report;
- xxiii. Restated Statement of Value of imports on CIF basis in respect of as appearing in Note 23 to this report;
- xxiv. Restated Statement of Contingent Liabilities as appearing in Note 24 to this report;
- xxv. Restated Statement of Related Party Transactions as appearing in Note 25 to this report;
- xxvi. Restated Statement of Tax Shelter as appearing in Annexure XVII Note 26 to this report;
- xxvii. Restated Statement of Capitalisation Statement as appearing in Note 27 to this report;
- xxviii. Restated Statement of Mandatory Accounting Ratios as appearing in Annexure XV Note 28 to this report;

10. We have not audited any financial statements of the company as of any date or for any period subsequent to 31<sup>st</sup> December, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows of the company as of any date or for any period subsequent to 31<sup>st</sup> December, 2023.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or previous auditors, 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 Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies in connection with the proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**FOR, DINESH R. THAKKAR & CO.**

**CHARTERED ACCOUNTANTS**

**FRN: 102612W**

**DINESH R. THAKKAR**

**(PARTNER)**

**M NO. 038216**

**Peer Review Certificate No.: 012422**

**UDIN: 24038216BKEEKW4782**

**Place: Ahmedabad**

**Date: 14.04.2024**

**Annexure I - Restated Standalone Statement of Assets and Liabilities of KALANA ISPAT LIMITED**
**(₹ in Lakhs)**

Particulars	Annexures Notes	As at			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>I. Equity and Liabilities</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	Annexure V, Note 1	810.12	100.00	100.00	100.00
(b) Reserve & Surplus	Annexure V, Note 2	210.27	341.94	291.65	276.19
<b>(2) Non Current Liabilities</b>					
(a) Deferred Tax Liabilities (Net)	Annexure V, Note 3	38.02	39.19	39.78	40.68
(b) Long Term Provisions	Annexure V, Note 4	5.13	5.81	6.31	4.33
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	Annexure V, Note 5	246.42	861.79	260.57	262.93
(b) Trade Payables					
(i) outstanding dues of micro enterprises and small enterprises;	Annexure V, Note 6	40.37	-	-	-
(ii) outstanding dues of other than micro enterprises and small enterprises.	Annexure V, Note 6	12.01	226.82	519.55	584.29
(c) Other Current Liabilities	Annexure V, Note 7	42.07	9.09	25.68	41.16
(d) Short Term Provisions	Annexure V, Note 8	55.18	32.83	23.38	21.13
<b>Total</b>		<b>1,459.58</b>	<b>1,617.46</b>	<b>1,266.93</b>	<b>1,330.70</b>
<b>II. Assets</b>					
<b>(1) Non-current Assets</b>					
<b>(a) Property, Plant and Equipment:</b>					
Property, Plant and Equipment	Annexure V, Note 9				
(i) Gross Block		668.18	666.49	639.08	639.08
(ii) Depreciation		289.12	262.11	227.08	188.81
(iii) Net Block		379.07	404.38	412.00	450.27
<b>(2) Current Assets</b>					
(a) Inventories	Annexure V, Note 10	451.95	864.33	364.09	209.78
(b) Trade Receivables	Annexure V, Note 11	176.98	128.49	165.78	183.36
(c) Cash and Cash Equivalents	Annexure V, Note 12	84.05	137.84	80.71	328.66
(d) Other Current Assets	Annexure V, Note 13	367.54	82.43	244.35	158.63
<b>Total</b>		<b>1,459.58</b>	<b>1,617.46</b>	<b>1,266.93</b>	<b>1,330.70</b>

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V. See accompanying notes to the restated financial information.

**Annexure II - Restated Standalone Statement of Profit and Loss of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	Annexures / Notes	For the period/year ended			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>					
Revenue from Operations	Annexure V, Note 14	4,628.87	8,303.86	5,774.88	4,286.44
Other Income	Annexure V, Note 15	8.21	32.01	18.43	11.62
<b>Total Income</b>		<b>4,637.07</b>	<b>8,335.87</b>	<b>5,793.32</b>	<b>4,298.06</b>
<b>Expenses</b>					
Cost of Material & Consumable Consumed	Annexure V, Note 16	3,125.51	5,263.00	4,888.75	3,344.88
Purchases of Stock-in-Trade	Annexure V, Note 16	567.24	2,033.19	299.68	178.98
Change in inventories of finished goods & Traded Goods	Annexure V, Note 17	45.90	89.26	-88.26	107.62
Employee Benefit Expenses	Annexure V, Note 18	33.00	48.90	34.73	30.73
Finance Costs	Annexure V, Note 19	29.18	55.66	25.82	16.28
Depreciation Expenses	Annexure V, Note 20	27.01	35.03	38.27	39.41
Other Expenses	Annexure V, Note 21	576.53	743.00	575.40	556.90
<b>Total Expenses</b>		<b>4,404.38</b>	<b>8,268.04</b>	<b>5,774.41</b>	<b>4,274.80</b>
<b>Profit before Tax and exceptional items</b>		<b>232.70</b>	<b>67.83</b>	<b>18.91</b>	<b>23.26</b>
Exceptional Items		-	-	-	-
<b>Net Profit before Tax</b>		<b>232.70</b>	<b>67.83</b>	<b>18.91</b>	<b>23.26</b>
<b>Less: Provision for Taxes</b>					
Current Tax		(61.32)	(18.11)	(4.27)	(6.11)
Deferred Tax (Expense) / Income		1.17	0.58	0.90	(3.08)
Earlier Years Income Tax W/off		0.72	(0.02)	(0.08)	(0.19)
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>		<b>173.27</b>	<b>50.29</b>	<b>15.45</b>	<b>13.87</b>
Extra Ordinary Items		-	-	-	-
<b>Net Profit after Tax</b>		<b>173.27</b>	<b>50.29</b>	<b>15.45</b>	<b>13.87</b>
<b>Earnings per equity share</b>					
<b>Basic, computed on the basis of Restated Profit/(loss) attributable to equity</b>					
Equity shares, Nominal value of Rs 10 each	Annexure V, Note 22	2.26	5.03	1.55	1.39
<b>Diluted, computed on the basis of Restated Profit/(loss) attributable to equity</b>					
Equity shares, Nominal value of Rs 10 each		2.26	5.03	1.55	1.39
The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure IV and Notes to the Restated Financial Information appearing in Annexure V. See accompanying notes to the restated financial information.					



Annexure III - Restated Standalone Statement of Cash Flows of KALANA ISPAT LIMITED				
(₹ in Lakhs)				
Particulars	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxes	232.70	67.83	18.91	23.26
<b>Adjustment for:</b>				
Add: Depreciation	27.01	35.03	38.27	39.41
Add: Interest & Finance Charges	29.18	55.66	25.82	16.28
Less: Interest Income	(1.12)	(6.53)	(4.56)	(5.74)
Less: Earlier Year Income Tax Written Off	0.72	(0.02)	(0.08)	(0.19)
<b>Operating Profit before Working capital changes</b>	<b>288.49</b>	<b>151.98</b>	<b>78.35</b>	<b>73.01</b>
<b>Adjustments for:</b>				
Decrease (Increase) in Trade & Other Receivables	(48.49)	37.29	17.58	7.56
Decrease (Increase) in Inventories of Finished Goods, Stock-in-Trade	412.38	(500.23)	(154.31)	254.98
Decrease (Increase) in Other Current Assets (Excluding Advance Tax and TDS)	(278.02)	162.09	(85.72)	108.07
Increase (Decrease) in Trade Payables	(174.44)	(292.73)	(64.74)	(201.37)
Increase (Decrease) in Other Current Liabilities	(6.67)	(25.77)	(15.50)	(15.46)
<b>Net Changes in Working Capital</b>	<b>(95.24)</b>	<b>(619.35)</b>	<b>(302.70)</b>	<b>153.77</b>
<b>Cash Generated from Operations</b>	<b>193.25</b>	<b>(467.38)</b>	<b>(224.34)</b>	<b>226.79</b>
Less: Taxes Paid	(7.09)	(0.17)	-	(3.00)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>186.16</b>	<b>(467.55)</b>	<b>(224.34)</b>	<b>223.79</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale / (Purchase) of Property, Plant & equipments	(1.70)	(27.41)	-	-
Subsidy received for Plant & Machinery	-	-	-	15.00
Interest Income	1.12	6.53	4.56	5.74
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(0.58)</b>	<b>(20.88)</b>	<b>4.56</b>	<b>20.74</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-
Interest & Finance Charges	(29.18)	(55.66)	(25.82)	(16.28)
Increase / (Repayment) of Long Term Borrowings	-	-	-	(45.00)
Increase / (Repayment) of Short Term Borrowings	(615.37)	601.22	(2.35)	82.30
Issue proceeds of Equity share capital	50.02	-	-	-
Securities Premium	355.16	-	-	-
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(239.38)</b>	<b>545.56</b>	<b>(28.17)</b>	<b>21.02</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(53.79)	57.13	(247.95)	265.55
Cash and cash equivalents at the beginning of the year / Period	137.84	80.71	328.66	63.11
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>84.05</b>	<b>137.84</b>	<b>80.71</b>	<b>328.66</b>
Notes:				
1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.				
2)The above statement should be read with the Basis of Preparation and Significant Accounting Policies, appearing in Annexure IV and Notes to the Restated Financial				

## ANNEXURE – IV, Note 26

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED STANDALONE FINANCIAL STATEMENT

#### A. COMPANY OVERVIEW

**KALANA ISPAT LIMITED (formerly known as Kalana Ispat Private Limited)** (the “Company”) was incorporated on 15<sup>th</sup> October, 2012 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad. The Company’s registered office is situated at 504(5<sup>th</sup> Floor), Ashwamegh Avenue, Nr. Mithakhali Under bridge, Mithakhali, Ahmedabad - 380009.

The company is primarily involved in the manufacturing & dealing in casting, moulding, trading of steel, iron products and sale of service (Job work).

The company is converted from private limited into public limited company w.e.f. 21st December, 2023.

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENT:-

The Restated Standalone Financial Statements comprises of:

- a) The Restated Standalone Statement of Assets and Liabilities (Annexure I) as at 31st December 2023, the Restated Standalone Statement of Profit and Loss (Annexure II) for the period ended 31st December 2023 and the Restated Standalone Statement of Cash Flows (Annexure III) for the period ended 31st December 2023 and the summary of significant accounting policies and explanatory notes;
- b) Restated Standalone Statement of Assets and Liabilities (Annexure I) as at 31st March 2023, 31st March 2022 and 31st March 2021, Restated Standalone Statement of Profit and Loss (Annexure II) and the Restated Standalone Statement of Cash Flows (Annexure III) for the year ended 31st March 2023, 31st March 2022 and 31st March 2021 and the summary of significant accounting policies and explanatory notes.

The paragraph (a) and (b) above are collectively referred to as the 'Restated Standalone Financial Statements'.

These Restated Standalone Financial Statements have been prepared by the management 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").

These Restated Standalone Financial Information have been compiled by the management of the company from:

14. Audited interim Standalone financial statements of the company as at and for the nine month period ended 31st December, 2023 prepared in accordance with Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
15. Audited standalone financial statements of the company as at and for the year ended 31st March 2023, 2022, 2021 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
16. The financial statements of the Company for the period ended 31<sup>st</sup> December, 2023 has been audited by us and Reaudited for the year ended 31<sup>st</sup> March 2023. The financial statements of the Company for the year ended 31<sup>st</sup> March 2022, 2021 has been audited by previous auditor.

## **2. USE OF ESTIMATES:-**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

## **3. ACCOUNTING CONVENTION:-**

The Financial Statements have been on accrual basis under the historical cost convention and going concern basis. The accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## **4. PROPERTY, PLANT & EQUIPMENTS:-**

Property, Plants & Equipments are stated at historical cost less accumulated depreciation. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Input tax credit of GST, Grants on capital goods are accounted for by reducing the cost of Capital

Goods.

Subsequent expenditures relating to property, plant & equipment are capitalised only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the expenditure can be measured reliably. Repairs and Maintenance costs are recognised in the Statement of Profit and Loss when they are incurred.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

#### **5. DEPRECIATION :-**

Depreciation on property, plant and equipment has been provided under Straight Line method over the useful life of assets estimated by the management which is in line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged. Depreciation method, useful life & residual value are reviewed periodically.

#### **6. REVENUE RECOGNITION :-**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### **Sale of goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

##### **Income from services**

Revenue from services is recognized when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

##### **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **7. INVENTORIES :-**

Raw Materials have been valued at lower of cost or net realizable value. Cost is determined on FIFO basis. Cost of Finished Goods includes all Costs of Purchases, Conversion Cost and other cost Incurred in bringing the inventories to their present location and Condition. The Net realizable value is estimated selling price in the ordinary course of business less the estimated costs of Completion and estimated cost necessary to make the finished goods/product ready for sale.

#### **8. INVESTMENT :-**

Investment which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-current 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. Provision for diminution, if any is made to recognize a decline, other than temporary, in the value of investments.

#### **9. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS :-**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. The Liability in respect of gratuity is recognized on the basis of actuarial valuation. Contributions made to the Recognized Provident Fund & Employee State Insurance Corporation are expensed to the Statement of Profit and Loss. The Company's obligation is limited to the amount to be contributed by it.

#### **10. BORROWING COSTS :-**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as

part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. In case of qualifying assets other than Inventories, capitalization under ICDS will cease only after its first put to use All other borrowing costs are charged to Statement of Profit and Loss.

#### **11. 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 or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### **12. TAXATION:-**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

#### **13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :-**

Provisions Involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements. However, Contingent assets are assessed continually and when it becomes reasonably certain that inflow of economic benefit will arise, the asset and related income are recognized in the previous year in which the change occurs.

#### **14. CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:-**

Events that occur between balance sheet date and date on which these are approved, might suggest the requirement for an adjustment(s) to the assets and the liabilities as at balance sheet date or might need disclosure. Adjustments are required to assets and liabilities for events which occur after balance sheet date which offer added information substantially affecting the determination of the amounts which relates to the conditions that existed at balance sheet date.

#### **15. IMPAIRMENT OF ASSETS :-**

An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows. An impairment loss is charged off to profit and loss account as and when asset is identified for impairment. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

#### **16. FOREIGN CURRENCY TRANSACTION :-**

- a) **Initial Recognition** : Foreign currency transaction, are recorded in the reporting Currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- c) **Conversion** : Foreign currency monetary items are reported using the closing rate.
- d) **Exchange Difference** : Exchange differences arising on the settlement of monetary items at rates different from those at which they are initially recorded during the year or reported in previous financial statement are recognized as income or as expenses at the end of year by applying closing rate.

## 17. EARNINGS PER SHARE :-

In determining earnings per share (EPS), the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary /exceptional item. In absence of any dilutive effect of equity shares the basic and diluted EPS are calculated on the same basis. The number of shares used in computing basic and diluted earnings per share is the weighted average number of shares outstanding during the period.

## 18. GOVERNMENT GRANTS :-

Government Grants are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants will be received.

Government grants whose primary conditions that company should purchase, construct or otherwise acquired capital assets are presented by deducting them from carrying value of assets.

Grants related to the revenue are adjusted against expenses to the extent there is certainty to receive.

## C. NOTES TO RESTATED STANDALONE FINANCIAL STATEMENTS:

### 1. EMPLOYEE BENEFITS :-

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

(Rs. In Lakhs)

Details of Gratuity Expenses	For the Period Ended	For the Year Ended		
	31 <sup>st</sup> December 2023	2022-23	2021-22	2020-21
<b>Profit and loss account for the period</b>				
Current service cost	1.07	1.50	1.29	4.44
Interest on obligation	0.37	0.44	0.29	-
Expected return on plan assets	-	-	-	-
Net actuarial loss/(gain)	(0.43)	(0.90)	0.51	-
Recognised Past Service Cost-Vested	-	-	-	-
Recognised Past Service Cost-Unvested	-	-	-	-
Loss/(gain) on curtailments and settlement	-	-	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>1.01</b>	<b>1.04</b>	<b>2.08</b>	<b>4.44</b>
Loss/(gain) on obligation	(0.43)	(0.90)	0.51	-
Loss/(gain) on assets	-	-	-	-
<b>Net actuarial loss/(gain)</b>	<b>(0.43)</b>	<b>(0.90)</b>	<b>0.51</b>	-
<b>Reconciliation of defined benefit obligation</b>				
Opening Defined Benefit Obligation	7.56	6.52	4.44	-
Transfer in/(out) obligation	-	1.50	-	-
Current service cost	1.07	0.44	1.29	4.44
Interest cost	0.37	-	0.29	-
Actuarial loss (gain)	(0.43)	(0.90)	0.51	-
Past service cost	-	-	-	-
Benefits paid	-	-	-	-
Prior year charge	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>8.57</b>	<b>7.56</b>	<b>6.52</b>	<b>4.44</b>
<b>Table of experience adjustments</b>				
Defined Benefit Obligation	8.57	7.56	6.52	4.44
Plan Assets	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>(8.57)</b>	<b>(7.56)</b>	<b>(6.52)</b>	<b>(4.44)</b>
Experience adjustments on plan liabilities				
Actuarial loss/(gain) due to change in financial assumptions	(0.46)	(0.57)	0.65	-
Actuarial loss/ (gain) due to change in demographic assumption	0.03	(0.32)	(0.14)	-
Experience adjustments on plan assets	-	-	-	-

<b>Net actuarial loss/ (gain) for the period/year</b>	<b>(0.43)</b>	<b>(0.90)</b>	<b>0.51</b>	<b>-</b>
<b>D. Reconciliation of plan assets</b>				
Opening value of plan assets	-	-	-	-
Transfer in/(out) plan assets	-	-	-	-
Expenses deducted from the fund	-	-	-	-
Expected return	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
<b>Closing value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Details of Gratuity Expenses</b>	<b>For the Period Ended</b>	<b>For the Year Ended</b>		
	<b>31<sup>st</sup> December 2023</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
<b>A. Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	7.56	6.52	4.44	-
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	1.01	1.04	2.08	4.44
Benefits paid by the Company	-	-	-	-
Contributions to plan assets	-	-	-	-
<b>Closing provision in books of accounts</b>	<b>8.57</b>	<b>7.56</b>	<b>6.52</b>	<b>4.44</b>
<b>B. Bifurcation of liability</b>				
Current Liability	3.44	1.75	0.21	0.11
Non-Current Liability	5.13	5.81	6.31	4.33
<b>Net Liability</b>	<b>8.57</b>	<b>7.56</b>	<b>6.52</b>	<b>4.44</b>
<b>C. Principle actuarial assumptions</b>				
Discount Rate	7.35%	7.40%	6.85%	6.55%
Expected Return on Plan Assets	NA	NA	NA	NA
Salary Escalation Rate	7.00%	7.00%	7.00%	7.00%
<b>Withdrawal Rates (p.a)</b>				
Age 25 & Below	10.00%	10.00%	10.00%	10.00%
25 to 35	8.00%	8.00%	8.00%	8.00%
35 to 45	6.00%	6.00%	6.00%	6.00%
45 to 55	4.00%	4.00%	4.00%	4.00%
55 & above	2.00%	2.00%	2.00%	2.00%
Expected Return on Plan Assets	NA	NA	NA	NA

## 2. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is usually reported in the notes to Restated Standalone Financial restatements when there is a possible obligation that may, require an outflow of the Company's resources. Details of contingent liabilities for the restated period are as under:

<b>Contingent liabilities (to the extent not provided for)</b>	<b>(₹ in Lakhs)</b>			
	<b>For the period/year ended</b>			
	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
VAT Related Litigation	42.52	42.52	42.52	42.52
Bank Guarantee for UGVCL Connection	73.27	60.82	54.76	54.76
<b>Total</b>	<b>115.79</b>	<b>103.35</b>	<b>97.28</b>	<b>97.28</b>

### 3. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The amount due to Micro, small and medium enterprise in the "Micro, small and medium Enterprise Development Act,2006"(MSMED)has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosures relating to micro and small enterprises is as below:

(Rs. In Lakhs)

Trade Payables	As at 31st December,2023	As at 31st March,2023	As at 31st March,2022	As at 31st March,2021
(a) the principal amount remaining unpaid to any supplier at the end of each accounting period/ year;	40.36	-	-	-
Interest amount due thereon remaining unpaid to any supplier at the end of each accounting period/year	NA	Nil	Nil	Nil
(b) the amount of interest paid by the buyer(Company) in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NA	Nil	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NA	Nil	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accountang year; and	NA	Nil	Nil	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NA	Nil	Nil	Nil

4. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note 25 of the enclosed Restated financial statements.

5. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Rs. in lakhs)

Particulars	For the Period Ended	For the Year Ended		
	31st December 2023	2022-23	2021-22	2020-21
Opening Balance of Deferred Tax (Asset) / Liability (A)	39.19	39.78	40.68	37.59

Particulars	For the Period Ended	For the Year Ended		
	31st December 2023	2022-23	2021-22	2020-21
DTA/(DTL) on timing Difference in Depreciation as per Companies Act and Income Tax Act	-0.92	-0.32	-0.37	0.86
DTA /( DTL) on timing Differences due to Gratuity Provision	-0.25	-0.26	-0.52	-1.12
(DTA) / DTL on account of Transitional Difference	-	-	-	3.34
Closing Balance of Deferred Tax (Asset) / Liability (B)	38.02	39.19	39.78	40.68
<b>Net Deferred Tax Asset/(Liability)</b>	<b>-1.17</b>	<b>-0.58</b>	<b>-0.90</b>	<b>3.08</b>

**6. Directors' Remuneration:**

(Rs. in lakhs)

Particulars	For the Period Ended	For the Year Ended		
	31st December 2023	2022-23	2021-22	2020-21
Directors' Remuneration	1.00	4.80	-	-
<b>Total</b>	<b>1.00</b>	<b>4.80</b>	<b>-</b>	<b>-</b>

**7. Auditors' Remuneration:**

(Rs. in Lakhs)

Particulars	For Period Ended	For the Year Ended		
	31 <sup>st</sup> December 2023	2022-23	2021-22	2020-21
<b>a. As Auditors</b>				
1. Statutory Audit Fees	1.50	0.45	0.30	0.75
2. Tax Audit Fees	0.00	0.20	0.20	0.25
<b>Total</b>	<b>1.50</b>	<b>0.65</b>	<b>0.50</b>	<b>1.00</b>

**8. Earnings per Share:**

(Amt. Rs. in Lakhs, except EPS)

Particulars	For the Period Ended	For the Year Ended		
	31 <sup>st</sup> December 2023	2022-23	2021-22	2020-21
A. Total Number of equity shares outstanding at the end of the year/Period (Nos.)	81,01,185	10,00,000	10,00,000	10,00,000
B. Weighted average number of equity shares outstanding during the year/period (Nos.)	76,71,025	10,00,000	10,00,000	10,00,000
C. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as Restated) (Rs.)	173.27	50.29	15.45	13.87
D. Restated Basic and Diluted earnings per share (Rs.)	2.26	5.03	1.55	1.39

9. Previous year figures have been regrouped / reclassified, wherever necessary, to correspond with current year classification.

10. The adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

11. Certain balances of trade payables, trade receivables, loans and advance are subject to confirmation and adjustment if any will be made on receipt of the same.

## 12. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

## 13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

## 14. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest Lakhs. Figures in brackets indicate negative values.

## 15. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There has been no audit qualifications/observations in Statutory Auditor's Report for the period ended 31.12.2023, F.Y. 2020-21, 2021-22 and 2022-23 which requires adjustments in Restated Standalone Financial statements.

## 16. Material Adjustments

Appropriate adjustments have been made in the Restated Standalone Financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule III of Companies Act and Accounting Standards issued by ICAI.

## 17. Statement of Adjustments in the financial statements is presented here below:

### RECONCILIATION OF RESTATED PROFIT:

(Rs. In Lakhs)

Adjustments for	For the Period Ended	For the Year Ended		
	31 <sup>st</sup> December, 2023	2022-23	2021-22	2020-21
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	171.58	50.29	14.36	20.02
<b>Adjustments for:</b>				
Provision for gratuity	-	-	(0.95)	(4.44)
(Short)/excess Provision of deferred tax	1.69	-	0.51	(2.20)
(Short)/excess of Provision of tax	-	-	1.53	0.49
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>173.27</b>	<b>50.29</b>	<b>15.45</b>	<b>13.87</b>

Note:-

- The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits issued by ICAI.
18. The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:-

### RECONCILIATION OF EQUITY AND RESERVES:

(Rs. In Lakhs)

Particulars	For the Period Ended	For the Year Ended		
	31 <sup>st</sup> December, 2023	31-Mar-23	31-Mar-22	31-Mar-21
<b>Equity and Reserves as per Audited Balance sheet</b>	<b>1,018.37</b>	<b>447.00</b>	<b>396.71</b>	<b>382.35</b>
Adjustments for:				
Difference Due to Change in P&L	2.02	(5.06)	(5.06)	(6.15)
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>1,020.38</b>	<b>441.94</b>	<b>391.65</b>	<b>376.19</b>

## 19. Other Information:

- a) Purchase and Sales mentioned in the Financial Statement is Subject to Reconciliation / adjustments if any with GST Returns. GST Balance in the books of account is subject to reconciliation with GST Portal. ITC on account of credit balances Written off is subject to adjustment, if any.
- b) a. Contingent liability amounting Rs. 73.26/- Lakhs for bank guarantee issued to UGVCL as on reporting date.  
b. Contingent liability State tax – Gujarat (VAT) Liability amounting Rs 42,52,195/- for FY 2015-16 for which state officer has passed the order for the said demand dated 06.11.2020 against which the company has preferred first appeal, the said appeal is dismissed due to non deposit of Rs 7,25,000/-. Against this order company preferred Second Appeal , The said Appeal Authority have directed to remand back to First Appeal Authority on the payment of Rs 1,50,000/- and accordingly company has deposited the said amount. The disposal of the same matter at first Appeal is pending.
- c) The Company increased its Authorised Share Capital to Rs.13,50,00,000/-divided into 1,35,00,000 equity shares of Rs.10 each from Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10 each as per resolution dated 14th October,2023.
- d) The board of directors has passed special resolution at extra ordinary general meeting held on 28th November, 2023 regarding issue and allot 92,813 equity shares of Rs 10/- each at a premium of Rs. 71 each shares for pursuant to conversion of loan into equity consideration other than cash towards the unsecured loan taken.
- e) The company has allotted 4,07,407 equity shares of Rs.10 each by way of Right Issue in the ratio of 1:2 on 21st November, 2023 by passing board resolution.
- f) The company has allotted 66,00,965 equity shares of Rs.10 each by way of Bonus in the ratio of 88:20 on 30th November, 2023 by passing special resolution at extra ordinary general meeting.
- g) Income tax provision for the period ended on December 31,2023 amounting Rs. 61,23,000/-. Out of the said amount, advance tax paid including TDS /TCS Credit amount is Rs. 16,63,317/- as on balance sheet date.
- h) As explained by the management, during the current period ended on December 31,2023 , raw material burning loss in production is 3.17% due to improved quality of Raw material as compared to average 8.97% of last three years.
- i) Rate of Job charges/service income from Mika Steel & Alloys LLP, Enterprise under influence by Key Managerial Personnel, increased from Rs.300 per MT to Rs.1000 per MT retrospectively from April 1, 2023 by Issuing debit note on dated December 31,2023.

### Additional Regulatory Information

- The title deed of immovable property is disclosed in financial statements are held in the name of company.
- The company has not revalued its Property, Plant and Equipment during the year.
- During the period, the company has renewed and enhanced its credit facilities and total sanctioned amount of Rs 1070.00 Lakhs on the basis of security of current assets from the bank. In respect of quarterly returns filed by the company are in agreement with books of account of the company other than set out below:

(Rs. In Lakhs)

Name of the Bank	Type of Assets	Working Capital Limit Sanctioned	Balance outstanding as on Quarter Ended	Quarter Ended on	Amount as per Books of Account	Amount as per statement submitted to bank	Difference	Reason for Difference
The Federal Bank	Net Current Asset	300.00	35.73 (Credit Balance)	30.06.2023	505.30	471.52	33.79	Due to Reconciliation Of Sundry Debtors Creditors and stock.

Name of the Bank	Type of Assets	Working Capital Limit Sanctioned	Balance outstanding as on Quarter Ended	Quarter Ended on	Amount as per Books of Account	Amount as per statement submitted to bank	Difference	Reason for Difference
The Federal Bank	Net Current Asset	300.00	24.55 (Debit Balance)	30.09.2023	371.04	436.88	(65.84)	Due to Reconciliation Of Sundry Debtors Creditors and stock
The Federal Bank	Net Current Asset	300.00	159.24 (Credit Balance)	31.12.2023	1005.79	471.63	534.16	Due to Reconciliation Of Sundry Debtors Creditors and stock
The Federal Bank	Net Current Asset	300.00	109.27 (Credit Balance)	31.03.2023	767.51	651.70	115.81	Due to Reconciliation Of Sundry Debtors Creditors and stock valuation at the year end.
The Federal Bank	Net Current Asset	300.00	178.76 (Credit Balance)	31.03.2022	529.86	545.34	(15.48)	Reconciliation Of Sundry Debtors at year end and As per Valuation of stock at year end.

4. The company has granted loans or advances in the nature of loans without specifying any terms or period of repayment, the details thereof is as under:

(Rs. In Lakhs)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding As at			
	31 <sup>st</sup> December, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Related Parties	Nil	Nil	4.56/-	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>4.56/-</b>	<b>Nil</b>

Type of Borrower	% to the total Loans and Advances in the nature of loans As at			
	31 <sup>st</sup> December, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Related Parties	Nil	Nil	100.00%	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>100.00%</b>	<b>Nil</b>

5. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate beneficiaries) by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
6. No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
7. The company has not entered any transactions with struck off companies under section 248 of the companies Act, 2013 or section 560 of companies Act, 1956.
8. The company has complied with the requirement of registration of charges with Registrar of Companies.
9. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read

with Companies (Restriction on number of Layers) Rules, 2017.

10. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of companies Act, 2013.
11. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
12. The company has not availed any term loan during the year under audit. Further, the company has not been declared as a willful defaulter by any bank or financial institution or other lender.
13. The company is not covered under the provisions of section 135 of Companies Act, 2013.
14. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
15. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Annexure V - Notes to the Restated Standalone Financial Information				
(₹ in Lakhs)				
Annexure V, Note 1 - Share Capital	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Authorised Share Capital:</b> Equity Shares of ₹ 10/- each*	1,350.00	100.00	100.00	100.00
<b>Issued, Subscribed and Fully Paid up:</b> Equity Shares of ₹ 10/- each	810.12	100.00	100.00	100.00
<b>Total</b>	810.12	100.00	100.00	100.00

\* The Company increased its Authorised Share Capital to Rs.13,50,00,000/-divided into 1,35,00,000 equity shares of Rs.10 each from Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10 each as per resolution dated 14th October,2023.

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the period/year	10,00,000	10,00,000	10,00,000	10,00,000
Add: Shares issued by way of Right Issue during the period	4,07,407	-	-	-
Add: Shares issued by way of conversion of Unsecured Loan during the period	92,813	-	-	-
Add: Shares issued by way of bonus during the period	66,00,965	-	-	-
<b>Equity Shares at the end of the period/year</b>	<b>81,01,185</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>10,00,000</b>

**Rights, preferences and restrictions attached to equity shares:**  
i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Details of shareholders holding more than 5% of share capital in the Company as at the balance sheet date :	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	% held	% held	% held	% held
Varghese Joseph Potterterly	20,85,744.00 25.75%	2,99,990.00 30.00%	3,00,000.00 30.00%	3,00,000.00 30.00%
Aftabhusen S Khandwawala	20,37,609.00 25.15%	3,00,000.00 30.00%	3,00,000.00 30.00%	3,00,000.00 30.00%
Gurubaxsing bagga	11,95,997.00 14.76%	2,00,000.00 20.00%	2,00,000.00 20.00%	2,00,000.00 20.00%
Sadik Nannabhai Qureshi	13,81,784.00 17.06%	2,00,000.00 20.00%	2,00,000.00 20.00%	2,00,000.00 20.00%
Mit Iron And Steel Private Limited	9,99,999.00 12.34%	- 0.00%	- 0.00%	- 0.00%

c) Promoters' Shareholding (including Promoter's Group)			(₹ in Lakhs)
Shares held by promoters (including promoter group) at the end of the period 31.12.2023			
Name	No. of Shares	% of total Shares	% change during the Period
Varghese Joseph Potterterly	20,85,744.00	25.75%	-4.25%
Aftab S Khandwawala	20,37,609.00	25.15%	-4.85%
Gurubaxsing Bagga	11,95,997.00	14.76%	-5.24%
Sadik Nannabhai Qureshi	13,81,784.00	17.06%	-2.94%
Mit Iron And Steel Private Limited	9,99,999.00	12.34%	12.34%
Pashmin A Khandwawala	1,99,999.00	2.47%	2.47%
Riya Verghese Pottakerry	1,99,999.00	2.47%	2.47%
Mika steel And Alloys LLP	54.00	0.001%	0.000%

Shares held by promoters (including Promoter's group) at the end of the year 31.03.2023			
Name	No. of Shares	% of total Shares	% change during the year
Varghese Joseph Potterterly	2,99,990	30.00%	0.00%
Aftab S Khandwawala	3,00,000	30.00%	0.00%
Gurubaxsing Bagga	2,00,000	20.00%	0.00%
Sadik Nannabhai Qureshi	2,00,000	20.00%	0.00%
Mika steel And Alloys LLP	10	0.001%	0.001%

Shares held by promoters (including Promoter's group) at the end of the year 31.03.2022			
Name	No. of Shares	% of total Shares	% change during the year
Varghese Joseph Potterterly	3,00,000	30.00%	0.00%
Aftab S Khandwawala	3,00,000	30.00%	0.00%
Gurubaxsing Bagga	2,00,000	20.00%	0.00%
Sadik Nannabhai Qureshi	2,00,000	20.00%	0.00%

Shares held by promoters (including Promoter's group) at the end of the year 31.03.2021			
Name	No. of Shares	% of total Shares	% change during the year
Varghese Joseph Potterterly	3,00,000	30.00%	0.00%
Aftab S Khandwawala	3,00,000	30.00%	0.00%
Gurubaxsing Bagga	2,00,000	20.00%	0.00%
Sadik Nannabhai Qureshi	2,00,000	20.00%	0.00%

(₹ in Lakhs)				
Annexure V, Note 2 - Reserve and Surplus	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Securities Premium</b>				
As per last Balance Sheet	-	-	-	-
Add: On Issue of Shares	355.16	-	-	-
Less: Utilised for issue of Bonus Shares	(355.16)	-	-	-
(A)	-	-	-	-
<b>Surplus in the Statement of Profit and Loss</b>				
As per last Balance Sheet	341.94	291.65	276.19	262.33
Add: Profit for the period/year	173.27	50.29	15.45	13.87
Less: Utilisation of Reserves for issue of equity share by way of bonus	(304.94)	-	-	-
(B)	210.27	341.94	291.65	276.19
<b>Total (A+B)</b>	<b>210.27</b>	<b>341.94</b>	<b>291.65</b>	<b>276.19</b>

(₹ in Lakhs)				
Annexure V, Note 3 - Deferred Tax Liability (Net)	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance of Deferred Tax (Asset) / Liability (A)	39.19	39.78	40.68	37.59
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	-0.92	-0.32	-0.37	0.86
(DTA) / DTL on account of gratuity provision	-0.25	-0.26	-0.52	-1.12
(DTA) / DTL on account of Transitional Difference	-	-	-	3.34
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>38.02</b>	<b>39.19</b>	<b>39.78</b>	<b>40.68</b>
<b>Current Year Provision (B-A)</b>	<b>-1.17</b>	<b>-0.58</b>	<b>-0.90</b>	<b>3.08</b>

(₹ in Lakhs)				
Annexure V, Note 4 - Long Term Provisions	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Provision for Employee Benefits</b>				
-For Gratuity	5.13	5.81	6.31	4.33
<b>Total</b>	<b>5.13</b>	<b>5.81</b>	<b>6.31</b>	<b>4.33</b>

(₹ in Lakhs)				
Annexure V, Note 5 - Short Term Borrowings	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Working Capital Loans</b>				
<b>Secured Loans</b>				
From Bank				
The Federal Bank Limited*	239.25	475.14	194.79	163.45
<b>Unsecured Loans</b>				
Loan from Directors and Related Parties	7.17	386.66	65.79	65.79
<b>Current Maturity of Long Term Borrowings</b>	-	-	-	33.69
<b>Total</b>	<b>246.42</b>	<b>861.79</b>	<b>260.57</b>	<b>262.93</b>

**Security:-**  
\* Secured against Hypothecation of Stock and book debts. It is also further secured against Plant & Machinery and Additionally Secured by way of registered mortgage of industrial land and factory building situated at Sr no 4/1, Nr. GEB SubStation, B/h Meghmani Factory, Kalana Road, Moje.Village Kalana, Tal. Sanand, Dist: Ahmedabad owned by the company and Residential Tanament No. C/2(ad-mesuring 59 sqyd), situated at SyNo. 19 paiki, Panchyat No. 3395/C/2, Bhagyakunj Co-op Housing Society Ltd., Jannatual Naim Society, B/h. Park land Society, Juhapura-Sarkhej Road, Juhapura, Dist-Ahmedabad registered in the name of Zakirbhai N Qureshi, relative of Ex-director of the company.

(₹ in Lakhs)				
Annexure V, Note 6 - Trade Payables	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
(Unsecured and considered good)				
(i) outstanding dues of micro enterprises and small enterprises;	40.37	-	-	-
(ii) outstanding dues of other than micro enterprises and small enterprises.	12.01	226.82	519.55	584.29
<b>Total</b>	<b>52.38</b>	<b>226.82</b>	<b>519.55</b>	<b>584.29</b>

(₹ in Lakhs)				
Annexure V, Note 7 - Other Current Liabilities	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Duties & Taxes	39.22	2.96	16.96	30.23
Unpaid Expenses	0.77	1.32	2.48	5.64
Advance From Customer	2.08	-	1.43	0.47
Other Current Liabilities	-	4.81	4.81	4.81
<b>Total</b>	<b>42.07</b>	<b>9.09</b>	<b>25.68</b>	<b>41.16</b>

(₹ in Lakhs)				
Annexure V, Note 8 - Short Term Provisions	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Provision for income tax (Net of advances )	40.78	6.55	-	0.55
Provision For Employee Benefit	3.44	1.75	0.21	0.11
Provision for Expenses	10.96	24.53	23.18	20.47
<b>Total</b>	<b>55.18</b>	<b>32.83</b>	<b>23.38</b>	<b>21.13</b>

(₹ in Lakhs)				
Annexure V, Note 10 - Inventories	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Raw Material & Consumable Stock	435.86	802.33	212.84	146.78
Finished Goods	16.09	61.99	151.26	63.00
<b>Total</b>	<b>451.95</b>	<b>864.33</b>	<b>364.09</b>	<b>209.78</b>

(₹ in Lakhs)				
Annexure V, Note 11 - Trade Receivables	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Unsecured and considered good (unless otherwise stated)</b>				
Outstanding for a period exceeding six months	-	3.27	3.28	3.27
Others	176.98	125.22	162.49	180.09
<b>Total</b>	<b>176.98</b>	<b>128.49</b>	<b>165.78</b>	<b>183.36</b>

(₹ in Lakhs)				
Annexure V, Note 12 - Cash & Cash Equivalents	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Cash on hand	2.23	1.83	1.85	1.78
Balances with banks:				
In current accounts	0.21	0.24	0.04	0.02
In Fixed Deposit Accounts (Lien against margin for banking credit facilities)	81.60	135.76	78.82	326.85
<b>Total</b>	<b>84.05</b>	<b>137.84</b>	<b>80.71</b>	<b>328.66</b>

(₹ in Lakhs)				
Annexure V, Note 13 - Other Current Assets	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Advance to Suppliers	360.60	20.84	231.30	155.60
Advance to Others	5.00	-	4.56	-
Deposits	1.50	1.50	-	-
Subsidy Receivable	-	1.53	1.90	1.90
Balance with Revenue Authorities	-	57.29	3.57	-
Prepaid Expenses	0.44	1.27	1.01	1.13
Provision for income tax (Net of advances )	-	-	2.02	-
<b>Total</b>	<b>367.54</b>	<b>82.43</b>	<b>244.35</b>	<b>158.63</b>



**Annexure V - Notes to the Restated Standalone Financial Information**

**Annexure V, Note 9 - Property, Plant and Equipment as at December 31, 2023**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-23	Additions	Deductions / Adjustments	As on 31-12-2023	Up to 01-04-2023	For 01/04/2023 TO 31/12/2023	Deductions / Adjustments	Total	As on 31-12-2023	As on 31-03-2023
<b>Tangible Assets:</b>										
Factory shed	130.45	-	-	130.45	30.04	3.10	-	33.13	97.31	100.41
Land	14.70	-	-	14.70	0.00	-	-	0.00	14.70	14.70
Plant & Machinery	399.31	1.70	-	401.01	165.57	18.13	-	183.70	217.31	233.74
Mould	28.26	-	-	28.26	14.57	1.34	-	15.91	12.34	13.69
Electrification	72.42	-	-	72.42	34.81	3.44	-	38.25	34.18	37.62
Vehicle	21.05	-	-	21.05	16.99	0.97	-	17.96	3.09	4.06
Furniture & Fixtures	0.30	-	-	0.30	0.14	0.03	-	0.16	0.14	0.16
<b>Total</b>	<b>666.49</b>	<b>1.70</b>	<b>-</b>	<b>668.18</b>	<b>262.11</b>	<b>27.01</b>	<b>-</b>	<b>289.12</b>	<b>379.07</b>	<b>404.38</b>

**Annexure V, Note 9 - Property, Plant and Equipment F.Y. 2022-23**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2022	Additions	Deductions / Adjustments	As on 31-03-2023	As on 01-04-2022	For the Year	Deductions / Adjustments	Total	As on 31-03-2023	As on 31-03-2022
<b>Tangible Assets:</b>										
Factory shed	130.45	-	-	130.45	25.91	4.13	-	30.04	100.41	104.54
Land	14.70	-	-	14.70	0.00	-	-	0.00	14.70	14.70
Plant & Machinery	372.57	26.73	-	399.31	142.38	23.19	-	165.57	233.74	230.20
Mould	28.26	-	-	28.26	12.78	1.79	-	14.57	13.69	15.48
Electrification	72.42	-	-	72.42	30.22	4.59	-	34.81	37.62	42.20
Vehicle	20.37	0.68	-	21.05	15.69	1.29	-	16.99	4.06	4.68
Furniture & Fixtures	0.30	-	-	0.30	0.10	0.03	-	0.14	0.16	0.20
<b>Total</b>	<b>639.08</b>	<b>27.41</b>	<b>-</b>	<b>666.49</b>	<b>227.08</b>	<b>35.03</b>	<b>-</b>	<b>262.11</b>	<b>404.38</b>	<b>412.00</b>



Annexure V, Note 9 - Property, Plant and Equipment F.Y. 2021-22										(₹ in Lakhs)	
Particulars	Gross Block				Depreciation				Net Block		
	As on 01-04-2021	Additions	Deductions / Adjustments	As on 31-03-22	As on 01-04-2021	For the Year	Deductions / Adjustments	Total	As on 31-03-2022	As on 31-03-2021	
<b>Tangible Assets:</b>											
Factory shed	130.45	-	-	130.45	21.78	4.13	-	25.91	104.54	108.67	
Land	14.70	-	-	14.70	0.00	-	-	0.00	14.70	14.70	
Plant & Machinery	372.57	-	-	372.57	117.06	25.31	-	142.38	230.20	255.51	
Mould	28.26	-	-	28.26	10.99	1.79	-	12.78	15.48	17.27	
Electrification	72.42	-	-	72.42	25.63	4.59	-	30.22	42.20	46.79	
Vehicle - Truck	20.37	-	-	20.37	13.27	2.42	-	15.69	4.68	7.10	
Furniture & Fixtures	0.30	-	-	0.30	0.07	0.03	-	0.10	0.20	0.23	
<b>Total</b>	<b>639.08</b>	<b>-</b>	<b>-</b>	<b>639.08</b>	<b>188.81</b>	<b>38.27</b>	<b>-</b>	<b>227.08</b>	<b>412.00</b>	<b>450.27</b>	

Annexure V, Note 9 - Property, Plant and Equipment F.Y. 2020-21										(₹ in Lakhs)	
Particulars	Gross Block				Depreciation				Net Block		
	As on 01-04-2020	Additions	Deductions / Adjustments	As on 31-03-2021	As on 01-04-2020	For the Year	Deductions / Adjustments	Total	As on 31-03-2021	As on 31-03-2020	
<b>Tangible Assets:</b>											
Factory shed	130.45	-	-	130.45	17.64	4.13	-	21.78	108.67	112.80	
Land	14.70	-	-	14.70	0.00	-	-	0.00	14.70	14.70	
Plant & Machinery	387.57	-	15.00	372.57	90.61	26.45	-	117.06	255.51	296.96	
Mould	28.26	-	-	28.26	9.20	1.79	-	10.99	17.27	19.05	
Electrification	72.42	-	-	72.42	21.05	4.59	-	25.63	46.79	51.38	
Vehicle - Truck	20.37	-	-	20.37	10.85	2.42	-	13.27	7.10	9.52	
Furniture & Fixtures	0.30	-	-	0.30	0.03	0.03	-	0.07	0.23	0.27	
<b>Total</b>	<b>654.08</b>	<b>-</b>	<b>15.00</b>	<b>639.08</b>	<b>149.39</b>	<b>39.41</b>	<b>-</b>	<b>188.81</b>	<b>450.27</b>	<b>504.68</b>	

**Annexure V - Notes to the Restated Standalone Financial Information**

(₹ in Lakhs)

Annexure V, Note 14 - Revenue from Operations	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Sale Of Products				
(a) Manufacturing Goods	4,604.67	7,231.92	6,297.95	4,749.04
(b) Traded Goods	714.51	2,516.73	469.82	274.41
Sale of Services	142.88	50.38	46.61	34.38
Less : GST	833.20	1,495.17	1,039.49	771.38
<b>Total</b>	<b>4,628.87</b>	<b>8,303.86</b>	<b>5,774.88</b>	<b>4,286.44</b>
<b>Sale of Products Comprises</b>				
M S Billet - Manufacturing Goods	3,897.02	6,118.27	5,322.23	4,011.42
M.S Scrap & Sponge Iron - Traded Goods	605.31	2,161.19	401.25	244.63

(₹ in Lakhs)

Annexure V, Note 15 - Other Income	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Interest on Bank Deposits - FD	1.07	6.53	4.56	5.74
Foreign Exchange Fluctuation Gain (Net)	-	10.11	8.46	5.32
Credit Balance Written off	7.03	11.81	-	-
Net Kasar/Vatav	0.05	3.42	0.35	0.56
Interest on IT Refund	-	0.14	-	-
Interest income others	0.05	-	5.06	-
<b>Total</b>	<b>8.21</b>	<b>32.01</b>	<b>18.43</b>	<b>11.62</b>

(₹ in Lakhs)

Annexure V, Note 16 - Cost of Material & Consumable Consumed	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Cost of Material &amp; Consumable Consumed</b>				
Opening Stock	802.33	212.84	146.78	294.14
Add: Purchase	2,756.19	5,748.93	4,917.78	3,151.30
Add: Purchase related expenses	2.84	103.56	37.03	46.22
	3,561.36	6,065.33	5,101.59	3,491.66
Less: Closing Stock	435.86	802.33	212.84	146.78
<b>Total (a)</b>	<b>3,125.51</b>	<b>5,263.00</b>	<b>4,888.75</b>	<b>3,344.88</b>
<b>Purchases of Stock-in-Trade</b>				
Purchase of Stock in Trade	536.11	1,922.95	283.96	161.08
Add: Purchase related expenses of Stock-in-Trade	31.13	110.24	15.72	17.90
	567.24	2,033.19	299.68	178.98
<b>Total (b)</b>	<b>567.24</b>	<b>2,033.19</b>	<b>299.68</b>	<b>178.98</b>
<b>Total (a+b)</b>	<b>3,692.75</b>	<b>7,296.19</b>	<b>5,188.44</b>	<b>3,523.86</b>

(₹ in Lakhs)				
Annexure V, Note 17 - Change in inventories of finished goods & Traded Goods	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Inventories (at end)</b>				
Finished Goods	16.09	61.99	151.26	63.00
Traded Goods	-	-	-	-
<b>Inventories (at commencement)</b>				
Finished Goods	61.99	151.26	63.00	170.62
Traded Goods	-	-	-	-
<b>Total</b>	<b>45.90</b>	<b>89.26</b>	<b>-88.26</b>	<b>107.62</b>

(₹ in Lakhs)				
Annexure V, Note 18 - Employee Benefit Expenses	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Salaries, wages and Bonus	30.06	41.98	31.49	25.29
Directors' Remuneration	1.00	4.80	-	-
Contribution To Provident & Other Fund	0.93	1.08	1.16	1.00
Gratuity Expenses	1.01	1.04	2.08	4.44
<b>Total</b>	<b>33.00</b>	<b>48.90</b>	<b>34.73</b>	<b>30.73</b>

(₹ in Lakhs)				
Annexure V, Note 19 - Finance Costs	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Interest On Cash Credit & Buyer Credit	12.65	29.69	18.44	9.72
Interest on Unsecured Loan	7.97	11.44	-	-
Interest on Term Loan	0.51	1.22	3.82	6.21
Less :				
Interest Subsidy	-	-1.54	-	-4.82
	<b>21.13</b>	<b>40.81</b>	<b>22.26</b>	<b>11.11</b>
Other Borrowing cost	1.09	14.85	3.55	5.17
Loss on foreign exchange transactions (Net)	6.97	-	-	-
<b>Total</b>	<b>29.18</b>	<b>55.66</b>	<b>25.82</b>	<b>16.28</b>

(₹ in Lakhs)				
Annexure V, Note 20 - Depreciation Expenses	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Depreciation on tangible fixed assets	27.01	35.03	38.27	39.41
<b>Total</b>	<b>27.01</b>	<b>35.03</b>	<b>38.27</b>	<b>39.41</b>



(₹ in Lakhs)

Annexure V, Note 21 - Other Expenses	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Manufacturing Expenses</b>				
Power Expenses	461.57	556.72	442.30	421.72
Repair & Maintenance- Machinery	1.27	7.53	1.16	1.21
Labour Charges	50.71	88.77	66.57	59.11
Freight Charges	19.28	47.93	43.99	32.34
	<b>532.82</b>	<b>700.95</b>	<b>554.03</b>	<b>514.37</b>
<b>Administrative Expenses</b>				
Legal & Professional Expenses	15.16	2.93	2.70	1.96
Auditor's Remuneration	1.50	0.65	0.50	1.00
Rent Expenses	0.45	0.60	0.60	0.60
Rates & Taxes	0.12	0.32	0.26	0.09
Insurance Charges	1.38	1.35	1.46	1.64
Other Expenses	16.89	22.28	3.65	0.25
	<b>35.49</b>	<b>28.13</b>	<b>9.16</b>	<b>5.53</b>
<b>Selling &amp; Distribution Expense</b>				
Petrol & Diesel Expenses	8.21	11.42	8.79	10.70
Commission Expenses	-	2.50	3.43	26.29
	<b>8.21</b>	<b>13.92</b>	<b>12.22</b>	<b>36.99</b>
<b>Total</b>	<b>576.53</b>	<b>743.00</b>	<b>575.40</b>	<b>556.90</b>
<b>Note: Auditor's Remuneration comprises of :</b>				
Statutory Audit Fees	1.50	0.45	0.30	0.75
Tax Audit Fees	-	0.20	0.20	0.25
<b>Total</b>	<b>1.50</b>	<b>0.65</b>	<b>0.50</b>	<b>1.00</b>

(₹ in Lakhs)

Annexure V, Note 22 - Earnings per equity share	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net profit after tax as per statement of profit and loss attributable equity share holders (₹)	173.27	50.29	15.45	13.87
Weighted average number of equity shares used as denominator for calculating EPS	76,71,025	10,00,000	10,00,000	10,00,000
Basic and diluted earnings per share (₹)	2.26	5.03	1.55	1.39
Face value per equity share (₹)	10	10	10	10

(₹ in Lakhs)

Annexure V, Note 23 - Value of imports on CIF basis in respect of	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Raw Material and Traded Goods	280.63	2,845.99	341.48	515.60
<b>Total</b>	<b>280.63</b>	<b>2,845.99</b>	<b>341.48</b>	<b>515.60</b>

(₹ in Lakhs)

Annexure V, Note 24 - Contingent liabilities and commitments	For the period/year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Contingent liabilities (to the extent not provided for)</b>				
VAT Related Litigation	42.52	42.52	42.52	42.52
Bank Guarantee for UGVCL Connection	73.27	60.82	54.76	54.76

**Annexure V - Notes to the Restated Standalone Financial Information**

**Annexure V, Note 25 - Related Party Disclosures**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Varghese Joseph Potterterly	Key Management Personnel
2	Aftabhusen S Khandwawala	
3	Gurubaxsing Jamiatsing Bagga	
4	Sadik Nannabhai Qureshi (Resigned as Director w.e.f 2 October, 2023)	
5	Nishant Bali (Appointed as Independent Director w.e.f. 27 December, 2023)	
6	Sahistabanu Sajitmiya Thakor (Appointed as Independent Director w.e.f. 27 December, 2023)	
7	Mit Iron and Steel Pvt Ltd	Enterprise under influence by Key Managerial Personnel
8	Metal India Trade Link (Prop. Varghese Joseph Potterterly)	
9	Mit Impex (Prop. Aftabhusen S Khandwawala)	
10	Eagle Steels (Prop. Sadik Nannabhai Qureshi)	
11	Mika Steel & Alloys LLP	
12	Mit Developers	
13	Seebaata Buildcon	
14	Zakirbhai Nannabhai Qureshi (Prop. Zaara Steel Traders)	Relatives of Key Managerial Personnel
15	Pashmin A Khandwawala	
16	Riya Verghese Pottakerry	
17	Asif Nannabhai Qureshi (Prop. Shifa Steel Traders)	

b. Transactions with Related parties		(₹ in Lakhs)			
Nature of Transaction	Name of the related party	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Director's Remuneration	Varghese Joseph Potterterly	1.00	4.80	-	-
Issue of Equity shares	Varghese Joseph Potterterly	60.00	-	-	-
	Aftabhusen S Khandwawala	60.00	-	-	-
	Pashmin A Khandwawala	30.00	-	-	-
	Riya Verghese Pottakerry	30.00	-	-	-
	Mit Iron and steel Pvt Ltd	150.00	-	-	-
Conversion of Unsecured loan into Equity share capital	Varghese Joseph Potterterly	9.87	-	-	-
	Aftabhusen S Khandwawala	2.64	-	-	-
	Gurubaxsing Jamiatsing Bagga	17.40	-	-	-
	Sadik N Qureshi	45.27	-	-	-
Excess Share Application Money Returned	Varghese Joseph Potterterly	0.00	-	-	-
	Aftabhusen S Khandwawala	0.00	-	-	-
	Pashmin A Khandwawala	0.00	-	-	-
	Riya Verghese Pottakerry	0.00	-	-	-
Loan Accepted	Varghese Joseph Potterterly	-	10.57	-	-
	Aftabhusen S Khandwawala	-	1.97	-	-
	Mit Iron and steel Pvt Ltd	104.92	360.00	-	-
	Mika Steel & Alloys LLP	125.00	300.00	-	-
Loan Repaid	Varghese Joseph Potterterly	1.00	-	-	-
	Aftabhusen S Khandwawala	0.18	1.97	-	-
	Sadik Nannabhai Qureshi	0.00004	-	-	-
	Gurubaxsing Jamiatsing Bagga	0.00039	-	-	-
	Mit Iron and steel Pvt Ltd	112.08	360.00	-	-
	Mika Steel & Alloys LLP	428.14	-	-	-
Loan Granted	Mit Iron and steel Pvt Ltd	-	41.11	559.99	-
	Mit Developers	2.00	-	-	-

Loan Recovered	Mit Iron and steel Pvt Ltd	-	41.11	635.07	-
	Mit Developers	2.00	-	-	-
Advance against Purchase of Goods	Metal India Trade Link (Prop. Potterly J Varghese)	3.50	-	36.33	-
	Asif Nannabhai Qureshi (Prop. Shifa Steel Traders)	88.95	105.03	191.65	230.81
	Zakirbhai Nannabhai Qureshi (Prop. Zaara Steel Traders)	93.74	46.72	27.12	1.63
	Mika Steel & Alloys LLP	67.10	289.73	230.74	155.50
Amount received back	Metal India Trade Link (Prop. Potterly J Varghese)	3.50	-	36.33	-
Freight Charges Paid	Eagle Steels (Prop. Sadik Nannabhai Qureshi)	-	0.01	2.43	-
	Zaara Steel Traders (Prop. Zakirbhai Qureshi )	-	-	0.36	-
Income of Truck Freight	Mit Impex (Prop. Aftab S.Khandwawala)	-	-	-	0.47
	Metal India Trade Link (Prop. Potterly J Varghese)	-	-	-	0.51
Purchase of Goods	Mit Iron and steel Pvt Ltd	-	-	30.00	24.62
	Mika Steel & Alloys LLP	82.34	147.66	369.38	-
	Mit Impex (Prop. Aftab S.Khandwawala)	-	-	-	95.34
	Metal India Trade Link (Prop. Potterly J Varghese)	-	-	-	198.61
	Eagle Steels (Prop. Sadik Nannabhai Qureshi)	0.81	5.74	-	98.16
	Shifa Steel Traders(Prop. Asif Nannabhai Qureshi )	113.47	507.76	463.43	503.37
	Zaara Steel Traders (Prop. Zakirbhai Qureshi )	193.63	523.55	740.66	223.28
Sales of Goods	Mika Steel & Alloys LLP	149.38	276.62	214.88	-
	Mit Iron and steel Pvt Ltd	-	-	-	12.08
	Shifa Steel Traders(Prop. Asif Nannabhai Qureshi )	68.51	45.64	0.31	4.50
	Zaara Steel Traders (Prop. Zakirbhai Qureshi )	-	2.69	-	-
Job work (Service Income)	Mika Steel & Alloys LLP	121.09	42.70	39.50	-
	Mit Iron and steel Pvt Ltd	-	-	-	30.30
Interest Income	Mit Iron and steel Pvt Ltd	-	-	5.06	-
	Mit Developeprs	0.05	-	-	-
Interest Expense	Mit Iron and steel Pvt Ltd	4.39	7.96	-	-
	Mika Steel & Alloys LLP	3.58	3.48	-	-
Commission Expense	Mit Impex (Prop. Aftab S.Khandwawala)	-	-	-	21.25
Clearing & Forwarding/Handling Charges	Mika Steel & Alloys LLP	-	-	-	4.08
Rent Expense	Mit Iron and steel Pvt Ltd	0.45	0.60	0.60	0.60

c. Balances as at:						(₹ in Lakhs)
Name of Party	Nature of Relationship	As on	As on	As on	As on	
		31st December, 2023 (In ₹)	31st March, 2023 (In ₹)	31st March, 2022 (In ₹)	31st March, 2021 (In ₹)	
Varghese Joseph Potterterly (Prop. Metal India Tradelink)	Managing Director	0.32 (Cr.)	11.57 (Cr.)	0.30 (Cr.)	0.30 (Cr.)	
Aftabhusen S Khandwawala (Prop. Mit Impex)	Director & Chief Financial Officer	- (Cr.)	2.82 (Cr.)	2.82 (Cr.)	26.84 (Cr.)	
Gurubaxsing Jamiatsing Bagga	Director	- (Cr.)	17.40 (Cr.)	17.40 (Cr.)	17.40 (Cr.)	
Sadik Nannabhai Qureshi (Prop. Eagle Steels )	Director	- (Cr.)	43.46 (Cr.)	45.25 (Cr.)	46.43 (Cr.)	
Asif Nannabhai Qureshi (Prop. Shifa Steel Traders)	Relative of Key Managerial Personnel	88.95 (Dr.)	105.03 (Cr.)	191.65 (Cr.)	230.81 (Cr.)	
Zakirbhai Nannabhai Qureshi (Prop. Zaara Steel Traders)	Relative of Key Managerial Personnel	93.74 (Dr.)	46.72 (Cr.)	27.12 (Cr.)	1.63 (Cr.)	
Mit Iron and steel Pvt Ltd	Shareholder & Enterprise under influence by Key Managerial Personnel	3.95 (Cr.)	7.16 (Cr.)	4.52 (Dr.)	39.84 (Cr.)	
Mika Steel & Alloys LLP	Shareholder & Enterprise under influence by Key Managerial Personnel	67.10 (Dr.)	289.73 (Cr.)	230.74 (Dr.)	155.50 (Dr.)	

(₹ in Lakhs)				
Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Securities Premium</b>				
As per last Balance Sheet	-	-	-	-
Add: On Issue of Shares	355.16	-	-	-
Less: Utilised for issue of Bonus Shares	(355.16)	-	-	-
	-	-	-	-
<b>Surplus in the Statement of Profit and Loss</b>				
As per last Balance Sheet	341.94	291.65	276.19	262.33
Add: Profit for the year	173.27	50.29	15.45	13.87
Less: Utilisation of Reserves for issue of equity share by way of bonus	(304.94)	-	-	-
	210.27	341.94	291.65	276.19
<b>Total</b>	<b>210.27</b>	<b>341.94</b>	<b>291.65</b>	<b>276.19</b>

(₹ in Lakhs)				
Annexure VII - Restated Statement of Secured Borrowings of KALANA ISPAT LIMITED				
Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Short term borrowings</b>				
Secured Loans From Bank				
The Federal Bank Limited	239.25	475.14	194.79	163.45
<b>Total</b>	<b>239.25</b>	<b>475.14</b>	<b>194.79</b>	<b>163.45</b>



**Annexure VII (A) - Restated Standalone Statement of Principal Terms of Secured Borrowings outstanding as at December 31, 2023 of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Sl. No.	Lender	Nature of Facility (Term Loan-INR, Working Capital Facility-Cash credit)	Loan currency	Amount Outstanding as at 31 December 2023	Sanctioned Amount	Rate of Interest %	Repayment Terms	Primary & Collateral Security
1	The Federal Bank Limited	Buyers Credit	INR	75.67	322.00	LOU 1.50% p.a.	As per respective terms	*Refer Note - 1
2	The Federal Bank Limited	Buyers Credit	INR	-	375.00	LOU 1.50% p.a.	As per respective terms	
3	The Federal Bank Limited	GECL	INR	4.34	20.00	Repo Rate plus Spread of 6.35%	36 Structured Equal Monthly Installment of Rs. 63,832/- From Aug-2021	
4	The Federal Bank Limited	Cash Credit	INR	159.24	300.00	9.90 % p.a. (Repo Rate + 3.40 %)	Repayable on Demand	
<b>Total Fund Based (A)</b>				<b>239.25</b>	<b>1,017.00</b>			
5	The Federal Bank Limited	Bank Guarantee	INR	*Refer Note - 2	73.00	1.50% p.a.	As per respective terms	*Refer Note - 1
6	The Federal Bank Limited	FBG/LOU For Buyers Credit - 2 - (Sublimit Of - Cash Credit )	INR	-	-300.00	LOU 1.50% p.a.	As per respective terms	
7	The Federal Bank Limited	LC (Inland / Import) - 2 - (Sublimit Of - Cash Credit )	INR	-	-300.00	1.50% p.a.	As per respective terms	
8	The Federal Bank Limited	LC (Inland / Import) - 1 - (Sublimit of - FBG/LOU For Buyers Credit )	INR	-	-322.00	1.50%	As per respective terms	
9	The Federal Bank Limited	LC (Inland / Import) - 4 - (Sublimit of - FBG/LOU For Buyers Credit )	INR	-	-375.00	1.50%	As per respective terms	
<b>Total Non - Fund Based (B)</b>				<b>-</b>	<b>73.00</b>			
<b>Total Secured Borrowings (A+B)</b>				<b>239.25</b>	<b>1,090.00</b>			
1	Mika Steel and Alloys LLP	Business Purpose	INR	3.22	NA	8.00%	Repayable on Demand	
2	Mit Iron & Steel Pvt. Ltd.	Business Purpose	INR	3.95	NA	8.00%	Repayable on Demand	
<b>Total Unsecured Borrowings (C)</b>				<b>7.17</b>	<b>-</b>			
<b>Total Borrowings (Secured+Unsecured) (A+B+C)</b>				<b>246.42</b>	<b>1,090.00</b>			

Note - 1 :- Security:-

\* Secured against Hypothecation of Stock and book debts. It is also further secured against Plant & Machinery and Additionally Secured by way of registered mortgage of industrial land and factory building situated at Sr no 4/1, Nr. GEB SubStation, B/h Meghmani Factory, Kalana Road, Moje.Village Kalana, Tal. Sanand, Dist: Ahmedabad owned by the company and Residential Tanamst No. C/2(ad-mesuring 59 sqyd), situated at SyNo. 19 paiki, Panchyat No. 3395/C/2, Bhagyakunj Co-op Housing Society Ltd., Jannatual Naim Society, B/h. Park land Society, Juhapura-Sarkhej Road, Juhapura, Dist-Ahmedabad registered in the name of Zakirbhai N Qureshi, relative of Ex-director of the company.

Note - 2 :- The Federal Bank Ltd. has issued bank guarantee of Rs.73.26 lakhs in favour of the UGVCL.

Hedging Exposure Limit of Rs.200 Lakhs, Bill Discounting (LC) – 1 of Rs.997 Lakhs, Bill Discounting (LC) 2 of Rs. 500 Lakhs are also sanctioned by The Federal Bank Ltd.

**Annexure VIII - Restated Statement of Unsecured Borrowings of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
From Director & Related Parties	7.17	386.66	65.79	65.79
<b>Total</b>	<b>7.17</b>	<b>386.66</b>	<b>65.79</b>	<b>65.79</b>

**Annexure - IX - Restated Statement of Current Liabilities & Provisions of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Other Current Liabilities</b>				
Duties & Taxes	39.22	2.96	16.96	30.23
Unpaid Expenses	0.77	1.32	2.48	5.64
Advance From Customer	2.08	-	1.43	0.47
Other Current Liabilities	-	4.81	4.81	4.81
	<b>42.07</b>	<b>9.09</b>	<b>25.68</b>	<b>41.16</b>
<b>Short Term Provisions</b>				
Provision for income tax (Net of advances )	40.78	6.55	-	0.55
Provision For Employee Benefit	3.44	1.75	0.21	0.11
Provision for Expenses	10.96	24.53	23.18	20.47
	55.18	32.83	23.38	21.13
<b>Total</b>	<b>97.25</b>	<b>41.92</b>	<b>49.07</b>	<b>62.28</b>

**Annexure - X - Restated Statement of Trade Receivables of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Unsecured and considered good (unless otherwise stated)				
Outstanding for a period exceeding six months	-	3.27	3.28	3.27
Others	176.98	125.22	162.49	180.09
<b>Total</b>	<b>176.98</b>	<b>128.49</b>	<b>165.78</b>	<b>183.36</b>

**Annexure - XI - Restated Statement of Other Current Assets of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Advance to Suppliers	360.60	20.84	231.30	155.60
Other Receivables	6.94	4.30	9.48	3.03
Balance with tax authorities	-	57.29	3.57	-
<b>Total</b>	<b>367.54</b>	<b>82.43</b>	<b>244.35</b>	<b>158.63</b>

**Annexure XIV - Restated Statement of Other Income of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	Nature (Recurring / Non-recurring)	For the period/year ended			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Interest on Bank Deposits - FD	Non Recurring	1.07	6.53	4.56	5.74
Foreign Exchange Fluctuation Gain (Net)	Non Recurring	-	10.11	8.46	5.32
Credit Balance Written off	Non Recurring	7.03	11.81	-	-
Net Kasar/Vatav	Non Recurring	0.05	3.42	0.35	0.56
Interest on IT Refund	Non Recurring	-	0.14	-	-
Interest income others	Non Recurring	0.05	-	5.06	-
<b>Total</b>		<b>8.21</b>	<b>32.01</b>	<b>18.43</b>	<b>11.62</b>

Note :

- The classification of income into recurring and non-recurring is based on the current operations and business activities of the Company.
- All items of Other Income are from normal business activities.

**Annexure XV, Note 28 - Restated Standalone Statement of Accounting Ratios of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Sr. No.	Particulars	For the period/year ended			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1	Restated Profit / (Loss) after Tax	173.27	50.29	15.45	13.87
2	Net Profit / (Loss) available to Equity Shareholders	173.27	50.29	15.45	13.87
3	Weighted average number of Equity Shares outstanding during the year for Basic and Diluted EPS (Nos.)	76,71,025	10,00,000	10,00,000	10,00,000
4	Number of Equity Shares outstanding at the end of the year (Nos.)	81,01,185	10,00,000	10,00,000	10,00,000
5	Net Worth for Equity Shareholders	1,020.38	441.94	391.65	376.19
6	Accounting Ratios: Basic and Diluted Earnings / (Loss) per Share (₹) (2)/(3) (Refer Annexure V, Note 25)	2.26	5.03	1.55	1.39
7	Return on Net Worth for Equity Shareholders(2)/(6)	16.98%	11.38%	3.95%	3.69%
8	EBITDA (₹ in Lakhs)	280.83	143.67	79.44	73.78

Note:

- 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. 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.
- Return on Net Worth means Profit for the year/period (net of tax) divided by the Net Worth at the end of the respective year/period. Net worth for ratios mentioned in Sr. No. 6 is = Equity share capital + Reserves and surplus (including Securities Premium and Surplus/ (Deficit)).
- The above ratios have been computed on the basis of the Restated Standalone Financial Information- Annexure I & Annexure II.

**Annexure XVI, Note 27 - Restated Standalone Statement of Capitalisation of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	Pre-Issue as at December 31, 2023	Pre-Issue as at March 31, 2023	Pre-Issue as at March 31, 2022	Pre-Issue as at March 31, 2021
<b>Debt:</b>				
Long term borrowings	-	-	-	-
Short term borrowings	246.42	861.79	260.57	262.93
Current portion of Secured long term borrowings, included in Other Current Liabilities	-	-	-	33.69
<b>Total debt (A)</b>	<b>246.42</b>	<b>861.79</b>	<b>260.57</b>	<b>296.61</b>
<b>Shareholders Funds:</b>				
Equity Share Capital	810.12	100.00	100.00	100.00
Reserves and Surplus	210.27	341.94	291.65	276.19
<b>Total Shareholders Funds (B)</b>	<b>1,020.38</b>	<b>441.94</b>	<b>391.65</b>	<b>376.19</b>
<b>Total Debt/Equity Ratio (A/B)</b>	<b>0.24</b>	<b>1.95</b>	<b>0.67</b>	<b>0.79</b>
Total Long Term Debt / Equity Ratio (Long term borrowings/Equity Share Capital & Reserves and Surplus)	-	-	-	-

Notes:

- i) The above has been computed on the basis of the Restated Financial Information - Annexure I & Annexure II.
- ii) Short term borrowings represent working capital loans and Short term loans.

**Annexure XVII, Note 26 - Restated Statement of Tax Shelter of KALANA ISPAT LIMITED**

(₹ in Lakhs)

Particulars	As at			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>A</b> Profit/ (Loss) before taxation and adjustments	232.70	67.83	18.91	23.26
<b>B</b> Tax at applicable Rates	25.17%	25.17%	25.17%	25.17%
<b>C</b> Tax thereon at the above rate	58.57	17.07	4.76	5.85
<b>Adjustments:</b>				
<b>D Permanent Differences</b>				
<b>Net Disallowances/ (Allowances) under the Income Tax Act</b>				
<b>i</b> Donation Expenses	0.25	-	0.23	0.16
<b>ii</b> Interest on TDS	0.12	0.32	0.20	0.07
<b>iii</b> Delated payment of ESIC Contribution	-	0.28	0.31	0.03
<b>iv</b> Disallowance U/s 40(a)(ia)	-	1.67	-	-
<b>v</b> Delated payment of Provident Fund Contribution	-	0.33	0.54	0.44
<b>vi</b> Professional Tax	-	-	0.33	0.28
<b>Total Permanent Differences</b>	<b>0.37</b>	<b>2.60</b>	<b>1.62</b>	<b>0.97</b>
<b>E Timing Differences</b>				
<b>i</b> IPO Expenses	5.00	-	-	-
<b>ii</b> Provision of gratuity not allowable u/s 40A(7)	1.01	1.04	2.08	4.44
<b>iii Depreciation</b>				
Depreciation as per Financial Statements	27.01	35.03	38.27	39.41
Depreciation as per Income Tax Act	23.36	33.75	36.79	42.81
<b>Difference in depreciation as per Income Tax Act and Financial Statements</b>	<b>9.66</b>	<b>2.32</b>	<b>3.56</b>	<b>1.04</b>
Disallowances	-	-	-	-
Loss / unabosorbed depreiciation set off	-	-	-	-
Deduction u/s 43B of the Income tax act Others	-	-	-	-
<b>Total Timing Differences</b>	<b>9.66</b>	<b>2.32</b>	<b>3.56</b>	<b>1.04</b>
<b>F Net Adjustments (D+E)</b>	<b>-9.29</b>	<b>0.28</b>	<b>-1.94</b>	<b>-0.07</b>
<b>G Tax Expense/ (savings) thereon (Fx B)</b>	<b>-2.34</b>	<b>0.07</b>	<b>-0.49</b>	<b>-0.02</b>
<b>H Tax Liability (C+G)</b>	<b>56.23</b>	<b>17.14</b>	<b>4.27</b>	<b>5.84</b>
<b>K Total Current Tax</b>	<b>56.23</b>	<b>17.14</b>	<b>4.27</b>	<b>5.84</b>
<b>L</b> Impact of Material Adjustments for Restatement in corresponding years	-	-	-	-
<b>M</b> Current Tax Liability on Material Adjustments for Restatement in corresponding years	-	-	-	-
<b>N</b> Interest U/s 234A, B and C of Income Tax Act	5.09	0.97	-	0.28
<b>O</b> Taxable Profit before Taxation and after adjustments as Restated (A+F+L, restricted to zero)	223.41	68.11	16.96	23.19
<b>P Total Tax Liability after Tax impact of adjustments</b>	<b>61.32</b>	<b>18.11</b>	<b>4.27</b>	<b>6.11</b>

**Notes:**

**1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns/Provisional computation of total income of respective years / period as stated above.**

### CAPTIALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2023 as derived from our Restated Consolidated Financial Information. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Information" and "Risk Factors" on page 192, 158, and 27 of this Draft Prospectus respectively.

Particulars	(₹ in Lakhs)	
	Pre-Issue as at December 31, 2023	Post-Issue
<b>Debt:</b>		
Long term borrowings	-	-
Short term borrowings	246.42	246.42
Current portion of Secured long term borrowings, included in Other Current Liabilities	-	-
<b>Total debt (A)</b>	<b>246.42</b>	<b>246.42</b>
<b>Shareholders Funds:</b>		
Equity Share Capital	810.12	1304.20 <sup>#</sup>
Reserves and Surplus	210.27	*
<b>Total Shareholders Funds (B)</b>	<b>1,020.38</b>	<b>*</b>
<b>Total Debt/Equity Ratio (A/B)</b>	<b>0.24</b>	<b>*</b>
<b>Total Long Term Debt / Equity Ratio (Long term borrowings/Equity Share Capital &amp; Reserves and Surplus)</b>	<b>-</b>	<b>*</b>
Notes:		
i) The above has been computed on the basis of the Restated Financial Information - Annexure I & Annexure II.		
ii) Short term borrowings represent working capital loans and Short term loans.		
# 49,38,000 equity share of Rs.10 each		
(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.		

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the nine-month period ended December 31, 2023 and for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Draft prospectus. You should also see the section titled **“Risk Factors”** beginning on page 27 of this Draft prospectus, which discusses several factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, and is based on restated audited financial statements.

These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI ICDR Regulations and restated as described in the report of our auditors dated April 14, 2024 which is included in this Draft prospectus under the section titled **“Financial Statements as Restated”** beginning on page 158 of this Draft prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under **“Risk Factors”** and **“Forward Looking Statements”** beginning on pages 27 and 16 respectively, and elsewhere in this draft prospectus

Accordingly, the degree to which the financial statements in this draft prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our Financial Year ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled **“Presentation of Financial, Industry and Market Data and Currency Presentation”** beginning on page 14 of this draft prospectus.

### BUSINESS OVERVIEW

We are actively involved in the business of tailored billet solutions to meet your specific needs. With expertise in metallurgy and engineering, we provide custom dimensions, alloys, and production processes to address your unique requirements. Our commitment to sustainability aligns with evolving market demands, and our proven track record showcases our ability to find solutions for your challenges. Partner with us for efficient, innovative, and customized billet solutions. We manufacture high-quality billets, crafted with precision and consistency, we provide the foundation for exceptional end products across various industries.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

After the date of last restated period i.e., December 31, 2023, the following material events have occurred after the last audited period:

1. The Company has taken on lease a land admeasuring 56658 sq. Meters, located at Survey No.430/P1 and 430/P2. Village Jasanvada, Tal. Bhabhar District Banaskantha-385320, from Mr. Chaudhary Nagjibhai Nanjibhai and Mr. Chaudhari Ashvinbhai Nanjibhai, respectively, at Rs. 2,80,000/- per year lease rental for each parcel of land, for the purpose of setting up of the Solar Plant.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the chapter titled **“Risk Factors”** beginning on page 27 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Competition from existing and new entities may adversely affect our revenues and profitability;
- General economic and business conditions in the markets in which we operate

- Uncertainty in relation to effect of any pandemic on our business and operations;
- changes in customer demands and/or requirements;
- changes in pricing or maintenance policies of equipment manufacturers;
- Our dependence on our key personnel, including our Directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to manage risks that arise from these factors.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. Corporate Information:**

**KALANA ISPAT LIMITED** is a Company domiciled in India & Incorporated under the provision of The Companies Act, 1956.

The Company is engaged in Manufacturing & dealing in casting, moulding and trading of steel and iron products and sale of service (Job work).

The company is converted from private limited into public limited company w.e.f. 21st December, 2023.

### **B. Significant Accounting Policies:**

#### **4. Basis of Preparation of Financial Statements:**

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP) to comply with accounting standards specified under section 133 of the companies Act, 2013 ("the 2013 Act") read with Rule 7 of the companies (Accounts) Rules, 2014.

#### **5. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### **6. Accounting Convention:**

The Financial Statements have been on accrual basis under the historical cost convention and going concern basis. The accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **7. Property, Plants & Equipment's:**

Property, Plants & Equipment's are stated at historical cost less accumulated depreciation. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Input tax credit of GST, Grants on capital goods are accounted for by reducing the cost of Capital Goods.

Subsequent expenditures relating to property, plant & equipment are capitalised only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the expenditure can be measured reliably. Repairs and Maintenance costs are recognised in the Statement of Profit and Loss when they are incurred.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

**8. Depreciation:**

Depreciation on property, plant and equipment has been provided under Straight Line method over the useful life of assets estimated by the management which is in line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged. Depreciation method, useful life & residual value are reviewed periodically.

**9. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

**Income from services**

Revenue from services is recognized when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**10. Inventories:**

Raw Materials have been valued at lower of cost or net realizable value. Cost is determined on FIFO basis.

Cost of Finished Goods includes all Costs of Purchases, Conversion Cost and other cost Incurred in bringing the inventories to their present location and Condition. The Net realizable value is estimated selling price in the ordinary course of business less the estimated costs of Completion and estimated cost necessary to make the finished goods/product ready for sale.

**11. Investment:**

Investment which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current 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. Provision for diminution, if any is made to recognize a decline, other than temporary, in the value of investments.

**12. Retirement Benefits & Other Employee Benefits:**

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. The Liability in respect of gratuity is recognized on the basis of actuarial valuation.

Contributions made to the Recognized Provident Fund & Employee State Insurance Corporation are expensed to the Statement of Profit and Loss. The Company's obligation is limited to the amount to be contributed by it.

### **13. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. In case of qualifying assets other than Inventories, capitalization under ICDS will cease only after its first put to use All other borrowing costs are charged to Statement of Profit and Loss.

### **14. 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 or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### **15. Taxation:**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

### **16. Provisions, Contingent liabilities and Contingent assets:**

Provisions Involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements. However, Contingent assets are assessed continually and when it becomes reasonably certain that inflow of economic benefit will arise, the asset and related income are recognized in the previous year in which the change occurs.

### **17. Contingencies and Events Occurring After the Balance Sheet Date:**

Events that occur between balance sheet date and date on which these are approved, might suggest the requirement for an adjustment(s) to the assets and the liabilities as at balance sheet date or might need disclosure. Adjustments are required to assets and liabilities for events which occur after balance sheet date which offer added information substantially affecting the determination of the amounts which relates to the conditions that existed at balance sheet date.

### **18. Impairment Of Assets:**

An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows. An impairment loss is charged off to profit and loss account as and when asset is identified for impairment. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

## 19. Foreign Currency Transaction:

- a) **Initial Recognition:** Foreign currency transaction, are recorded in the reporting Currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- e) **Conversion:** Foreign currency monetary items are reported using the closing rate.
- f) **Exchange Difference:** Exchange differences arising on the settlement of monetary items at rates different from those at which they are initially recorded during the year or reported in previous financial statement are recognized as income or as expenses at the end of year by applying closing rate.

## 20. Earnings Per Share:

In determining earnings per share (EPS), the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary /exceptional item. In absence of any dilutive effect of equity shares the basic and diluted EPS are calculated on the same basis. The number of shares used in computing basic and diluted earnings per share is the weighted average number of shares outstanding during the period.

## 21. Government Grants:

Government Grants are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants will be received.

Government grants whose primary conditions that company should purchase, construct or otherwise acquired capital assets are presented by deducting them from carrying value of assets.

Grants related to the revenue are accounted as for other income to the extent there is certainty to receive.

## C. Notes Forming Part of The Accounts.

1. In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for. All other contractual liabilities connected with business operations of the Company have been appropriately provided for.
2. Previous year's figures have been regrouped and re-arranged whenever necessary to suit the current period's figures.
3. Certain Balance Confirmations are yet to be obtained and therefore adjustment if any will be made on receipt for the same.
4. The amount due to Micro, small and medium enterprise in the "Micro, small and medium Enterprise Development Act,2006"(MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosures relating to micro and small enterprises is as below:

(Rs. In Lakhs)

Trade Payables	As at 31st December,2023	As at 31st March,2023
(a) the principal amount remaining unpaid to any supplier at the end of each accounting period/ year;	40,36,533	Nil
Interest amount due thereon remaining unpaid to any supplier at the end of each accounting year	NA	Nil
(b) the amount of interest paid by the buyer(Company) in terms of section 16 of the Micro, Small and Medium Enterprises Development	NA	Nil

Trade Payables	As at 31st December,2023	As at 31st March,2023
Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NA	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accountang year; and	NA	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NA	Nil

5. Purchase and Sales mentioned in the Financial Statement is Subject to Reconciliation / adjustments if any with GST Returns. GST Balance in the books of account is subject to reconciliation with GST Portal. ITC on account of credit balances Written off is subject to adjustment, if any.
6. a. Contingent liability amounting Rs. 73.26/- Lakhs for bank guarantee issued to UGVCL as on reporting date.  
b. Contingent liability State tax – Gujarat (VAT) Liability amounting Rs 42,52,195/- for FY 2015-16 for which state officer has passed the order for the said demand dated 06.11.2020 against which the company has preferred first appeal, the said appeal is dismissed due to non deposit of Rs 7,25,000/-. Against this order company preferred Second Appeal , The said Appeal Authority have directed to remand back to First Appeal Authority on the payment of Rs 1,50,000/- and accordingly company has deposited the said amount. The disposal of the same matter at first Appeal is pending.
7. The company has made the provision of gratuity on actuarial valuation basis for the period from 01.04.2020 to 31.03.2023 amounting Rs.5,38,816/- (i.e. Liability as per actuarial valuation Rs. Rs.7,55,876/- minus Provision of Rs. 2,17,060/- already made in books of account) by crediting provision for gratuity and debiting Reserve and Surplus account. The company has also made the provision of gratuity on actuarial valuation basis for the period 01.04.2023 to 31.12.2023 amounting Rs.1,00,820/-by crediting provision for gratuity account and debiting profit & loss account.
8. The Company increased its Authorised Share Capital to Rs.13,50,00,000/-divided into 1,35,00,000 equity shares of Rs.10 each from Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10 each as per resolution dated 14th October,2023.
9. The board of directors has passed special resolution at extra ordinary general meeting held on 28th November, 2023 regarding issue and allot 92,813 equity shares of Rs 10/- each at a premium of Rs. 71 each shares for pursuant to conversion of loan into equity consideration other than cash towards the unsecured loan taken.
10. The company has allotted 4,07,407 equity shares of Rs.10 each by way of Right Issue in the ratio of 1:2 on 21<sup>st</sup> November, 2023 by passing board resolution.
11. The company has allotted 66,00,965 equity shares of Rs.10 each by way of Bonus in the ratio of 88:20 on 30th November, 2023 by passing special resolution at extra ordinary general meeting.

12. Income tax provision for the period ended on December 31,2023 amounting Rs. 61,23,000/-. Out of the said amount, advance tax paid including TDS /TCS Credit amount is Rs. 16,63,317/- as on balance sheet date.
13. As explained by the management, during the current period ended on December 31,2023 , raw material burning loss in production is 3.17% due to improved quality of Raw material as compared to average 8.97% of last three years.
14. Rate of Job charges/service income from Mika Steel & Alloys LLP, Enterprise under influence by Key Managerial Personnel, enhanced from Rs.300 per MT to Rs.1000 per MT retrospectively from April 1, 2023 by Issuing debit note on dated December 31,2023.
15. Amounts in the financial statements are rounded off to nearest Lakhs. Figures in brackets indicate negative values.
16. Related parties Transaction with the meaning elaborated under the Companies Act, 2013 & Accounting Standard 18 are showing as per attached Annexure- A.

#### **Additional Regulatory Information**

16. The title deed of immovable property is disclosed in financial statements are held in the name of company.
17. The company has not revalued its Property, Plant and Equipment during the year.
18. During the period, the company has renewed and enhanced its credit facilities and total sanctioned amount of Rs 1070.00 Lakhs on the basis of security of current assets from the bank. In respect of quarterly returns filed by the company are in agreement with books of account of the company other than set out below:

(Rs. In Lakhs)

Name of the Bank	Type of Assets	Working Capital Limit Sanctioned	Balance outstanding as on Quarter Ended	Quarter Ended on	Amount as per Books of Account	Amount as per statement submitted to bank	Difference	Reason for Difference
The Federal Bank	Net Current Asset	300.00	35.73 Cr	30.06.2023	505.30	471.52	33.79	Due to Reconciliation Of Sundry Debtors Creditors and stock.
The Federal Bank	Net Current Asset	300.00	24.55 Dr	30.09.2023	371.04	436.88	(65.84)	Due to Reconciliation Of Sundry Debtors Creditors and stock
The Federal Bank	Net Current Asset	300.00	159.24 Cr	31.12.2023	1005.79	471.63	534.16	Due to Reconciliation Of Sundry Debtors Creditors and stock

19. The company has granted loans or advances in the nature of loans without specifying any terms or period of repayment, the details thereof is as under:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding As at		% to the total Loans and Advances in the nature of loans As at	
	31 <sup>st</sup> December, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> December, 2023	31 <sup>st</sup> March, 2023
Related Parties	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

20. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate beneficiaries) by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
21. No funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
22. The company has not entered any transactions with struck off companies under section 248 of the companies Act, 2013 or section 560 of companies Act, 1956.
23. The company has complied with the requirement of registration of charges with Registrar of Companies.
24. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
25. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of companies Act, 2013.
26. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
27. The company has not availed any term loan during the year under audit. Further, the company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
28. The company is not covered under the provisions of section 135 of Companies Act, 2013.
29. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
30. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

For further details, please refer to the chapter titled **“Financial Statements as Restated”** beginning on page 158 of this Draft Prospectus.

## KEY PERFORMANCE INDICATORS

Set forth below is certain financial information and certain KPIs of our business:

(₹ In lakhs except percentages and ratios)

Key Performance Indicator	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations[1]	4,628.87	8,303.86	5,774.88	4,286.44
Revenue Growth Rate %	-25.68%	43.79%	34.72%	6.24%
EBITDA [2]	280.83	143.67	79.44	73.78
EBITDA Margin [3]	6.07%	1.73%	1.38%	1.72%
Restated Profit After Tax	173.27	50.29	15.45	13.87
PAT Margin [4]	3.74%	0.61%	0.27%	0.32%
Net Worth [5]	1,020.38	441.94	391.65	376.19
Capital Employed	1,266.80	1,303.73	652.22	639.12
ROE% [6]	23.70%	12.07%	4.02%	3.76%
ROCE% [7]	20.04%	8.33%	6.31%	5.38%
Inventory Turnover ratio (In times)	7.03	13.52	20.13	12.71
Current Ratio	2.73	1.07	1.03	1.01
Total Assets Turnover ratio (In times)	3.17	5.13	4.56	3.22

### Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as Profit before tax + Finance Cost + Depreciation
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- 5) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
- 6) Return on Equity is ratio of Profit after Tax and average Shareholder Equity
- 7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).

(This section has been left blank intentionally)



## DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from restated financial statements of profit & loss for the nine-month period ended December 31, 2023 and for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021, the components of which are also expressed as a percentage of total revenue for such periods:

Particulars	For the Period / Financial Year ended									
	December 31, 2023		March 31, 2023			March 31, 2022			March 31, 2021	
	₹ in lakhs	% to TI*	₹ in lakhs	% to TI*	% Change**	₹ in lakhs	% to TI*	% Change**	₹ in lakhs	% to TI*
<b>I.TOTAL INCOME</b>										
Revenue from Operations	4628.87	99.82%	8303.86	99.62%	43.79%	5774.88	99.68%	34.72%	4286.44	99.73%
Other Income	8.21	0.18%	32.01	0.38%	73.68%	18.43	0.32%	58.59%	11.62	0.27%
<b>Total income</b>	<b>4,637.07</b>	<b>100.00%</b>	<b>8,335.87</b>	<b>100.00%</b>	<b>43.89%</b>	<b>5,793.32</b>	<b>100.00%</b>	<b>34.79%</b>	<b>4,298.06</b>	<b>100.00%</b>
<b>II.TOTAL EXPENDITURE</b>										
Cost of Material & Consumable Consumed	3125.51	67.40%	5263.00	63.14%	7.66%	4888.75	84.39%	46.16%	3344.88	77.82%
Purchase of stock-in-trade	567.24	12.23%	2033.19	24.39%	578.44%	299.68	5.17%	67.44%	178.98	4.16%
Change in Inventories	45.90	0.99%	89.26	1.07%	-201.14%	-88.26	-1.52%	-182.01%	107.62	2.50%
Employees Benefit Expenses	33.00	0.71%	48.90	0.59%	40.78%	34.73	0.60%	13.04%	30.73	0.71%
Finance Costs	29.18	0.63%	55.66	0.67%	115.58%	25.82	0.45%	58.62%	16.28	0.38%
Depreciation & Amortisation Expenses	27.01	0.58%	35.03	0.42%	-8.48%	38.27	0.66%	-2.89%	39.41	0.92%
Other Expenses	576.53	12.43%	743.00	8.91%	29.13%	575.40	9.93%	3.32%	556.90	12.96%
<b>Total Expenses</b>	<b>4,404.38</b>	<b>94.98%</b>	<b>8,268.04</b>	<b>99.19%</b>	<b>43.18%</b>	<b>5,774.41</b>	<b>99.67%</b>	<b>35.08%</b>	<b>4,274.80</b>	<b>99.46%</b>
<b>Profit/ (Loss) Before Tax</b>	<b>232.70</b>	<b>5.02%</b>	<b>67.83</b>	<b>0.81%</b>	<b>258.73%</b>	<b>18.91</b>	<b>0.33%</b>	<b>-18.70%</b>	<b>23.26</b>	<b>0.54%</b>
<b>Less: Tax Expenses</b>										
(1) Current Tax	- 61.32	-1.32%	- 18.11	-0.22%	324.18%	- 4.27	-0.07%	-30.17%	- 6.11	-0.14%
(2) Deferred Tax	1.17	0.03%	0.58	0.01%	-34.77%	0.90	0.02%	-129.06%	- 3.08	-0.07%
(3) Tax related to previous year	0.72	0.02%	- 0.02	0.00%	-80.50%	- 0.08	0.00%	-56.97%	- 0.19	0.00%
<b>Total Tax Expenses</b>	<b>- 59.43</b>	<b>-1.28%</b>	<b>- 17.54</b>	<b>-0.21%</b>	<b>419.54%</b>	<b>- 3.46</b>	<b>-0.06%</b>	<b>-63.32%</b>	<b>- 9.39</b>	<b>-0.22%</b>
<b>Profit/ (Loss) for the Year</b>	<b>173.27</b>	<b>3.74%</b>	<b>50.29</b>	<b>0.60%</b>	<b>225.45%</b>	<b>15.45</b>	<b>0.27%</b>	<b>11.43%</b>	<b>13.87</b>	<b>0.32%</b>

\*TI being Total Income

\*\*Percentage change in line item of Profit and Loss on Year-on-Year Basis

## KEY COMPONENTS OF STATEMENT OF PROFIT AND LOSS BASED ON RESTATED FINANCIAL STATEMENTS

### A. FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED DECEMBER 31, 2023

#### **Total Income**

Total income for the period ended December 31, 2023 stood at ₹ 4,637.07 Lakhs. The total income consists of revenue from operations and other income.

#### **Revenue from Operations**

During the period ended December 31, 2023, the net revenue from operation of Company was ₹ 4,628.87 Lakhs, which constitutes 99.82% of total income.

#### **Other Income**

During the period ended December 31, 2023, the other income of Company was ₹ 8.21 Lakhs, which constitutes 0.18% of total income.

#### **Total Expenditure**

During the period ended December 31, 2023, the total expenditure of Company was ₹ 4404.38 Lakhs, which constitutes 94.98% of total income.

#### **Cost of Material and Consumable Consumed**

During the period ended December 31, 2023, the cost of material and consumable consumed of Company was ₹ 3125.51 Lakhs, which constitutes 67.40 % of total income.

#### **Purchase of Stock in Trade**

During the period ended December 31, 2023 the purchase of stock in trade of Company was ₹ 567.24 Lakhs, which constitutes 12.23% of total income.

#### **Changes in inventories of goods**

During the period ended December 31, 2023 the changes in inventories of goods of Company was ₹ 45.90 Lakhs, which constitutes 0.99 % of total income.

#### **Employee benefit expenses**

During the period ended December 31, 2023 the employee benefit expenses of Company was ₹ 33.00 Lakhs, which constitutes 0.71% of total income.

#### **Finance costs**

During the period ended December 31, 2023 the finance cost of Company was ₹ 29.18 Lakhs, which constitutes 0.63% of total income.

#### **Depreciation and amortization cost**

During the period ended December 31, 2023 the depreciation and amortization cost of Company was ₹ 27.01 Lakhs, which constitutes 0.58% of total income.

#### **Other Expenses**

During the period ended December 31, 2023 the other expenses of Company was ₹ 576.53 Lakhs, which constitutes 12.43 % of total income.

#### **Profit before Tax**

During the period ended December 31, 2023 the profit before tax of Company was ₹ 232.70 Lakhs, which constitutes 5.02 % of total income.

#### **Tax Expenses**

During the period ended December 31, 2023 the tax expenses of Company was -₹ 59.43 Lakhs, which constitutes -1.28% of total income.

**Profit for the year**

During the period ended December 31, 2023 the profit for the year of Company was ₹ 173.27 Lakhs, which constitutes 3.74% of total income.

**B. COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022****Total Income**

Total income increased by 43.89% from ₹ 5,793.32 lakhs for the Financial Year ended March 31, 2022 to ₹ 8335.87 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to an increase in revenue from operations along with trading opportunity gained by the Company which is also a factor to increase in profitability.

**Revenue from operations**

Revenue from operation increased by 43.79% from ₹ 5,774.88 lakhs for the Financial Year ended March 31, 2022 to ₹ 8,303.86 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to increase in Sale of manufactured and traded goods.

**Other income**

Other income increased by 73.68% from ₹ 18.43 Lakhs for the Financial Year ended March 31, 2022 to ₹ 32.01 lakhs for the Financial Year ended March 31, 2023, primarily on account of Interest income on bank deposits, Foreign exchange fluctuation gain, Interest on IT refund and Credit Balance Written off.

**Expenditure****Cost of Material and Consumable Consumed**

Purchase of material and consumable increased by 7.66% from ₹ 4,888.75 lakhs for the Financial Year ended March 31, 2022 to ₹ 5,263.00 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to purchase of material and consumables and increase in the expense related to such purchases.

**Purchase of stock in trade.**

Purchase of stock in trade increased by 578.44% from ₹ 299.68 lakhs for the Financial Year ended March 31, 2022 to ₹ 2,033.19 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to increase in sale of the traded goods and as a reason the purchases of such goods substantially increased.

**Changes in inventories of goods**

Changes in inventories of goods increased to ₹ 89.26 lakhs for the Financial Year ended March 31, 2023 -₹ 88.26 Lakhs for the Financial Year ended March 31, 2022. This increase was primarily due to reduction in closing stock of finished goods.

**Employee benefit expense**

The employee benefits expense increased by 40.78%, ₹ 34.73 lakhs for the Financial Year ended March 31, 2022 to ₹ 48.90 lakhs for the Financial Year ended March 31, 2023 primarily due to increase in salary, wages and bonus Expenses and payment of directors remuneration.

**Finance cost**

The finance costs increased by 115.58% from ₹ 25.82 lakhs for the Financial Year ended March 31, 2022 to ₹ 55.66 Lakhs for the Financial Year ended March 31, 2023, primarily due to payment of interest on unsecured loans and increase in the interest cost of cash credit and buyer credit.

**Depreciation and amortization expenses**

Depreciation and amortization expense decreased by 8.48%, ₹ 35.03 lakhs for the Financial Year ended March 31, 2023 from ₹ 38.27 lakhs for the Financial Year ended March 31, 2022, due to diminishing value of the tangible fixed asset and no major addition in tangible assets in this FY 2022-23.

**Other Expenses**

other expenses were increased by 29.13% to ₹ 743.00 lakhs for the Financial Year ended March 31, 2023 from ₹ 575.40 lakhs for the Financial Year ended March 31, 2022, primarily due to increase in the following expenses:

(₹ in Lakhs)

Particulars	31-March-23	31-March-22	Difference
Power Expenses	₹ 556.72	₹ 442.30	₹ 114.42
Repair & Maintenance- Machinery	₹ 7.53	₹ 1.16	₹ 6.37
Lab Charges	₹ 88.77	₹ 66.57	₹ 22.19
Freight Charges	₹ 47.93	₹ 43.99	₹ 3.94
Legal & Professional Expenses	₹ 2.93	₹ 2.70	₹ 0.24
Auditor's Remuneration	₹ 0.65	₹ 0.50	₹ 0.15
Rent Expenses	₹ 0.60	₹ 0.60	₹ 0.00
Rates & Taxes	₹ 0.32	₹ 0.26	₹ 0.06
Insurance Charges	₹ 1.35	₹ 1.46	-₹ 0.11
Other Expenses	₹ 22.28	₹ 3.65	₹ 18.63
Petrol & Diesel Expenses	₹ 11.42	₹ 8.79	₹ 2.63
Commission Expenses	₹ 2.50	₹ 3.43	-₹ 0.93

#### Tax expenses -

Tax expenses increased to ₹ 17.54 lakhs for the Financial Year ended March 31, 2023 from ₹ 3.46 lakhs for the Financial Year ended March 31, 2022, due to increase in current taxes on account of profit generated by the Company.

#### Profit after tax

There was an increase in the profit after tax of to ₹ 50.29 lakhs for the Financial Year ended March 31, 2023 from a profit of ₹ 15.45 Lakhs for the Financial Year ended March 31, 2022, The Profit has increased due to the increase in the turnover and better productivity by reduction in the Burning loss during the FY 2023, as compared to FY 2022. The drop down in burning loss is attributable to better quality of raw material used by the Company for its operations during FY 2023.

### C. COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021

#### Total Income

Total income increased by 34.79% from ₹ 4,298.06 lakhs for the Financial Year ended March 31, 2021 to ₹ 5,793.32 lakhs for the Financial Year ended March 31, 2022. This increase was primarily due to an increase in revenue from operations and other income.

#### Revenue from operations

Revenue from operation increased by 34.72% from ₹ 4,286.44 lakhs for the Financial Year ended March 31, 2021 to ₹ 5,774.88 lakhs for the Financial Year ended March 31, 2022. This increase was primarily due to increase in the sale of manufactured and traded goods and sale of services.

#### Other income

Other income increased by 58.59% from ₹ 11.62 lakhs for the Financial Year ended March 31, 2021 to ₹ 18.43 lakhs for the Financial Year ended March 31, 2022, primarily due to increase in the foreign currency fluctuation gain and interest on loans and advances.

#### Expenditure

##### Cost of Material and Consumable Consumed

Purchase of material and consumable increased by 46.16% from ₹ 3,344.88 lakhs for the Financial Year ended March 31, 2021 to ₹ 4,888.75 lakhs for the Financial Year ended March 31, 2022. This increase was primarily due to purchase of material and consumables.

#### Purchase of stock in trade.

Purchase of stock in trade increased by 67.44% from ₹ 178.98 lakhs for the Financial Year ended March 31, 2021 to ₹ 299.68 lakhs for the Financial Year ended March 31, 2022. This increase was primarily due to increase in sale of the traded goods and as a reason the purchases of such goods substantially increased.

#### Changes in inventories of goods

Changes in inventories of goods decreased to -₹ 88.26 lakhs for the Financial Year ended March 31, 2022 from ₹ 107.62 Lakhs for the Financial Year ended March 31, 2021. This decrease was primarily due to increase in closing stock of finished goods.

#### Employee benefit expense

The employee benefits expense increased by 13.04% to ₹ 34.73 lakhs for the Financial Year ended March 31, 2022 from ₹ 30.73 lakhs for the Financial Year ended March 31, 2021 primarily due to increase in salary, wages and bonus expenses of employee.

#### Finance cost

The finance costs increased by 58.62% to ₹ 25.82 lakhs for the Financial Year ended March 31, 2022 from ₹ 16.28 for the Financial Year ended March 31, 2021, primarily due to increase in interest payments of cash credit and buyer credit.

#### Depreciation and amortization expenses

Depreciation and amortization expense decreased by -2.89% to ₹ 38.27 lakhs for the Financial Year ended March 31, 2022 from ₹ 39.41 lakhs for the Financial Year ended March 31, 2021, mainly due to capital subsidy amount of Rs 15 Lakhs received in FY 2020-21.

#### Other Expenses

Other expenses were increased by 3.32% to ₹ 575.40 lakhs for the Financial Year ended March 31, 2022 from ₹ 556.90 lakhs for the Financial Year ended March 31, 2021, primarily due to increase in the following expenses:

(Rs. In Lakhs)

Particulars	31-March-22	31-March-21	Difference
Power Expenses	₹ 442.30	₹ 421.72	₹ 20.58
Repair & Maintenance- Machinery	₹ 1.16	₹ 1.21	-₹ 0.05
Labour Charges	₹ 66.57	₹ 59.11	₹ 7.47
Freight Charges	₹ 43.99	₹ 32.34	₹ 11.65
Legal & Professional Expenses	₹ 2.70	₹ 1.96	₹ 0.74
Auditor's Remuneration	₹ 0.50	₹ 1.00	-₹ 0.50
Rent Expenses	₹ 0.60	₹ 0.60	₹ 0.00
Rates & Taxes	₹ 0.26	₹ 0.09	₹ 0.17
Insurance Charges	₹ 1.46	₹ 1.64	-₹ 0.18
Other Miscellaneous Expenses	₹ 3.65	₹ 0.25	₹ 3.40
Petrol & Diesel Expenses	₹ 8.79	₹ 10.70	-₹ 1.91
Commission Expenses	₹ 3.43	₹ 26.29	-₹ 22.86

#### Tax expenses

Tax expenses decreased by 63.19% to ₹ 3.46 lakhs for the Financial Year ended March 31, 2022 from ₹ 9.39 lakhs for the Financial Year ended March 31, 2021, due to decrease in provision of deferred tax expense and current tax expense.

#### **Profit after tax**

For the various reasons discussed above, profit after tax of ₹ 15.45 lakhs for the Financial Year ended March 31, 2022 from a profit of ₹ 13.87 lakhs for the Financial Year ended March 31, 2021.

#### **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 (3) years or may in the future affect our business operations or future financial performance.

##### **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 Chapter entitled *“Risk Factors”* beginning on page 27 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors that 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 on account of main activities derives from manufacturing and sale of our traded goods and other operating income.

##### **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 the chapter titled *“Risk Factors”* beginning on page 27 of this Draft 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. Future changes in relationship between costs and revenues**

Other than as described in the chapters *“Risk Factors”*, *“Business Overview”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* on page 27, 102 and 192 respectively, including the disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

##### **7. The extent to which material increases in net sales or revenue are due to a growth of business.**

Increases in revenues are by and large linked to increases in volume of business.

##### **8. Status of any publicly announced new products or business segment.**

Other than as disclosed in the chapter titled *“Business Overview”* beginning on page 102 of this Draft Prospectus, as on the date of the Draft Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

##### **9. The extent to which business is seasonal.**

Our Company’s business is not seasonal in nature.

#### 10. Any significant dependence on a single or few suppliers or customers.

A significant proportion of our revenues have historically been derived from a limited number of customers. The % contribution of our Company customer and supplier vis a vis the revenue from operations and purchase of goods, respectively and for the six-month period ended December 31, 2023 and for the financial year ended March 31, 2023, for the financial year ended March 31, 2022 and for the financial year ended March 31, 2021 are tabulated as follows:

Particulars	For the Period/ Financial Year ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	₹ in lakhs	%	₹ in lakhs	%	₹ in lakhs	%	₹ in lakhs	%
Top 10 customers*	4,304.60	92.99%	6,769.75	81.53%	4,878.11	84.47%	3,863.73	90.14%
Top 10 suppliers**	2,165.87	65.79%	3,728.30	48.60%	3,669.29	70.54%	2,121.59	64.05%

\*Percentage to Revenue from Operation

\*\* Percentage to Total Purchase

#### 11. Competitive conditions.

Competitive conditions are as described under the chapter titled “*Industry Overview*” and “*Business Overview*” beginning on pages 93 and 102, respectively of this Draft Prospectus.

## FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount as may be approved by the shareholders from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on December 31, 2023, our Company have following outstanding secured borrowings from banks and financial institutions:

### A. SECURED BORROWINGS

(Rs. In Lakhs)

Name of the Person/ Institution / Company	Type of Loan	Purpose	Nature of Tenure	Sanctioned Limit	Rate of Interest/Commission (As per sanction letter)	Outstanding as on December 31, 2023
The Federal Bank Ltd.	Cash Credit	Business Purpose	On Demand	300.00	9.90 % p.a. (Repo Rate + 3.40 %)	159.24
The Federal Bank Ltd.	Buyers Credit	Business Purpose	As per respective terms	322.00	LOU 1.50% p.a.	75.67
The Federal Bank Ltd.	Buyers Credit	Business Purpose	As per respective terms	375.00	LOU 1.50% p.a.	0.00
The Federal Bank Ltd.	GECL	Business Purpose	36 Structured Equal Monthly Installment of Rs. 63,832/- From Aug-2021	20.00	Repo Rate plus Spread of 6.35%	4.34
Total Fund Based (a)				1017.00		239.25
The Federal Bank Ltd.	Bank Guarantee	Business Purpose	As per respective terms	73.00	1.50% p.a.	*Refer Note 2
The Federal Bank Ltd.	FBG/LOU For Buyers Credit - 2 - (Sublimit Of -Cash Credit )	Business Purpose	As per respective terms	300.00*	LOU 1.50% p.a.	0.00
The Federal Bank Ltd.	LC (Inland / Import) - 2 - (Sublimit Of - Cash Credit )	Business Purpose	As per respective terms	300.00*	1.50% p.a.	0.00

Name of the Person/ Institution / Company	Type of Loan	Purpose	Nature of Tenure	Sanctioned Limit	Rate of Interest/Commission (As per sanction letter)	Outstanding as on December 31, 2023
The Federal Bank Ltd.	LC (Inland / Import) - 1 - (Sublimit of - FBG/LOU For Buyers Credit )	Business Purpose	As per respective terms	322.00*	1.50%	0.00
The Federal Bank Ltd.	LC (Inland / Import) - 4 - (Sublimit of - FBG/LOU For Buyers Credit )	Business Purpose	As per respective terms	375.00*	1.50%	0.00
<b>Total Non - Fund Based (b)</b>				<b>73.00</b>		<b>0.00</b>
<b>Total Secured Borrowings (a+b)</b>				<b>1090.00</b>		<b>239.25</b>

\*Sub-limit of Cash Credit and Buyers Credit

Note 1: Hedging Exposure Limit of Rs.200 Lakhs, Bill Discounting (LC) – 1 of Rs.997 Lakhs, Bill Discounting (LC) – 2 of Rs. 500 Lakhs are also sanctioned by The Federal Bank Ltd.

Note 2: The Federal Bank Ltd. has issued bank guarantee of Rs.73.26 lakhs in favor of the Uttar Gujarat Vij Company Limited.

Principal terms of credit facilities from Federal Bank Ltd

- (a) Secured against Hypothecation of Stock and book debts and Plant & Machinery and  
(b) Additionally Secured by way of registered mortgage of industrial land and factory building situated at Sr no 4/1, Nr. GEB Sub Station, B/h Meghmani Factory, Kalana Road, Moje.Village Kalana, Tal. Sanand, Dist: Ahmedabad owned by the company and  
(c) Residential Tenement No. C/2(ad-mesuring 59 sqyd), situated at S.No. 19 paiki, Panchyat No. 3395/C/2, Bhagyakunj Co-op Housing Society Ltd., Jannatual Naim Society, B/h. Park land Society, Juhapura-Sarkhej Road, Juhapura, Dist-Ahmedabad registered in the name of Zakirbhai N Qureshi, relative of Ex-director of the company.

**B. UNSECURED BORROWINGS**

The Company have also availed Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on December 31,2023.

(Rs. In Lakhs)

Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	Outstanding Amount as on December 31, 2023
From Related Parties:-				
Mika Steel and Alloys LLP	Business Purpose	8.00%	On Demand	3.22
Mit Iron & Steel Pvt. Ltd.	Business Purpose	8.00%	On Demand	3.95
<b>Total Unsecured Borrowings</b>				<b>7.17</b>

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 (five) FYs including outstanding action; (iv) outstanding claims related to direct or indirect taxes; (v) other pending litigation as determined to be material by our Board as per the Materiality Policy (as defined below) in each case involving our Company, Promoters, Directors ("**Relevant Parties**"); or (vi) all litigations involving our Group Companies which have a material impact on the business operations, prospects or reputation of our Company.

Our Board, in its meeting held on February 09, 2024 adopted materiality policy to determine the outstanding legal proceedings involving the Relevant Parties which will be considered as material ("**Materiality Policy**"). In terms of materiality policy, the following outstanding litigations be disclosed by our Company in this Draft Prospectus:

1. For the purposes of determining outstanding material litigation(s) involving the Company, five per cent (5%) of the profit after tax as per the latest audited financial statement, for the entire financial year, is to be considered as the appropriate threshold for determination of material litigations of the Company. The Company has identified material litigation matters on the following parameters:

For outstanding litigation which may, or may not have any impact on the future revenues of our Company:

- a. where the aggregate amount involved in such individual litigation exceeds five per cent (5%) of the profit after tax as per the latest audited financial statement, for the entire financial year;
  - b. where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed five per cent (5%) of the profit after tax and amount involved in all of such cases taken together exceeds five per cent (5%) of the profit after tax as per the latest audited financial statement, for the entire financial year; and
  - c. outstanding litigation which may not meet the parameters set out in (a) or (b) above, but if such litigation has an adverse outcome, it would materially and adversely affect the operations or financial position of our Company.
2. For the purposes of determining material litigation(s) involving our Directors, all outstanding litigation involving each Director shall be considered and if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of the Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

It is clarified that pre-litigation notices received by the Relevant Parties, unless otherwise decided by the Board, shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in the litigation proceedings before any judicial forum.

For outstanding dues to any micro, small or medium enterprise, in accordance with the Materiality Policy, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors. Details of outstanding dues to material creditors along with the name and amount for each material creditor shall be uploaded and disclosed on the webpage of the Company as required under the SEBI ICDR Regulations at [www.kalanaispat.com](http://www.kalanaispat.com).

Our Company does not have any subsidiaries.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

All Terms defined in a particular litigation disclosure pertain to that litigation only

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated by the Company.

##### **(c) Other pending material litigations against the Company**

As on the date of this Draft Prospectus, there are no outstanding material litigation initiated against the Company.

##### **(d) Other pending material litigations filed by the Company**

As on the date of this Draft Prospectus, there is one outstanding material litigation initiated by the Company.

In consumer Court:

##### **Kalana Ispat Limited v/s The United India Insurance Limited vide compliant no. CC/19/1383.**

M/s Kalana Ispat Limited has filed complaint against M/s The United India Insurance Limited with the Consumer Court on November 14, 2019 as the latter has only allowed claim of Rs. 3.50 Lakhs (approx.) against claim amount of Rs. 14.36 Lakh citing deviation in identification of magnet assembly. Currently the said matter is listed for arguments and the next date of hearing is July 01, 2024.

##### **(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Prospectus, there are no outstanding actions by statutory and regulatory authorities initiated against the Company.

**As per review of the Restated Financials of the Company the following list of taxation proceedings involving the Company:**

##### **Indirect tax:**

<b>S. No.</b>	<b>Financial Year</b>	<b>Name of the Act/Law</b>	<b>Amount In dispute/Demanded</b>
1	2015-16	VAT	42,52,195 /-*

Gujarat (VAT) Liability amounting Rs 42,52,195/- for FY 2015-16 for which state officer has passed the order for the said demand dated 06.11.2020 against which the company has preferred first appeal, the said appeal is dismissed due to non-deposit of Rs 7,25,000/-. Against this order company preferred Second Appeal, the said Appeal Authority have directed to remand back to First Appeal Authority on the payment of Rs 1,50,000/- and accordingly company has deposited the said amount. The disposal of the same matter at first Appeal is pending.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

##### **(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the Company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company**

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated by the Promoters & Directors of the Company.

**(c) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this Draft Prospectus, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Promoters & Directors of the Company**

As on the date of this Draft Prospectus, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Draft Prospectus, there are outstanding actions initiated by the statutory and regulatory authorities against the Promoters & Directors.

Sadik Nannabhai Qureshi			
Financial Year	Name of the Act/Law	Nature of Dues	Amount in demand (in ₹)
FY 2019-20	Section 129 of GST Act	E Way Bill Not Tendered With Conveyance	27,704

**(f) Disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action**

As on the date of this Draft Prospectus, there are no outstanding actions by SEBI or stock exchanges against the Promoters, nor any penalties have been imposed in the last five years.

**C. LITIGATIONS INVOLVING THE GROUP COMPANY OF THE COMPANY**

**(a) Criminal proceedings against the group company of the company**

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated against the group company of the company.

**(b) Criminal proceedings filed by the group company of the company**

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated by the group company of the company.

**(c) Other pending material litigations against the group company of the company**

As on the date of this Draft Prospectus, there are no outstanding litigations initiated against the group company, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations by the group company of the company**

As on the date of this Draft Prospectus, there are no outstanding litigations initiated by the group company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the group company of the company**

As on the date of this Draft Prospectus, there are outstanding actions by statutory or regulatory authorities initiated against the group company.

<b>Mit Iron and Steel Private Limited</b>			
<b>Period to which Relates</b>	<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount in dispute (in ₹)</b>
FY 2012-13	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	2,13,30,378*
FY 2013-14	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	1,84,72,419*
FY 2014-15	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	2,29,42,842*
FY 2015-16	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	11,57,790*
FY 2017-18	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	1,97,508**

\* The said matter of the company namely Mit Iron and Steel Private Limited is pending against the second appellate authority.

\*\* The said matter of the company namely Mit Iron and Steel Private Limited is pending against the first appellate authority.

Further, the company had deposited Rs 7 Lakhs for FY 2014-15 and Rs 1 Lakh for FY 2015-16 to respective authority.

<b>Mit Impex (Prop. Aftabhusen S Khandwawala)</b>			
<b>Financial Year</b>	<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount in dispute/ demanded (in ₹)</b>
2012-13	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	1,22,310/-*

\* Gujarat (VAT) Liability amounting Rs 1,22,310/- for FY 2012-13 for which state officer has passed the order for the said demand against which the proprietor has preferred first appeal, the said appeal is dismissed due to non-deposit of pre-deposit. Against this order proprietor preferred Second Appeal. The said Appeal Authority have directed to remand back to First Appeal authority.

<b>Metal India Tradelink (Prop. Varghese Joseph Pottakerry)</b>			
<b>Period to which Relates</b>	<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount in dispute/ demanded (in ₹)</b>
F.Y.2006-07	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	9,73,896/-*
F.Y.2012-13	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	69,265/-*
F.Y.2013-14	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	51,099/-*

<b>Metal India Tradelink (Prop. Varghese Joseph Pottakerry)</b>			
<b>Period to which Relates</b>	<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount in dispute/demanded (in ₹)</b>
F.Y.2014-15	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	<b>14,47,819/-*</b>
F.Y.2015-16	Gujarat Value Added Tax Act,2003	VAT (Incl. Interest, Penalty)	<b>3,26,689/-*</b>

\* In respect of all Gujarat (VAT) Liability, for which state officer has passed the order for the said demand against which the proprietor has preferred first appeal, the said appeal is dismissed due to non-deposit of pre-deposit. Against this order proprietor preferred Second Appeal. The said Appeal Authority have directed to remand back to First Appeal authority. all appeals are remand back to First Appeal authority.

#### **D. TAX PROCEEDINGS**

There are no outstanding tax demand (direct and indirect) against the company, the promoters and directors. Apart from that no Proceeding initiated by the Department under Income Tax Act, 1961. Therefore, the amount of liability, if any, as may be ascertained, to be payable by the Company is yet to be crystallized.

<b>Nature of Proceedings</b>	<b>Number of cases</b>	<b>Amount involved* (₹ in lakhs)</b>
Of the Company		
Direct Tax (Income Tax)	Nil	Nil
Direct Tax (TDS)	Nil	Nil
Indirect Tax (GST)(VAT)	1	42,52,195 /-
Of the Promoters and Directors (Income Tax)	3	4,76,703/-

#### **E. AMOUNT RELATES TO MATERIAL CREDITOR:**

Board of Directors considers dues owed by our Company to the creditors exceeding Such amount/percentage as approved in board meeting dated 09<sup>th</sup> February, 2024 for approval of the materiality threshold for the identification of material creditors ("**Materiality Policy**").

Based on such review, we hereby certify and confirm that, except as disclosed below, as on 31st December, 2023, there are no outstanding dues by the Company, on a standalone basis, to micro, small and medium enterprises, and other creditors:

<b>Name</b>	<b>Number of Creditors</b>	<i>(Rs. in Lakhs)</i>
		<b>For the period ended 31st December, 2023</b>
Total Outstanding dues to Material Creditors	1	20.65
Total Outstanding dues to Micro and Small & Medium Enterprises	11	19.72
Total Outstanding dues to Other Creditors	25	12.01
<b>Total</b>	<b>37</b>	<b>52.38</b>

The trade payables of the Company as on 31st December, 2023, as per the Restated Standalone Financial Information, amounted to Rs. 52.38 Lakhs. Accordingly, a creditor has been considered to be a Material Creditor, if the amounts due to such creditor as on 31st December, 2023 exceeded Rs. 11.34 Lakhs. (i.e. 5 % of 2,26,81,501)

Based on the Materiality Policy, we certify that the following details in relation to Material Creditors of the Company as of 31st December, 2023 and nothing has come to our attention which has caused us to believe that the below mentioned information are not true complete, accurate, and not misleading:

S. No.	Name of material creditor	Amount (Rs. in Lakhs)
1.	A One Scrap Traders	20.64
	<b>Total</b>	<b>20.64</b>

The details pertaining to net outstanding dues towards our material creditors as on December 31, 2023 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.kalanaispatprivatelimited.com](http://www.kalanaispatprivatelimited.com). It is clarified that such details available on our website do not form a part of this Draft Prospectus.

**Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.**

Except as described above, as on date of this prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.**

**Pending proceedings initiated against our Company for economic offences**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

**Material Fraud against our Company in the last five years**

There has been no material fraud committed against our Company since incorporation.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences for default or outstanding defaults.

**Non-Payment of Statutory Dues**

Except as disclosed in the chapter titled "Financial Statements as Restated" beginning on pages 158 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

**Material Developments occurring After Last Balance Sheet Date**

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" of this Draft prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER APPROVALS

*Except as mentioned below, our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities and no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

For details in connection with the regulatory and legal framework within which we operate, see the section titled **“Key Industrial Regulations and Policies”** at page 117 of this Draft Prospectus. The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **I. APPROVALS FOR THE ISSUE**

#### **1) Corporate Approvals:**

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on February 09, 2024 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on February 09, 2024 authorized the Issue.
- c) Our Board approved the Draft Prospectus pursuant to its resolution dated June 27, 2024.

#### **2) Agreements with NSDL and CDSL:**

- a) The company has entered into an agreement dated 20<sup>th</sup> January, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Skyline Financial Services Private Limited for the dematerialization of its shares.
- b) Similarly, the Company has also entered into an agreement dated 19<sup>th</sup> January, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited for the dematerialization of its shares.
- c) The International Securities Identification Number (ISIN) of our Company is INE0T0L01014.

### **II. APPROVALS OBTAINED BY OUR COMPANY IN RELATION TO OUR BUSINESS AND OPERATIONS**

#### **1) Incorporation Related Approvals**

S. No.	Nature of Registration	CIN/ Registration No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation as “Kalana Ispat Private Limited”	U27100GJ2012PTC072306 / 072306	Companies Act, 1956	Registrar of Companies, Ahmedabad	October 15, 2012	Valid until cancelled
2.	Certificate of Incorporation on Conversion of company	U27100GJ2012PLC072306 / 072306	Companies Act, 2013	Registrar of Companies, Ahmedabad	December 21, 2024	Valid until cancelled

S. No.	Nature of Registration	CIN/ Registration No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	from Private to Public "Kalana Ispat Limited"					

**2) Tax Related Approvals**

Sr. No.	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax, 1961	Income Tax Dept., Govt. of India	AAFCK0351G	October 15, 2012	One Time Registration
2.	Tax Deduction Account Number (TAN)	Income Tax, 1961	Income Tax Dept., Govt. of India	AHMK06855C	NA	NA
3.	Certificate of Registration of Goods and Services Tax (Ahmedabad)	Centre Goods and Services Tax Act, 2017	Central Board of Indirect Taxes & Customs	24AAFCK0351G1ZZ	July 06, 2018	Cancelled due to conversion of Company
4.	Certificate of Registration of Goods and Services Tax (Ahmedabad)	Centre Goods and Services Tax Act, 2017	Central Board of Indirect Taxes & Customs	24AAFCK0351G1ZZ	February 05, 2024	One-time registration Pursuant to conversion of Company.
5.	IEC Code	The Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce and Industry, Government of India, Additional Director General of Foreign Trade	0815008708	July 29, 2015	Valid until cancelled

**3) Business Operations Related Approvals:**

**REGISTERED OFFICE: 504, ASHWAMEGH AVNUE, 5TH FLOOR, NR MITHAKHALI UNDERBRIDGE, MITHAKHALI, AHMEDABAD, GUJARAT 380009**

Sr. No.	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Registration Certificate issued under Gujarat Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2019	Gujarat Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2019	Shops and Establishment Department	PII/MNM/40009 87/0278785	June 04, 2024	Valid until cancelled
2.	Registration Certificate issued under Gujarat State tax on profession, Trade, Calling and Employment Act, 1976	Gujarat State tax on profession, Trade, Calling and Employment Act, 1976	Amdavad Muncipal Corporation	PRC0105150019 59	June 04, 2024	Valid until cancelled

**MANUFACTURING UNIT AT S.NO: 4/1 VILLAGE KALANA TA. SANAND AHMEDABAD-382170 (A FACTORY AS PER THE FACTORIES ACT, 1948)**

Sr. No.	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	License to Work as Factory	The Factories Act, 1948	Directorate Industrial Safety & Health	14456/24103/2021	December 28, 2022	December 31, 2025
2.	Pollution Control Approval	The Air (Prevention and Control of Pollution) Act of 1981	Gujarat Pollution Control Board	Consent order No. AWH-52803	March 15, 2022	December 31, 2031
3.	Employee State Insurance Corporation	ESI Act, 1948	Employee State Insurance Corporation	37001094540000699	March 20, 2017	Valid until cancelled
4.	Employee Provident Fund	Employees Provident Fund Miscellaneous Provisions Act 1952	Employees Provident Fund Organisation	GJAHD1723137000	April 27, 2018	Valid until cancelled

**4) Approvals obtained/applied in relation to Intellectual Property Right (IPR)**

Sr. No.	Description	Registration Number/ Mark/ Label	Class	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration for Trade Mark	Kalana	6	Trade Marks Act, 1999	Registrar of Trademarks	Applied	-

**III. OTHER APPROVALS**

**1) GENERAL APPROVALS:**

Sr. No.	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	LEI Certificate	RBI Regulations	LEI India Limited (A WOS of Clearing corporation of India)	335800IFAK20XA EU3S15	February 10, 2024	February 10, 2025
2.	Udyog Aadhar Registration Certificate	MSME Development Act, 2006	MSME (Ministry of Micro, Small & Medium Enterprises)	GJ01B0098056	February 05, 2015	Valid until cancelled

**2) APPROVAL FOR THE SOLAR POWER PLANT:**

Sr. No.	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Provisional Registration of Renewable Energy Project under Gujarat Renewable Energy Policy- 2023	Gujarat Renewable Energy Policy- 2023	Gujarat Energy Development Agency	PR No.: GEDA/PR/GMS/24-25/06/2612/1843	June 26, 2024	December 26, 2024

**KEY APPROVALS THAT HAVE EXPIRED AND FOR WHICH RENEWAL APPLICATIONS HAVE BEEN MADE**

There are no such key approvals which have expired and for which renewal applications have been made as on the date of this Draft Prospectus.

**KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED**

There are no such key approvals applied for by our but not received as on the date of this Draft Prospectus.

## SECTION - XI - OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company, vide resolution passed at its meeting held on February 09, 2024.

The shareholders of our Company have authorised the Issue in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013, by passing a Special Resolution at the Extra-Ordinary General Meeting held on February 09, 2024.

The Company has obtained approval from NSE, vide letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the EMERGE Platform of the National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

The Board of Directors of our Company have approved this Draft Prospectus, vide a resolution, passed at its meeting held on June 27, 2024.

### Prohibition by SEBI or other Governmental Authorities

We confirm that our Company, Promoters, Promoter Group, Directors, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

None of the companies with which our Promoters or Directors are Promoters or Directors, have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Promoters or Directors have not been declared as fugitive economic offenders.

### Prohibition by RBI

We confirm that neither our Company nor our Promoters or Directors, have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

We further confirm that neither our Company nor our Promoters or Directors, have been have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Fraud- Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Draft Prospectus.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against them by SEBI at any time except as stated under the chapters titled "**Risk Factors**", "**Our Promoters and Promoter Group**" and "**Outstanding Litigations and Material Developments**" beginning on pages 27, 148 and 210 respectively, of this Draft Prospectus.

### Eligibility for this Issue

Our Company has complied with the conditions of Regulation 230 of SEBI ICDR Regulations for this Issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI ICDR Regulations and this Issue is an "Initial Public Offer" in terms of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) of the SEBI ICDR Regulations as we are an Issuer whose post-issue paid-up capital is more than Rs. 10 Crores (Rupees Ten Crores only) but less than or equal to Rs. 25 Crores (Rupees Twenty Five Crores only). Accordingly, our Company is proposing to issue its

Equity Shares to Public and subsequent listing thereof on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the EMERGE Platform of the National Stock Exchange of India Limited i.e. NSE EMERGE).

We confirm that:

1. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information –Underwriting" beginning on page 53.
2. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. 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 officer in default shall, on and from expiry of 4<sup>th</sup> (Fourth) day, be liable to repay such application money, with an interest at the rate as prescribed under the SEBI ICDR Regulations.
3. In accordance with Regulation 246 the SEBI ICDR Regulations, we have not filed this Draft Prospectus with SEBI nor has SEBI issued any observations on our Draft Prospectus. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 261(1) of the SEBI ICDR Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager and 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 NSE EMERGE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 54.

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was originally incorporated as ‘Kalana Ispat Private Limited’, a private limited company, under the Companies Act, 1956, with a certificate of incorporation issued under the hand of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, dated on October 15, 2012. Subsequently, our Company was converted from a private limited company into a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 04, 2023, and consequently, the name of our Company was changed to “Kalana Ispat Limited”, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated December 21, 2023, was issued by the Registrar of Companies, Ahmedabad to our Company.
2. The post issue paid up capital of our Company (face value) shall not be more than Rs. 25 Crores (Rupees Twenty Five Crores only).
3. Our Company has track record of more than 3 years. Further our Promoters Mr. Aftabhusen S Khandwawala, Mr. Varghese Joseph Pottakerry, Mr. Gurubaxsing Jamiatsing Bagga and Mr. Sadik Nanabhai Qureshi, have more than 3 years of experience in the same line of business and his post issue shareholding shall be at least 20% of the post issue equity share capital.
4. The Net worth and operating profit (earnings before interest, depreciation and tax) of the Company as per the restated financial statements for the none months period ended on December 31, 2023 are as set forth below:

Amount in Rs. Lakhs

Particulars	For the period April 01, 2023 till December 31, 2023
Net Worth*	1,020.38
operating profit (earnings before interest, depreciation and tax)	280.83

\* Net worth means sum of paid up capital, reserves (excluding revaluation reserves) and Share premium, if any.

For further details, see “Financial Statements as Restated” beginning on page 158.

5. The Company was never been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the Company and/or its Promoting Companies
6. The Company has not received any winding up petition admitted by National Company Law Tribunal/Court.
7. We confirm that no material regulatory or disciplinary action has been taken against our Company by a stock exchange or regulatory authority in the past three years.
8. There have been no instances in the past 6 months, whereby any IPO draft offer document filed by the BLRM the with the Exchange was returned.
9. The following matters should be disclosed in the offer document:
  - a. Any material regulatory or disciplinary action 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 company(ies) of the applicant company – **None**
  - b. Defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years - **None**
  - c. The applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation – None, for details refer to chapter titled “Outstanding Litigations and Material Developments”, beginning on page 210.
  - d. In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences – None, for details refer to chapter titled “Outstanding Litigations and Material Developments”, beginning on page 210.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **Disclaimer Clause of SEBI**

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT TO THE 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT. THE LEAD MANAGER(S), HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/DRAFT**

LETTER OF OFFER/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) JAWA CAPITAL SERVICES PRIVATE LIMITED SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] 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 THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT."

#### **Disclaimer Statement from Our Company and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in the Draft Prospectus/Prospectus, or in case of the Company, in any advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our Company's website [www.kalanaispat.com](http://www.kalanaispat.com), would be doing so at his or her or its own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding dated March 21, 2014, the Underwriting Agreement dated [●] entered into by and between Our Company with the Lead Manager, Underwriter and the Market Maker, as the case maybe.

All information shall be made available by our Company and the 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, at collection centers or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

The Applicants who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company our Group Companies and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, 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), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to subscribe to the equity shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue 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, except that the Draft Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date of this Draft Prospectus or that the information contained herein is correct as of any time subsequent to this date.

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. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●], permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid 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 in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Disclaimer clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S Persons (as defined in Regulation S under the Securities Act.) except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the 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.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Draft Red Hearing Prospectus is being filed with the National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (E), Mumbai – 400051.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 32 of the Companies Act, 2013 will be filed with the Registrar of Companies, Registrar of Companies, Ahmedabad, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat at least (3) three working days prior from the date of opening of the Issue.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus with the Due Diligence Certificate shall be submitted to SEBI pursuant to Regulation 246(1), and 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 term of Regulation 246(2) of the SEBI ICDR Regulations.

### **Listing**

Application will be made to the “National Stock Exchange of India Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The National Stock Exchange of India Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of National Stock Exchange of India Limited,

Our Company shall refund through verifiable means the entire monies received within 4 (four) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (four) days after our Company becomes liable to repay it our Company and every Director of our Company who is an officer in default shall, on and from the expiry of the 4th (fourth) day, be jointly and severally liable to repay that money with interest at the rate of 15 (fifteen) per cent. per annum.

### **Consents**

Consents in writing of (a) Our Directors, Peer Review Auditor(s) and Statutory Auditor(s), Company Secretary & Compliance Officer, Chief Financial Officer, Banker(s) to the Company; (b) Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Banker to the Issue and Legal Advisor to the Issue to act in their respective

capacities have been/will be obtained (before filing final prospectus to ROC) and will be filed along with a copy of the Prospectus with the ROC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

Our Company has received written consent of our Statutory Auditors, M/s Dinesh R Thakkar & Co., Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013 in respect of the examination report of the Statutory Auditors on the Restated Financial Statements dated April 14, 2024 and the statement of possible tax benefits dated April 20, 2024 included in this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

#### **Expert Opinion**

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

- Report on the Statement of Possible of Tax Benefits dated April 20, 2024.
- Report of the Statutory Auditors on the Restated Financial Statements dated April 14, 2024.

#### **Particulars regarding public or rights issues during the last five years**

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Prospectus. Further, except as disclosed in “**Capital Structure**” on page 58 our Company has not undertaken any rights issue in the five years preceding the date of this Draft Prospectus.

#### **Commission or brokerage on previous issues in the last five years**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Prospectus.

#### **Capital Issues in the Preceding Three Years**

Except as disclosed in “**Capital Structure**” on page 58, our Company has not made any capital issues during the three years preceding the date of this Draft Prospectus. Further, none of the listed group companies/subsidiaries/associates of Our Company have made any capita issue in three years preceding the date of this Draft Prospectus.

#### **Performance vis-à-vis Objects – Public/ rights issue of our Company**

Our Company has not undertaken any public/rights issues in the five years preceding the date of this Draft Prospectus.

#### **Performance vis-à-vis Objects – Public/ rights issue of the listed Promoter/listed Subsidiary/listed group [ companies/listed associates of our Company**

Not Applicable as our Promoters are Individuals. Further, as on the date of this Draft Prospectus, our Company does not have any Subsidiary Company/listed group company/listed associate company.

**Price information of past issues handled by the Lead Manager**

**Table 1 - Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jawa Capital Services Private Limited**

S. No.	Issue Name	Issue Size (Rs. Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price [ +/- % change in closing benchmark] 30 <sup>th</sup> calendar days from listing	+/- % change in closing price [ +/- % change in closing benchmark] 90 <sup>th</sup> calendar days from listing	+/- % change in closing price [ +/- % change in closing benchmark] 180 <sup>th</sup> calendar days from listing
Not Applicable, as the LM has not undertaken any Public Issue during the reported period								

**Table 2 - Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jawa Capital Services Private Limited**

Financial Year	Total No. of IPOs	Total amount of funds raised (Rs. In Cr)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### **Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### **Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

The Company has appointed **Skyline Financial Services Private Limited** as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, UPI ID (if applicable), number of Equity Shares applied for, amount paid on application and name of bank, the bank branch or collection centre where the application was submitted. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, **Skyline Financial Services Private Limited** will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum- Application Form was submitted by the ASBA Bidders.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be ten (10) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company shall promptly, upon receipt of in-principle approval from NSE, obtain authentication on the SCORES and shall comply with the SEBI circulars (CIR/OIAE/1/2013) dated April 17, 2013 and (CIR /OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company, the Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 10 Business Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Manishi Jain, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-issue or post-issue related problems, at the address set forth hereunder.

**Ms. Manishi Jain**  
**Kalana Ispat Limited**

**CIN:** U27100GJ2012PLC072306

C-918, Stratum at Venus Ground, Nr. Jhasi Ki Rani Statute, Nehrunagar, Ahmedabad – 380015

**Tel. No.:** +91-81418 48159

**Email Id:** compliance@kalanaispat.com

**Website:** www.kalanaispat.com

Further, our Board has constituted a Stakeholders' Relationship Committee comprising of Mr. Nishant Bali as the Chairperson and our Directors Mr. Sahistabanu Sajitmiya Thakor and Mr. Varghese Joseph Pottakerry, as members to review and redress shareholder and investor grievances. For more information, see **"Our Management"** on page 132.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Prospectus and as on date, there are no investor complaints pending.

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

The Company has not sought for any exemptions from complying with any provisions of securities laws.

## SECTION - XII - ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act 2013, SEBI ICDR Regulations, SCRR, SEBI LODR Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Abridged Prospectus, any addendum/ corrigendum thereto, the Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, NSE, RBI, the FIPB, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public offers by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

#### **The Issue**

The Issue comprises of Fresh Issue of Equity Shares by our Company. Expenses for the Issue shall be borne our Company in the manner specified in **"Objects of the Issue"** beginning on page 71.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and 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 refer to **"Main Provisions of the Articles of Association"** beginning on page 272 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of the Companies Act, the Articles of Association of our Company, the provisions of the SEBI LODR Regulations and any other rules, regulations or guidelines, directives as may be issued by the Government of India in connection thereto and recommended by the Board of Directors at their discretion and approved by majority Shareholders, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to the chapter titled **"Dividend Policy"** beginning page on 157 of this Draft Prospectus.

#### **Face Value and Issue Price**

The face value of the Equity Shares is Rs. 10/- each and the Issue Price is Rs. [●] per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled **"Basis for Issue Price"** beginning on page 83 of the Draft Prospectus.

At any given point of time, there shall be only one denomination of Equity Shares.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. 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 the Articles of Association, the equity shareholders shall have the following rights:

1. Right to receive dividend, 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, in accordance with the provisions of the Companies Act;
5. Right to receive offer 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 Limited Company under the Companies Act, terms of the SEBI LODR Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please refer to Section titled ***“Main Provisions of Articles of Association”*** beginning on page 272 of this Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE EMERGE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this offer document will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Minimum Number of Allottees**

In accordance with the Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **Joint Holders**

Where 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.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant along with other joint applicant, may nominate any one person, to whom, in the event of the death of Sole Applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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 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.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of the said section, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 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 this Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. 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.

#### ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]

*Note - In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, in case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/deleted ASBA Forms, the Applicant shall be compensated by the SCSB at a uniform rate of Rs.100/- per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange's 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 Applicant shall be compensated by the SCSB at a uniform rate Rs.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 Application Amount, the Applicant shall be compensated by the SCSB at a uniform rate of Rs.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 Applications, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated by the SCSB at a uniform rate of Rs.100/-per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay commencing from the day succeeding the date on which the basis of allotment is finalized, till the date of the actual unblock. The SCSBs shall compensate the Applicant, immediately on the date of receipt of complaint from the Applicant. From the date of receipt of complaint from the Applicant, in addition to the compensation to be paid by the SCSBs as above, the post-Issue LM shall be liable for compensating the Applicant at a uniform rate of Rs.100/- per day or 15% per annum of the Application Amount, whichever is higher from the date of on which grievance is received by the LM or Registrar until the date on which the blocked amounts are unblocked.*

*The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

The above timetable is indicative and does not constitute any obligation on our Company or the 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 Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue 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 commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI has vide its Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140, dated August 09, 2023, has reduced the post issue timeline from 6 Working Days to 3 Working Days. The said reduced timelines of 3 Working Days, may be adopted by on voluntary basis for issues opening on or after September 01, 2023 and are mandatory for public issues opening on or after December 01, 2023. In the event our Issue opens on or after December 01, 2023, our Company shall ensure that 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 Issue Closing Date or such other timelines, as maybe mandated by SEBI through issue of any circular.

**In terms of the UPI Circulars, in relation to the Issue, the LM will submit report of compliance with T+6 listing timelines (or such other reduced timelines, as may be applicable) and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

#### **Submission of Applications**

<b>Issue Period (except the Issue Closing Date)</b>			
Submission and Application	Revision in		Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Issue Closing Date</b>			
Submission and Applications	Revision in		Only between 10.00 a.m. and 3.00 p.m. IST

**On the Issue Closing Date, the Applications shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Applicants, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Applications by Retail-Individual Applicants.

On the Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Applications received from Retail Individual Applicants after taking into account the total number of Applications received and as reported by the LM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Application closure time from the Issue Opening Date till the Issue 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 LM 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 batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Applications.

**It is clarified that Applications not uploaded on the electronic bidding system or in respect of which the full Application Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date. Any time mentioned in this Draft Prospectus is Indian Standard Time. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, or any Member of the Syndicate shall be liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Applicant, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

**In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the LM, for reasons to be recorded in writing, extend the Issue Period for a minimum of three Working Days, subject to the Issue Period not exceeding 10 Working Days.**

#### **Minimum Subscription**

In accordance with Regulation 260 (1) of SEBI ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level.

As per section 39 of the Companies Act, 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 issue of Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 15 (Fifteen) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under SEBI ICDR Regulations, Companies Act, 2013 and applicable laws.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

In accordance with Regulation 260 of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000 (Rupees One Lakh only) per application.

#### **Arrangements for disposal of odd lots**

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. However, the Market Maker shall buy the entire shareholding of a shareholder in 1 (one) lot, where value of such shareholding is less than the minimum contract size allowed for trading on NSE EMERGE.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre-Issue Equity Shares and Promoters minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 58Error! Bookmark not defined. of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading "Main Provisions of the Articles of Association" on page 272 of this Draft 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 Lead Manager to the Issue do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager to the Issue 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 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**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been executed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Prospectus:

- i. Tripartite agreement dated January 20, 2024 among CDSL, our Company and the Registrar to the Issue; and
- ii. Tripartite agreement dated January 19, 2024 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode.

### **Migration to Main Board**

In accordance with Regulation 277 of the SEBI ICDR Regulations:

An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value capital is more than Rs. 10 Crore and up to Rs. 25 Crore, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board:

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Further, the Company shall comply with the extant regulations of the Main Board of the Stock Exchange/s, where the Company is proposing to migrate.

### **Market Making**

The Equity Shares offered through this Issue are proposed to be listed on NSE EMERGE, wherein the Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Makers of NSE EMERGE for a minimum period of 3 (three) years from the date of listing on NSE EMERGE. For further details of the agreement

entered into between our Company, the Lead Manager to the Issue and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 54 of this Draft 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 Issue size in the following manner:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)
Up to Rs. 20 Crores	25%	24%
Rs. 20 Crores to Rs. 50 Crores	20%	19%
Rs. 50 Crores to Rs. 80 Crores	15%	14%
Above Rs. 80 Crores	12%	11%

Further, the Market Maker shall give 2 (Two) way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. 2 (Two) 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.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, Gujarat, India.

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 to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S.

Securities Act and applicable U.S. state Securities laws. 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.**

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an Issuer whose post issue face value capital exceed Rs. 10 Crores (Rupees Ten Crores only) but is less than or equal to Rs. 25 Crores (Rupees Twenty Five Crores only), may issue shares 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 Issue, please see the chapters titled "**Terms of the Issue**" and "**Issue Procedure**" beginning on page **229** and **239** respectively, of this Draft Prospectus.

### ISSUE STRUCTURE:

This Issue comprise of 49,38,000 Equity Shares of Face Value of Rs. 10/- each fully paid ("Equity Shares") for cash at a price of Rs. 66 per Equity Shares (including a premium of Rs. 56 per equity share) aggregating to Rs. 3,259.08 ("the Issue"/"the Offer") comprising of Market Maker Reservation portion of 2,48,000 Equity Shares aggregating upto Rs. 163.68. The Issue less Market Maker Reservation Portion i.e. issue of 46,90,000 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 66 Per Equity Share, aggregating to Rs. 3,095.40 is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 37.87% and 35.97% respectively of the post Issue paid up Equity Share Capital of the Company.

### The Issue is being made by way of Fixed Price Process:

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares	46,90,000 Equity Shares	Up to 2,48,000 Equity Shares
Percentage of Issue Size available for allocation	94.98% of the Issue Size 35.97% of the Post Issue Paid up Capital	5.02% of the Issue Size 1.90% of the Post Issue Paid up Capital
Basis of Allotment	Proportionate subject to minimum allotment of 2000 Equity Shares and Further allotment in multiples of 2000 Equity Shares each. For further details please refer to the paragraph titled "Basis of Allotment" beginning on page 265 of this Draft Prospectus	Firm Allotment
Mode of Application	All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.	Only through the ASBA process.
Minimum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Value exceeds Rs. 2,00,000 <b>For Retail Individuals:</b> 2000 Equity Shares	2,48,000 Equity Shares
Maximum Application Size	<b>For QIB and NII:</b> For all other investors the maximum application size is the Net Issue to public (in multiples of 2000 Equity Shares) subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <b>For Retail Individuals:</b>	2,48,000 Equity Shares

<b>Mode of Allotment</b>	Such number of Equity Shares in multiples of 2000 Equity Shares so that the Application Value does not exceed Rs. 2,00,000	
	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
<b>Trading Lot</b>	2000 Equity Shares and in multiples thereof	2000 Equity Shares, however The Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
<b>Terms of Payment</b>	Entire Application Amount shall be payable at the time of submission of Application Form.	
<b>Application Lot Size</b>	2000 Equity Share and in multiples of 2000 Equity Shares thereafter	

**Notes:**

1. *This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations through the Fixed Price method and hence, as per of Regulation 253(2), of SEBI ICDR Regulations, the allocation of Net Issue to the public category shall be made as follows:*

*(a) minimum fifty per cent to retail individual investors; and*

*(b) remaining to:*

*i. individual applicants other than retail individual investors; and*

*ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

*The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*If the retail individual investor category is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

2. *In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account or UPI linked account number held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.*

3. *Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*

4. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

**WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre- Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the LM. Also, LM through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification.

In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh Draft Prospectus will be submitted again to Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within Three Working Days or such period, as may be applicable, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Lead Managers withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with a public issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchange.

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.

#### ISSUE PROGRAMME

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]

*Note - 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 Issue Period at the Bidding Centres mentioned in the Bid cum Application Form. Standardization of cut-off time for uploading of Applications on the Issue closing date:*

*A standard cut-off time of 3.00 p.m. for acceptance of Applications.*

*A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than retail individual applicants.*

*A standard cut-off time of 5.00 p.m. for uploading of Applications received from only retail 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 LM to NSE within half an hour of such closure.*

*It is clarified that Applications not uploaded in the book, would be rejected. 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 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.*

*Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).*

## ISSUE PROCEDURE

All Applicants should refer to the General Information Document for Investing in Public Issues prepared and issued in accordance with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 ("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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document is available on the websites of NSE and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue, especially in relation to the process for application by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, 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 circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the "UPI Circular") has proposed to introduce 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 RILs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 environment. The same was applicable until June 30, 2019 ("UPI Phase I"). Currently, for application by RILs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RILs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 environment until March 31, 2020 ("UPI Phase II"). However, owing to Covid-19 virus pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI has decided to continue with the current Phase II of the UPI ASBA 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.

Furthermore, SEBI vide circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, has decided to reduce the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. As per the provisions of the said circular, the revised timelines shall be applicable on voluntary basis for public issues opening on or after September 1, 2023 and would be mandatory for public issues opening on or after December 1, 2023. It may also be noted that the timelines prescribed for public issues as mentioned in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/ P/CIR/2021/570 dated June 02, 2021, and circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 shall stand modified to the extent stated in circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023.

The Issue will be made under UPI Phase III as notified in the T+3 Notification, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/ P/CIR/2021/570 dated June 02, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and Master SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

Furthermore, pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to Rs. 5,00,000

*shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Draft Prospectus. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/ 2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed 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/Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding three Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. Additionally, SEBI vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has reduced the time period for refund of application monies from 15 days to four days. The LMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

***The LM shall be the nodal entity for any issues arising out of public issuance process. In terms of regulation 23(4), 23(5) and regulation 271 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, the timelines, processes and compensation policy shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Lead Manager shall continue to coordinate with intermediaries involved in the said process.***

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations and ensure that their applications 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 this Draft Prospectus and the Prospectus. Further, our Company and the members of syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.*

*Further, Our Company and the Lead Manager are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for Application in this Issue.*

#### **Fixed Price Issue Procedure**

The Issue is being made through the Fixed Price Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 229(2) read with Regulation 253(1) of the SEBI ICDR Regulations and in compliance with Chapter IX of the SEBI ICDR Regulations.

Under the current Issue 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, 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 Lead Manager and the Stock Exchange.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form.**

**The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs (and subsequently, all UPI Applicants) through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

**Phase III:** SEBI vide press release bearing number 12/2023 announced approval of proposal for reducing the time period for listing of shares in public issue from existing six working days to three working days and pursuant to SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"), 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. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue will be made under UPI Phase III as notified in the T+3 Notification, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, 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 Circulars 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 Applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the LM responsible for post-offer activities 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 UPI. The issuers will be required to appoint one of the SCSBs as a sponsor bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and /or payment instructions of the UPI Applicants using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LMs.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the LM, and at the Registered Office and Corporate Office of our Company. The electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Application Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour*</b>
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs, Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis ^	Blue

*\*Excluding electronic Bid cum Application Form.*

<sup>^</sup> *Electronic Bid cum Application Form and the abridge prospectus will be made available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com))*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Application details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic applying system of the Stock Exchanges. For RIIs using UPI Mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. For ASBA Forms (other than RIIs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Applicants has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic Application with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Application details already uploaded.

For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, 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 Application entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as 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 SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Application responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Application requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis.

#### **Submission and Acceptance of Application Forms**

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)

- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- iv. A depository participant (“DP”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v. A registrar to an issuer and share transfer agent (“RTA”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants have a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).
	Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable

Sponsor Bank to initiate mandate request on investors for blocking of funds.

Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

### **Who can Apply?**

Each Applicant should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

### **Subject to the above, an illustrative list of Applicants is as follows:**

- Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than FPIs which are individuals, corporate bodies and family offices applying under the QIBs category;
- FPIs which are individuals, corporate bodies and family offices, applying under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the Gol published in the Gazette of India;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws;

**Applications should not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

**Maximum and Minimum Application Size**

**1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under the existing SEBI regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

Applicants are advised to ensure that any single Application 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 Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.

**Participation by the Promoters, the members of the Promoter Group, the Lead Manager, the Syndicate Member(s) and persons related to the Promoters/the members of the Promoter Group/the Lead Manager**

The Lead Manager and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the Lead Manager and the Syndicate Member(s) may purchase Equity Shares in the Issue under the Non-Institutional Category and such subscription may be on their own account or on behalf of their clients. All categories of investors, including

respective associates or affiliates of the Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue.

#### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Manager, reserve the right to reject any Application without assigning any reason thereof, subject to applicable law.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which such Application 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.

#### **Applications by Eligible NRIs**

Eligible NRIs applying on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs applying on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour). Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries.

Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorise their SCSB (if they are applying directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Applicants applying through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs (if they are applying directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Applicants Applying through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the 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 general body of the Indian company.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, 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 270.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

#### **Applications by HUFs**

Applications by HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **Applications by FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of the post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company. With effect from April 1, 2020, the aggregate limit by FPIs shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the Lead Manager, reserves the right to reject any Application without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (Blue in colour).

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the applicable limits, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Issue shall:

- (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI, and
- (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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 an 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 instrument is made by, or on behalf of it subject to, among others, the following conditions:

- a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Further, Applications by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be regarded as multiple Applications:

- FPIs which utilise the multi-investment manager (“MIM”) structure.
- Offshore derivative instruments (“ODI”) which have obtained separate FPI registration for ODI and proprietary derivative investments.
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration.
- 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.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs.
- Government and Government related investors registered as Category I FPIs.
- Entities registered as collective investment scheme having multiple share classes.

The Applications belonging to the aforesaid seven structures and having same PAN may be collated and identified as a single Application in the Applying process. The Equity Shares allotted in the Application may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Applications, FPIs making multiple Applications 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 Applications utilise any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation.

In the absence of such confirmation from the relevant FPIs, such multiple Applications shall be rejected.

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject any Application without assigning any reason thereof.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the Lead Manager, reserves the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (“**Banking Regulation Act**”), and the Master 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 banking company’s paid-up share capital and reserves, whichever is lower.

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 banking companies in terms of Section 6(1) of the Banking Regulation Act, (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company, (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank, and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid-up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 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.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, 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 Lead Manager, reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**"), and are 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. Applicants are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- (a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,50,00,000 Lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs. 5,00,00,000 Lakhs or more but less than Rs. 2,50,00,000 Lakhs.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI, from time to time, including the IRDAI Investment Regulations for specific investment limits applicable to them.

#### **Applications by provident funds/pension funds**

In case of Applications made by provident funds or pension funds registered with the Pension Fund Regulatory and Development Authority, subject to applicable laws, with minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the LMs reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds registered with the Pension Fund Regulatory and Development Authority with a minimum corpus of Rs. 25 Crores, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the LMs reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the LMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the LMs may deem fit.

#### **Applications by SEBI Registered AIFs, VCFs and FVCIs**

The SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs. Post 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. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. 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.

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, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in initial public offerings.

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs and FVCIs in a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the VCF or AIF or FVCI. However, if such VCFs, Category I AIFs or Category II AIFs and FVCIs hold individually or with persons acting in concert, more than 20% of the pre-issue shareholding of such company, this exemption from lock-in requirements will not be applicable.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs. All such Applicants will be treated on the same basis with other categories for the purpose of allocation. Participation of VCFs, AIFs or FVCIs in the Issue 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.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

**The above information is given for the benefit of the Applicants. Our Company and the 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 Prospectus. Applicants are advised to make their independent investigations and ensure that any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Draft Prospectus. Information for Applicants.**

**Issue of securities in dematerialised form:**

1. Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialised form. Investors will not have the option of being Allotted Equity Shares in physical form.
2. It is mandatory to furnish the details of Applicants' depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including DP ID, Client ID, UPI ID (in case of Retail Individual Investors using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected.
3. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.
4. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

**Information for the Applicants:**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Applicant who would like to obtain the Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail

Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.

8. Applicants applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A and referred to in this Draft Prospectus as "U.S. QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Indicative Process for making an Application under Public Issue**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link:

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### Method and Process of Applications

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

<b>For the applications submitted by the investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified
<b>For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### Terms of payment

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment mechanism for Applicants**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 500,000, may use UPI.

#### **Electronic registration of bids**

a) The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

b) On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the application information to the Registrar to the Issue for further processing.

#### **Withdrawal of Bids**

(a) RII's can withdraw their Applications until Bid/Issue Closing Date. In case a RII wishes to withdraw the Application, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds in the ASBA Account.

- (b) The Registrar to the Issue shall give instruction to the SCSB or the Sponsor Bank, as applicable, for unblocking the ASBA Account upon or after the finalization of basis of Allotment. **QIBs and NIIs can neither withdraw nor lower the size of their Application at any stage.**

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker. Further, [●] Equity Shares having face value of Rs. 10 each at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs will be available for allocation to Retail Individual Investors and [●] Equity Shares having face value of Rs. 10 each at a price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
- 2) Under-subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines, and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement**

Our Company, the Lead Manager and Underwriters intend to enter into an Underwriting Agreement prior to the filing of the Prospectus.

#### **Filing of Offer Document**

The Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Draft Prospectus in terms of Regulation 246 of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of regulation 246, the copy of Prospectus shall also be furnished to SEBI in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> in addition to filing with the stock exchanges.

Additionally, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Prospectus to the email address: [cfdil@sebi.gov.in](mailto:cfdil@sebi.gov.in).

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) one English national daily newspaper, and (ii) one Hindi national daily newspaper (Hindi also being the regional language of the state wherein our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **Issuance of Confirmation of Allocation Note (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the LM or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

## **Designated Date**

On the Designated Date, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank, as applicable, to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

## **General Instructions**

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Applicants should submit their Applications through the ASBA process only;
2. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
3. Ensure that you have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Applicant using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Applicant using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
4. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Applicants shall submit the Bid cum Application Form in the manner set out in the General Information Document;
5. RII Applicants shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
8. In case of joint applications, ensure that the First Applicant is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Applicant is included in the Bid cum Application Form;
9. Ensure that the signature of the first Applicant in case of joint Applications, is included in the Bid cum Application Forms. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Bid cum Application Form should contain the name of only the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
11. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. Ensure that you submit the revised Application to the same Designated Intermediary, through whom the original Application was placed, and obtain a revised Acknowledgment Slip;
13. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode,

for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the application. In case of UPI Applicant submitting their applications and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment;

15. Except for Applications (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 the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and Applications by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (c) 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;
16. 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;
17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Application in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;
19. Ensure that Applications submitted by any person outside India is in compliance with applicable foreign and Indian laws;
20. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Applicant, the DP ID, Client ID, UPI ID (for ASBA 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;
21. In case of QIBs and NIIs, ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
22. The ASBA Applicants shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
23. The ASBA Applicants shall ensure that bids above Rs. 5,00,000, are uploaded only by the SCSBs;
24. Applicants (except UPI Applicant applying through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Applicants, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders 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;
25. UPI Applicants applying using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;

26. Ensure that when applying in the Issue using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
27. UPI Applicants who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Applicants should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Applicant's ASBA Account;
28. UPI Applicant applying through the UPI Mechanism shall ensure that details of the Application is reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Applicant may be deemed to have verified the attachment containing the application details of the UPI Applicant in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
29. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Offer Closing Date;
30. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for an application Amount of less than Rs. 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non-Institutional Category for allocation in the Issue;
31. 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 Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the application Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Application. In case of UPI Applicants submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment; and
32. Ensure that the Demographic Details are updated, true and correct in all respects

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 Apply for lower than the minimum lot size;
2. Do not submit a Application using UPI ID, if you are not an UPI Applicant;
3. Do not apply for a price different from the price mentioned herein or in the Bid cum Application Form;
4. Do not apply for a Amount exceeding Rs. 200,000 (for Applications by Retail Individual Investors);
5. Do not pay the Application Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Bank;
8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit the application for an amount more than funds available in your ASBA account;

10. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investor can revise or withdraw their applications on or before the Bid/Issue Closing Date;
11. Do not submit your Application after 3.00 p.m. on the Bid/Issue Closing Date;
12. Do not apply on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted an application to any of the Designated Intermediary;
13. If you are a QIB, do not submit your Application after 3 p.m. on the Bid / Issue Closing Date;
14. Do not apply for Equity Shares in excess of what is specified for each category;
15. In case of ASBA Applicants, Syndicate Members shall ensure that they do not upload any bids above Rs. 5,00,000;
16. In case of ASBA Applicants and UPI Applicants using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Do not submit applications 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 Applicant;
19. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of this Prospectus;
22. Do not submit the General Index Register (GIR) number instead of the PAN;
23. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
24. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Bank;
25. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Applying Centres. If you are UPI Applicant and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
26. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA account;
27. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
28. 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;
29. 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 Applicants using the UPI Mechanism;
30. UPI Applicants Applying through the UPI Mechanism 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;
31. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Applicants Applying using the UPI Mechanism;
32. Do not apply if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Instructions for completing the bid cum application form**

The Application should be submitted on the prescribed Bid cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum Application Form. Applications not so made are liable to be rejected. Applications made using a third party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

For details of instruction in relation to the Bid cum Application Form, Applicants may refer to the relevant section of GID.

#### **Applicants' Depository Account and Bank Details**

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the Bid cum Application form is mandatory and Applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicant, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Bid cum Application Form**

All Bid cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid cum Application form, in physical or electronic mode, respectively.

#### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint bids, all payments will be made out in favour of the Applicant whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

## Multiple Bids

Applicant should submit only one Bid cum Application Form. Applicant shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

## Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Investor, Retail Individual Investor who applied, the Company has a right to reject Applications based on technical grounds.

## Grounds for technical rejections

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Applicants/Applicants are advised to note that the Bids/Applications are liable to be rejected, among other things, on the following grounds, which have been detailed at various places in the General Information Document:

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Applicants (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account;
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

- (i) ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;
- (j) In case of Bids by RIIs (applying through the UPI mechanism) through a UPI handle not covered in the prescribed list of SEBI.
- (k) In case of Bids by RIIs (applying through the UPI mechanism) using a bank account of an SCSB or bank which is not covered in the prescribed list of SEBI.
- (l) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (m) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (n) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (o) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (p) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (q) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (r) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (s) Submission of Bid cum Application Forms/Application Form using third party UPI ID or ASBA Bank Account;
- (t) Submission of more than one Bid cum Application Form per UPI ID by RIIs applying through Designated Intermediaries other than SCSBs (except for RIIs applying as Retail Individual Shareholders also);
- (u) Submission of more than one Bid cum Application Form per ASBA Account by Applicants applying through Designated Intermediaries (except in case of joint account holders);
- (v) In case of joint Bids, submission of Bid cum Application Forms/Application Form using second or third party's UPI ID or ASBA Bank Account;
- (w) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;
- (x) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (y) Bid cum Application Forms/Application Forms are not delivered by the Applicants/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (z) Bank account mentioned in the Bid cum Application Form (for Applicants applying through the non-UPI mechanism) may not be an account maintained by SCSB. Inadequate funds in the ASBA Account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the ASBA Account;
- (aa) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;
- (bb) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID is not mentioned in the Bid cum Application Form;
- (cc) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;
- (dd) Where no confirmation is received from SCSB or the Sponsor Bank, as applicable, for blocking of funds;

- (ee) Bids/Applications by QIB and NII Applicants (other than Anchor Investors) not submitted through ASBA process;
- (ff) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Applying Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (gg) Bid cum Application Form submitted physically by RIIs applying through the non-UPI mechanism to Designated Intermediaries other than SCSBs;
- (hh) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (ii) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.
- (jj) The UPI Mandate is not approved by Retail Individual Investor; and
- (kk) The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and vice-versa.
- (ll) Applicants are required to enter either the ASBA Bank account details or the UPI ID in the Bid cum Application Form. In case the Applicant doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicant providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- (mm) RIIs shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount is available for blocking, has been notified as Issuer Banks for UPI. A list of such banks is available on SEBI website – [www.sebi.gov.in](http://www.sebi.gov.in): Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self-Certified Syndicate Banks eligible as Issuer Banks for UPI
- (nn) In case of revision of Bids by RII Applicants, if UPI Mandate Request for the revised Bid is not approved, the Application is liable to be rejected.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated November 07, 2023 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated November 03, 2023 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN INE0RU901015.

#### **Attention Investors**

In case of any Pre-Issue or Post-Issue related problems regarding demat credit/refund orders/unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*"Any person who—*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."*

#### **Allotment Procedure and Basis of Allotment**

The Allotment of Equity Shares to Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Applicants may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis.

#### **Basis of Allotment**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:
  - a) The 50% net Issue of shares to the Public (i.e. [●] Equity Shares) shall be made available for allotment to retail individual investors; and
  - b) The balance net Issue of shares to the public (i.e. [●] Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail

portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled **“Basis of Allotment”** on page 265 of this Draft Prospectus.

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified on page 233 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Designated Official of NSE in addition to Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

For more information, please read the General Information Document.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

#### **Minimum Number of Allottees**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days from Issue Closing Date.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 2 (two) working days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable law.

The Company shall use best efforts to adhere to the timelines as prescribed under SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023.

Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **Completion of Formalities for Listing and Commencement of Trading**

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days (or such reduced time as may be applicable in line with SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023) of the Issue

Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days (or such reduced time as may be applicable in line with SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023) of the Issue Closing Date.

## **Interest and Refunds**

### **Grounds for Refund**

#### **Non Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought shall be disclosed in Prospectus. The designated Stock Exchange shall be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants/Applicants in pursuance of the RHP/Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in the Prospectus, then the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period.

#### **Mode of Refunds**

- a) In case of ASBA Applicants: Within such timelines as may be prescribed by SEBI, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer
- b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.
- c) In case of Other Investors: Within such timelines as may be prescribed by SEBI, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

#### **Interest in Case of Delay in Allotment or Refund**

Our Company shall allot securities offered to the public within the period prescribed by SEBI. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters or refund orders/ unblocking instructions have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 2 working days from the date of the closure of the issue.

## **Undertakings by our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by SEBI;
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within specified period of closure of the Issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- 6) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 7) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 8) If our Company withdraws the Issue at any stage, including after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, as may be applicable;

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre- Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the LM. Also, LM through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks to unblock the bank accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh Draft Prospectus will be submitted again to Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for within Two Working Days from Issue Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Lead Managers withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with a public issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchange.

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.

## **Utilization of the Issue Proceeds**

The Board of Directors of our Company certifies that:

- (i) all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in referred to in the Companies Act,2013;
- (ii) Details of all monies utilised out of the issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance sheet of the issuer indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Issuer indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The consolidated FDI policy circular of 2020 dated October 15, 2020 issued by the DPIIT (formerly Department of Industrial Policy & Promotion) (“FDI Circular”) consolidates the policy framework which was in force as on October 15, 2020. Further, the FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DPIIT. The FDI Circular will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Non-debt Instruments Rules.

As per the FDI Circular read with Press Note, 100% foreign direct investment is permitted under the automatic route for wholesale trading. In terms of Press Note 3 of 2020, dated April 17, 2020 (“Press Note”), issued by the DPIIT, the FDI Circular has been amended to state that all investments under the foreign direct investment route 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 will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see ***“Issue Procedure – Bids by Eligible NRIs”*** and ***“Issue Procedure – Bids by FPIs”*** beginning on page 258.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. Each Bidder should seek independent legal advice about its 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 in writing about such approval along with a copy thereof within the Bid/Offer Period.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A and referred to in this Draft Prospectus as “U.S. QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States, in offshore transactions, as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION XIII-MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

1. The regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles

The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

### INTERPRETATION

2. In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to or inconsistent with the subject or context:

a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and any previous Company Law, so far as may be applicable.

b) “Articles” or “Articles of Association” means these Articles of Association of the Company or as altered from time to time.

c) ‘Auditors’ means and includes those persons appointed as such for the time being by the Company.

d) ‘Board’ or ‘Board of Directors’ means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled as the Board of Directors of the Company collectively.

e) ‘Authorised Capital’ means such Share Capital as is authorised by the memorandum of the Company to be the maximum amount of Share Capital of the Company.

f) ‘Common Seal’ means the common seal of the Company

g) “Company” means **KALANA ISPAT LIMITED**

h) ‘Capital Redemption Reserve Account’ has the meaning given to it in

i) ‘Debenture’ includes debenture – stock

j) ‘Directors’ means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.

k) ‘Dividend’ includes bonus.

Words importing the masculine gender also include the feminine gender.

l) ‘In Writing’ and ‘Written’ include printing, lithography and other modes of representing or reproducing words in a visible form, including electronic form.

m) ‘Member’ means the duly registered holder of the Shares of the Company from time to time, including the subscriber to the Memorandum of Association of the Company and beneficial owners as defined in Article 81 A

- n) 'Meeting' or 'General Meeting' means a general meeting of the Shareholders of the Company, whether an annual general meeting or an extraordinary general meeting
- o) 'Annual General Meeting' means a General Meeting of the members held in accordance with the provision of Section 96 of the Act and any adjourned holding thereof.
- p) 'Extraordinary General Meeting' means a General Meeting of the members (other than an Annual General Meeting) duly called and constituted and any adjourned holding thereof.
- q) 'Month' means a calendar month.
- r) 'Office' means the registered office for the time being of the Company.
- s) 'Paid-up' includes credited as paid up.
- t) 'Persons' includes corporations and firms as well as individuals.
- u) 'Register of Members' means the register of members to be kept pursuant to the Act.
- v) 'Registrar' means the Registrar of Companies of the State in which the office of the company is for the time being situate.
- w) 'Secretary' includes a temporary or assistant secretary or any person or persons appointed by the Board to perform any of the duties of a secretary.
- x) 'Share' means a Share in the Share Capital of the Company and includes stock except where a distinction between stock and Share is expressed or implied.
- y) 'Share Capital' means the Authorised Capital or the Subscribed Capital, as the case may be;
- z) 'Subscribed Capital' means such part of the Share Capital which is for the time being subscribed by the Members of the Company.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

'Ordinary Resolution' and 'Special Resolution' shall have the meanings assigned thereto by Section 114 of the Act.

'Year' means a calendar year and 'Financial Year' has the meaning assigned thereto by Section 2(41) of the Act. The marginal notes used in these Articles shall not affect the construction thereof.

aa) Save as aforesaid, any words or expression defined in the Act (or any statutory modification thereof) shall, if not inconsistent with the subject or context bear the same meaning in these Articles.

### **SHARE CAPITAL**

3. The Authorised Share Capital of the Company is Rs. 13,50,00,000/- (Rupees Thirteen Crore Fifty Lakhs only) consisting of 13,50,00,00/- (One Crore Fifty Lakh only) equity shares of Rs. 10/- (Rupee Ten only) each, with power to increase or reduce its Share Capital from time to time and to divide the Shares in the Share Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions in accordance with the Act and the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and to acquire, purchase, hold, resell any of its

own fully/partly paid equity Shares and to make any payment out of Share Capital or out of the funds at its disposal, for and in respect of such purchase, subject to the provisions of the Act in force from time to time.

4. The Company in General Meeting may, from time to time, increase its Share Capital, including by the creation of new Shares, with such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given as the Directors shall determine 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 upon winding up, and with a right of voting at General Meetings of the Company in conformity with Section 47 of the Act. Whenever the Authorised Capital of the Company has been increased under the provisions of the Article, the Directors shall comply with the provisions of Section 64 of the Act.

5. Except so far as otherwise provided by the condition of issue or by these presents, any Share Capital raised by the creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provision herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

#### **KINDS OF SHARE CAPITAL**

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

- (a) Equity share capital:
  - (i) with voting rights; and / or
  - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (b) Preference share capital

#### **REDUCTION OF SHARE CAPITAL**

7. The company may (subject to the provisions of Section 66, 52, 55 and other applicable provisions of the Act) from time to time by special resolution, reduce its Share Capital and any Capital Redemption

Reserve Account or Share premium account in any manner for the time being authorised by law, and in particular, Share Capital may be paid off on the footing that it may be called upon again or otherwise.

8. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may, from time to time, alter its memorandum to increase its Share Capital; sub-divide or consolidate its Shares or any of them; convert Shares into stock and vice-versa; and 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. The resolution whereby any Share is sub-divided may determine that, as between the holder of the Shares resulting from such subdivision one or more such Shares shall have some preference or special advantage as regards dividend or otherwise over or as compared with the others or other subject as aforesaid.

9. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law –

- (a) Its share capital;
- (b) Any capital redemption reserve account; and

- (c) Any share premium account.

Whenever the Share Capital, by reason of the issue of preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and the terms of issue of such class of Shares, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued Shares of the class or is sanctioned by a special resolution passed at a separate General Meeting of the holders of Shares of that class.

#### **Further issue of capital**

10. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –

- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- (b) employees under any scheme of employees' stock option; or
- (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

11. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.

#### **ISSUE OF SECURITIES AT A PREMIUM OR AT PAR**

12. The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.

#### **ISSUE AND REDEMPTION OF PREFERENCE SHARES**

13. Subject to the provisions of the Act and Rules made in this behalf, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

#### **CERTIFICATE OF SHARES**

14. The Company shall cause to be kept a register and index of members, debenture-holders and other security holders in accordance with Section 88 of the Act. The Company shall be entitled to keep in any State or country outside India a branch registers of members, debenture-holders or other security holders' resident in that State or country.

15. The Shares in the Share Capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no Share shall be sub-divided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished.

a. Where at any time, the Company proposes to increase its Subscribed Capital by the issue of further Shares, then such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Share Capital paid-up on these Shares in accordance with Section 62 of the Act.

b. Notwithstanding anything contained in the preceding sub-Article the Company may by special resolution offer further Shares to any person or persons (including employees under a scheme of employees' stock option), and such person or persons may or may not include the persons who at the date of the offer are the holder of the equity Shares of the Company.

c. Notwithstanding anything contained in sub-clause (a) above but subject however, to Section 62(3) of the Act, the Company may increase its Subscribed Capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into Shares, or to subscribe for Shares in the Company.

16. Subject to the provisions of these Articles and of the Act, the Shares (including any Shares forming part of any increased Share Capital of the Company) shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and, subject to the sanction of the Company in General Meeting, with full power to give any person the option to call for or be allotted Shares of any class of the Company either (subject to the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment as provided for in the Act.

17. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 16 and 17, the Company in General Meeting may, exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

18. Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the register of members [or the register of beneficial owners maintained by a depository] shall, for the purposes of these Articles, be a member.

19. The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the register of members as the name of the holders of such Shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

20. Every member, or his heirs, executors or administrators, shall pay to Company the portion of the Share Capital represented by his Share or Shares which may, for the time being, remain unpaid thereof in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, if any, require or fix for the payment thereof.

21. Subject to the provisions of Section 46 and the rules made thereunder:

(a) Every member or allottee of Shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, 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 cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus Shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the Share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole time Director. Particulars of every Share certificate issued shall be entered in the register of members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of a 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 anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The company shall comply with the provisions of Section 46 of the Act and the rules made thereunder.

(c) A Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director, shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

22. Subject to the provisions of Section 46 of the Act and the rules made thereunder:

a. No certificate of any Share or Shares shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.

b. When a new Share certificate has been issued in pursuance of clause (a) of this Article it shall state on the face of it and against such counterfoil to the effect that it is "issued in lieu of Share certificate No... sub- divided/replaced/on consolidation: of Shares".

c. If a Share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of pocket expenses incurred by the Company investigating evidence, as the Board thinks fit.

d. When a new Share certificate has been issued in pursuance of clause of this Article, it shall state on the face of it or counterfoil to the effect that it is 'duplicate issued in lieu of Share certificate No.....The word 'Duplicate' and shall be stamped or punched in bold letters across the face of the Share certificate.

Where a new Share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such Share certificate shall be entered in register of renewed and duplicate Share certificates indicating against the name of the persons to whom the certificate is issued, the number and date of issue of the Share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the register of members by suitable cross reference in the 'Remarks' column.

e. All blank forms to be issued for issue of Share certificates shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engraving, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the secretary or such other person as the Board may appoint for the purpose; and the secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board,

f. The secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates.

23. All books referred to in sub-Article (g) shall be preserved in good order permanently.

24. If any Share stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the Shares, be deemed the sole holder thereof but the joint-holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Share and for all incidents thereof according to the Company's regulations

25. Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound or compelled to recognize any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share, or (except only as is by these Article or by law otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof; 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.

26. None of the funds of the Company shall be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company save as provided by Section 67 of the Act. The Company may, however, undertake a buy-back of its securities in accordance with Section 68, 70 and other applicable provisions of the Act.

#### **UNDERWRITING AND BROKERAGE**

27. Subject to the provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or debentures in the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditional) for any Shares or debentures in the Company, but so that the commission shall not exceed (the lower of) in the case of Shares five percent of the price at which the Shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued, or the rate or amount of commission prescribed in rules made under the Act. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or in any other manner.

28. The Company may pay a reasonable sum for brokerage.

#### **CALLS**

29. The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of any or all money unpaid on the Shares held by them respectively 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. A call may be made payable by instalments.

30. Fifteen days' notice in writing of any call shall be given by the Company specifying the time, place of payment, and the person or persons to whom such call shall be paid.

31. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

32. A call may be revoked or postponed at the discretion of the Board.

33. The joint-holders of Share shall be jointly and severally liable to pay all calls in respect thereof.

34. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who from, residence at a distance or other cause, the Board may deem fairly entitled to such extension save as a matter of grace and favour.

35. If any member fails to pay any call due from him on the day appointed for the payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be

fixed by the Board not exceeding 18 percent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

36. Any sum, which by the terms of issue of a Share becomes payable on allotment or at fixed date, whether on account of the nominal value of the Share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment 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.

37. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member in respect of whose Shares the money is sought to be recovered, appears entered in the register of members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minutes book; and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, or that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call made was duly convened or constituted nor any matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

38. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

39. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective Shares beyond the sums actually called up, 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 Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

#### **LIEN**

40. The Company shall have a first and paramount lien upon every Share (other than a fully paid up Share) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such Shares, and on all Shares (other than fully paid-up Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company, and no equitable interest in any Share shall be created except upon the footing and upon the condition that Article 25 hereof is to have full effect. Any such lien shall extend to all dividends and bonuses declared from time to time in respect of such Shares. Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any, in such Shares.

41. For the purpose of enforcing such lien the Board may sell the Shares subject thereto in such

manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize any person to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until fourteen days' notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

42. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

43. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the persons entitled to the Share at the date of the sale.

### **FORFEITURE OF SHARES**

44. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, 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.

45. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment, as well as interest thereon at such rate not exceeding 18 per cent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid, 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 instalment is payable, will be liable to be forfeited.

46. If the requirements of any such notice as aforesaid are not complied with, every or any Share in respect of which such notice has been given, may at any time there after before payment of calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.

47. When any Share shall have been 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 forthwith be made in the register of members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

48. 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 thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

49. Any member whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares. Such member shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, 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 the forfeiture until

payment, at such rate not exceeding 18 percent per annum as the Board may determine and the Board may enforce the payment thereof, if it think fit.

50. The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as these Articles expressly save.

51. A declaration in writing that the declarant is a Director 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 therein stated as against all persons claimed to be entitled to the Shares.

52. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the register of members in respect of the Share sold, and the purchaser shall not be bound to see the regularity of the proceedings, or to the applications of the purchase money, and after his name has been entered in the register of members in respect of such Shares the validity of the sale not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

53. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall (unless the same has been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

54. The Board may at any time before any Share so forfeited shall have been sold, re allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

#### **TRANSFER AND TRANSMISSION OF SHARES**

55. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any Share.

56. A Share in the Company may be transferred by an instrument in writing as provided by the provision of the Act. Such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to the Company within the period prescribed in the Act.

57. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the register of members in respect thereof. Before the registration of a transfer the certificate of the Shares must be delivered to the Company.

58. The Board shall have power on giving not less than seven days' previous notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of members or register of debenture-holders or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

59. Subject to the provisions of Section 58 of the Act, the Board may, [in due and strict accordance and compliance with the provision of the Securities Contracts (Regulation) Act, 1956, as applicable, decline to register or acknowledge any transfer of Shares, whether fully paid or not, (notwithstanding that the proposed transferee is already a member), but in such cases it shall, within thirty days from the date on which the

instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. The registration of 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 a lien on Shares.

60. Where in the case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

61. 1. Every holder / joint holder of any securities of the Company may at any time, nominate, in accordance with the provisions of and in the manner provided by Section 72 of the Act a person to whom all the rights in the relevant securities of the Company shall vest in the event of death of such holder / joint holders.

2. A person, being a nominee, becoming entitled to a security by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

62. In the case of the death of any one or more of the persons named in the register of members as the joint holder of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other person.

63. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such members and the Company shall not be bound to recognize 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 India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificates, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 65 register the name of any person who claims to be absolutely entitled to the Share standing in the name of a deceased member, as a member.

64. No Share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

65. Subject to the provisions of the Act and Articles 61 and 62, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles or of such title as the Board thinks sufficient, either be registered himself as the holder of Shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares.

66. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain

such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividend or other moneys payable in respect of the Share. Such person shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

67. There shall be paid to the Company in respect of the transfer or transmission of any number of Shares such fee if any as the Directors may require.

68. The Company shall incur no liability or responsibility whatsoever in consequence of its giving effect to any transfer of Share 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 a person 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, title or interest or notice prohibiting registration of such transfer, and may have such notice, 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 book of the Company, but the Company shall nevertheless be at liberty to record and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS**

69. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupees One of each copy.

#### **BORROWING POWERS**

70. Subject to the provision of Section 179 and 180 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose, of the Company provided however, where the moneys, to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up Capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the company in General Meeting.

71. Subject to the provisions of Article 71 hereof, the payment or re-payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the special resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled Capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

72. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and condition as to redemption, surrender, drawing, allotment of Shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the General Meeting by a special resolution.

73. The Board shall cause a proper register to be kept in accordance with the provision of

Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 77 to 87 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

74. The Company shall, if at any time it issues debentures or other securities, keep a register and index of debenture-holders or security holders, as the case may be, in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or country outside India a branch register of debenture holders or security holders, as the case may be, resident in that State or Country.

#### **SHARE WARRANTS**

75. The Company may issue Share warrants subject to; and in accordance with the provisions of the Act; and accordingly the Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the persons registered as holders of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.

76. (1) The bearer of a Share warrant may at time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition of calling a Meeting of the Company, and of attending and voting and exercising the other privileges of a member at any Meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the Share included in the deposited warrant.

a. Not more than one person shall be recognized as depositor of the Share warrant.

b. The Company shall, on two days' written notice, return the deposited Share warrant to the depositor.

77. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a Meeting of the Company, or attend, or vote or exercise any other privileges of a member at a Meeting of the Company, or be entitled to receive any notice from the Company.

a. The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the Share included in the warrant; and he shall be a member of the Company.

b. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

#### **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

78. The Company in General Meeting may convert any paid-up Shares into stock, and when any Shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as the Shares from which the stock arose might have been transferred if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up Shares of any denomination.

79. The holders of stock shall, according to the amount of stock held by them, have the same rights and privileges as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company, and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing Shares have conferred that privilege or advantage.

## DEMATERIALIZATION OF SECURITIES

80. For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 2013, or any previous company law, and which has been granted a certificate of registration to act as depository under the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder; and

'Security' means such security as may be specified by SEBI from time to time.

81. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any

82. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

83. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

84. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 187 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

85. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

86. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

87. Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

88. Notwithstanding anything in the Act, or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

89. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with depository.

90. The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the register and index of members, debenture-holders and security holders, as the case may be, for the purposes of these Articles

#### **MEETING OF MEMBERS**

91. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.

92. The Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held.

93. Every Annual General Meeting shall be called for a time, during business hours, i.e. 09:30 a.m. to 06:00 p.m. on a day that is not a national holiday, and shall be held at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated as the Board may determine and the notice calling the Annual General Meeting shall specify it as the Annual General Meeting.

94. Every member of the Company shall be entitled to attend either in person or by proxy and the auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concern him as an auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' Report and the financial statements as required under the Act, auditor's report (if not already incorporated in the audited statements of account), the proxy register with proxies and the register of directors' Shareholdings which later register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the annual return, list of members, summary of the Share Capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 129 of the Act.

95. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Share Capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

96. Any valid requisition so made by members must state the object or objects of the Extraordinary General Meeting proposed to be called, and must be signed by the requisitionists and to be deposited at the registered office of the Company provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

97. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the registered office of the Company to cause a Extraordinary General Meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent a majority in value of the paid-up Share Capital held by all of them may themselves call the meeting within three months from the date of the delivery of the requisition as aforesaid.

98. Any Extraordinary General Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which Extraordinary General Meetings are to be called by the Board,

99. At least twenty-one clear days' notice in writing or through electronic mode of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the date, day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given to such persons as are under these Articles entitled to receive notice from the Company. Provided that with the consent in writing or through electronic mode of members holding not less than 95 per cent of such part of the paid-up Share Capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice.

100. In the case of an Annual General Meeting, if any business other than:

- i. the consideration of the financial statements of the Company, and the reports of the Board of Directors and auditors,
- ii. the declaration of dividend,
- iii. the appointment of Directors in place of those retiring,
- iv. the appointment of and fixing of the remuneration of the Auditors,

is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, financial or otherwise, if any therein of every Director, Manager (if any), key managerial personnel and relatives of such persons.

Where any such item of special business relates to or affects any other Company, the extent of Shareholding interest in other company of every promoter, Director, manager, if any, as well as every key managerial personnel shall also be set out in the statement if the extent of such Shareholding interest is not less than 2 (two) per cent of the paid-up Share Capital of that other company.

Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

101. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.

102. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

103. Subject to applicable law but notwithstanding anything contained in the Articles of the Company, the Company may adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and / or other ways as may be prescribed by the Act and/or by the Central Government in this behalf from time to time in respect of the following matters instead of transacting such business in a General Meeting of the Company:

104. Any business that can be transacted by the Company in a General Meeting; and Particularly, resolutions relating to such business as the Act, or the Central Government has by notification, declared to be conducted only by postal ballot and / or other ways and the Company shall comply with the procedure for such postal ballot and / or other ways prescribed by the Central Government in this regard.

105. The quorum for a General Meeting shall be as set out in Section 103 of the Act.

106. A body corporate being a member shall be deemed to be personally present if it is duly represented by an authorized representative.

107. If at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if convened by or upon requisition of members, shall stand cancelled, but in any other case the Meeting shall stand adjourned to the same day of the next week or if that day is a national holiday until the next succeeding day which is not a national holiday at the same time and place or to such other day, and at such other time and place in the city or town in which the registered office of the Company is for the time being situate, as the Board may determine and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the members present shall constitute quorum and may transact the business for which the Meeting was called.

108. The Chairman (if any) of the Directors shall be entitled to take the Chair at every Meeting whether Annual or Extraordinary. If there be no such Chairman of the Directors, or, if at any 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 Vice-Chairman (if any) of the Directors shall be entitled to take the Chair and if there be no such Vice-Chairman or if he be not so present, 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 their member to be the Chairman.

109. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.

110. The Chairman with the consent of the members may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which adjournment took place.

111. At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands, unless voting is carried out electronically or a poll is (before or on declaration of the result of the show of hands) demanded by any member or members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five lakh rupees or such higher sum as may be prescribed by law has been paid-up, and unless voting is carried out electronically or a poll is demanded, a declaration, by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

112. In the case of an equality of votes, the Chairman shall both on show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as member.

113. If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the registered office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

114. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the Meeting provided such a member is available and willing to be appointed. The Chairman shall have the power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of the scrutinizer arising from such removal or from any other cause.

115. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of

adjournment shall be taken at the Meeting forthwith.

116. The demand for a poll except on the question of the election of the Chairman and of an adjournment of a Meeting shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

117. No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll 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.

118. Subject to the provisions of 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 Share Capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any Meeting of the Company save as provided in sub-section (2) of Section 47, of the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

119. On a poll taken at a Meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast them the same way.

120. A member of unsound mind in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian. Similarly, the guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting, shall vote on any Shares held by a minor member.

121. If there be joint registered holders of any Shares, any one of such persons may vote at any Meeting or may appoint another person (whether a member or not) as his proxy but the proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint holders be present at any Meeting, that one of the said person so present whose name stands higher on the register of members shall alone be entitled to speak and to vote in respect of such Shares but the other or others of the joint holders shall be entitled to be present at the Meeting. Several executors or administrators of a deceased member in whose name Shares stand shall for purpose of these Article deemed joint-holders thereof.

122. Subject to the provision of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a representative duly authorised in accordance with the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

123. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

124. Any person entitled under Article 65 to transfer any Share may vote at any General Meeting in respect thereof in the same manner as if he were registered holder of such Shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

125. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meetings.
126. An instrument of proxy may appoint a person for the purpose of a particular meeting specified in the instrument and any adjournment thereof
127. A member present by proxy shall be entitled to vote only on a poll.
128. The instrument appointing a proxy and the power of attorney or their authority (if any), under which it is signed or a notarial certified copy of that power of authority, shall be deposited at the registered office of the Company not later than forty- eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
129. Every instrument of proxy shall as nearly as circumstances will admit, be in any of the forms set out in the Act and the rules made thereunder.
130. 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 revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity or revocation or transfer shall have been received at the registered office of the Company before the Meeting
131. No objection shall be made to the validity of any vote except at any Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
132. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman shall be the sole judge of the validity of every vote tendered at such poll.
133. (1) The Company shall cause minutes of all proceedings of every General Meeting and every resolution passed by way of postal ballot to be kept by making, within thirty days of the conclusion of every such meeting or passing of resolution by postal ballot, entries thereof in books kept for that purpose with their pages consecutively numbered;
- (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within that period or by a Director duly authorised by the Board for the purpose.
- (3) In no case the minutes; of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each Meeting shall contain a fair and correct summary of the providing thereat.
- (5) All appointments of officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.

- (6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting
- (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company:

The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing the minutes of proceedings of General Meetings or of resolutions passed by postal ballot shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than two hours in each day as the Directors determine, to the inspection of any Member without charge.
- (9) Any Member, debenture holder, security holder or beneficial owner or any other person may require a copy of any register, or part thereof, maintained by the Company in accordance with Section 88 of the Act by the payment of a fee of Rs.5 (Rupees Five only) per page.

#### **DIRECTORS**

134. Until otherwise determined by the company in General Meeting by way of special resolution and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than 3 (three) and

The First Directors of the company are:

1. **Mr. VARGHESE JOSEPH POTTAKERRY**
2. **AFTAB HUSEN S KHANDWAWALA**
3. **GURUBAXSING JAMIATSING BAGGA**
4. **SADIK NANNABHAI QURESHI**

135. Whenever Directors enter into a contract with any Government, whether Central, State or Local, any bank or financial institution or any person or persons hereinafter referred to as ("**the appointer**") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of section 152 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more persons, who are acceptable to the Board, as Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or other in his or their place and also fill in vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

136. Subject to Section 152 of the Act, if it is provided by the trust deed entered in connection with any issue of debentures of the Company that any person or persons shall have the power to nominate a Director of the Company, then in case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares.

137. At the request of the concerned Director, the Board may appoint an alternate Director to act for the requesting Director (hereinafter called the “**Original Director**”) during his absence for a period of not less than three months from India. An alternate Director appointed under the Articles shall not hold office for a period longer than that permissible to the Original Director in which place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of the retiring Director in default of another appointment shall apply to the Original Director and not to the alternate Director.

138. Subject to the provisions of Section 161 of the Act, the Board shall have the power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 130. Any such additional Director shall hold office only up to the date of the next Annual General Meeting or the last date on which such Annual General Meeting should have been held.

139. Subject to the provisions of Section 161 and other applicable provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified and eligible person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

140. A Director of the Company shall not be bound to hold any qualification Share(s).

141. (1) Subject to the provisions of the Act, a Managing Director, who is in the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment, fee for each meeting or participation in profits or by any or all these modes and/or any other mode not expressly prohibited by the Act.

(2) Subject to the provisions of the Act, a director who is neither in the whole-time employment nor a Managing Director may be paid remuneration either;

(3) by way of monthly, quarterly or annual payment with the approval of the Central Government (if such approval is required); or

(4) by way of commission if the Company by a special resolution authorised such payment.

142. Unless otherwise determined by the Company in General Meeting, the fee payable to a Director for attending a meeting of the Board or Committee thereof shall be such amount as may be fixed by the Board of Directors from time to time, subject to such limits, if any, as may be prescribed under the Act.

143. The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

144. If and so long as their number is reduced below the minimum number as stated in Article 134 hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.

145. Subject to Sections 164 and 167 of the Act the office of a Director shall become vacant if:

- (a) he is found to be of unsound mind by a court of competent jurisdiction ; or
- (b) he applies to be adjudicated an insolvent;
- (c) he is adjudged an insolvent;
- (d) he fails to pay any call made on him in respect of Shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call; or
- (e) he absents himself from all the meetings of the Directors held during a period of twelve months with or without seeking leave of absence from the Board; or
- (f) he becomes disqualified by an order of the court or tribunal under Section 167 of the Act; or
- (g) he is removed in pursuance of Section 169; or
- (h) he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or
- (i) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act; or
- (j) he is convicted by a court of an offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence; or
- (k) he is convicted by a court of an offence and sentenced in respect thereof to imprisonment for a period of seven years or more; or
- (l) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five years; or
- (m) he has not complied with sub-section (3) of Section 152 of the Act; or
- (n) he is disqualified from holding office in terms of sub-section (2) of Section 164 of the Act; or
- (o) he has been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company of the Company, he ceases to hold such office or other employment in that company; or
- (p) he resigns his office by a notice in writing or through electronic means addressed to the Company.

146. A Director or his relative, firm in which such Director or relative is a partner, any other partner in such firm, or a private company of which the Director is member or director may enter into any contract with the Company, including for the sale, purchase or supply of any goods, material or services or for underwriting the subscription of any Share in or debentures of the Company, provided the requirements of Section 184, 185, 188 and other applicable provisions of the Act are complied with.

147. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the

manner provided in Section 184 of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds not more than two per cent of the paid-up Share Capital in any such company.

148. A general notice given to the Board by a Director, to the effect that he is a director or member of a specified company, body corporate or is a member of a specified firm or association of individuals and is to be regarded as concerned or interested in any contract or arrangement so made shall be deemed to be a sufficient disclosure. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given at the first meeting of the Board in the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be effect unless; either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

149. No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement.

150. The Company shall keep a register in accordance with Section 189 and shall within the time specified in Section 189 (2) enter therein such particulars as may be relevant having regard to the application thereto of Section 184 of the Act. The register aforesaid shall also specify in relation to each Director of the Company the names of the companies, bodies corporate, firms and associations of which notice has been given by him under Article 132. The register shall be kept at the registered office of the Company and shall be open to inspection at such registered office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the register of members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

151. Subject to the provisions of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company.

152. At every Annual General Meeting of the Company, one-third of such of the Directors for time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Director, if any, shall not be subject to retirement under this clause.

(a) Not less than two-thirds of the total number of the Directors, as understood under Section 152 of the Act, shall be persons whose period of office is liable for determination by retirement of Directors by rotation and save as otherwise expressly provided herein, be appointed by the Company in General Meeting.

(b) The remaining Directors not exceeding one-third of the total number of Directors, as understood under Section 152 of the Act, for the time being in office, shall not be liable to retire by rotation, in terms of Section 152 of the Act read with the provisions of Article 119(a) and 120 hereof.

153. Subject to Section 152 of the Act, the Directors to retire by rotation under Article 136 at every General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day and are liable to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

154. A retiring Director shall be eligible for re-election.

155. The Company at the General Meeting at which a director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

156. (a) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

157. If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting unless:

- (i) at the Meeting or at the previous Meeting resolution for the re- appointment of such Director has been put to the Meeting and lost;
- (ii) the retiring director has, by a notice in writing, addressed to the Company or its Board, expressed his unwillingness to be so re- appointed;
- (iii) he is not qualified or disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provision of the Act;
- (v) the provision to sub-section (2) of Section 162 of the Act is applicable to the case.

158. Subject to Section 149 of the Act, the Company may by ordinary resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office, during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

159. (1) No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the Meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office. Such person or the member as the case may be, shall deposit an amount of One Lakh Rupees, or such other amount as may be prescribed under Section 160 of the Act, which shall be refunded to him or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent of the total valid votes cast either on a show of hands or on a poll on such resolution.

(2) Every person proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

(3) A person shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

160. The Company shall keep at its registered office a register containing the particulars of its Directors and key managerial personnel as may be prescribed under Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

161. The managing Director shall not, except pursuant to a Board resolution on the matter passed at a meeting of the Board, exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the Shares in the Company;
- (b) authorise the buy-back of securities
- (c) issue securities, including debentures, whether in or outside India;
- (d) approve the financial statement and the Board's report;
- (e) diversify the business of the Company;
- (f) approve an amalgamation, merger or reconstruction;
- (g) takeover over a company or acquire a controlling or substantial stake in another company;
- (h) take any action on a matter notified under Section 179(3)(k) of the Act,

and except pursuant to a resolution passed at the Board meeting under Section 179 of the Act shall also not exercise the powers to:

- (i) borrow moneys, otherwise than on debentures;
- (j) invest the funds of the Company, and
- (k) grant loans, give guarantee or provide security in respect of loans.

162. Subject to the provisions of Section 196(3) of the Act, the Company shall not appoint or employ, or continue the appointment or employment of a person as its managing or whole-time Director who -

- (a) is below the age of twenty-one years or has attained the age of seventy years (provided, however, that a person who has attained the age of seventy years may be appointed by way of special resolution);
- (b) is an undischarged insolvent; or has at any time been adjudged an insolvent;
- (c) suspends, or has at any time suspended, payment to his creditors, or makes or has at any time made, a composition with them ; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

163. A managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with Article 136, If he ceases to hold the office of Director he shall *ipso facto*, immediately cease to be a Managing Director.

164. Subject to applicable law, an individual may be appointed as both the Chairman as well as the Managing Director/Chief Executive Officer of the Company at the same time.

## PROCEEDING OF THE BOARD OF DIRECTORS

165. The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

166. Notice of every meeting of the Board shall be given in writing to every Director, at his usual address and as prescribed under Section 173 of the Act.

167. Subject to Section 174 of the Act, the quorum of a meeting of the Board shall be one-third of its total strength (excluding Directors, if any whose places may be vacant at the time and any fraction contained in that one-third being rounded off as next number one), or two Directors whichever is higher; Provided that where at any time the number of interested directors exceeds or is equal to two-thirds of the strength, the number of the remaining Directors, who are not interested, present at the meeting being not less than two shall be the quorum during such time.

168. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

169. If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

170. The Secretary shall, as and when directed by a Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

171. The Directors may, from time to time, elect from among their number, a Chairman of the Board and a Vice-Chairman of the Board determine the period for which they are respectively to hold office. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed or holding the same, the Vice-Chairman shall act as the Chairman of the meeting and if the Vice-Chairman be also not so present, the Directors present may choose one of their member to be chairman of the Meeting.

172. Questions arising at any meeting of the Board of Directors shall be decided by majority of votes and in the case of an equality of votes, the Chairman shall have a second or a casting vote.

173. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time, being vested in or exercisable by the Board generally.

174. Subject to the restriction contained in Section 179(3) the Board may delegate any of their power to committees of the Board consisting of such Director or Directors as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to person or purposes, but every committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and fulfilment of the purposes of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.

175. The meeting and proceeding of any such committee of the Board consisting of two or more Directors shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

176. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the committee, at their registered address in India, and has been approved by a majority of the Directors or members of the committee as are entitled to vote on the resolution. Provided that, where not less than one-third of the total number of directors of the Company for the time being require that any resolution under circulation must be decided at a meeting of the Board, the Chairman shall put such resolution to be decided at a meeting of the Board and not by circulation.

177. All acts done by any meeting of the Board or by 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 such Director or 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 had been 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 Director and had not vacated his office or his appointment had not been terminated; provided that 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 terminated.

178. (1) The Company shall cause minutes of the proceedings of every meeting of the Board and committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with, their pages consecutively numbered.

(2) Each page of every book shall be initialed or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting,

(6) The minutes shall also contain.

(a) The names of the Directors present at the meeting and

(b) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from, or not concurring in the resolution.

(7) Nothing contained in Sub-Clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting

(a) is, or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings;

or

(c) is detrimental to the interests of the Company

The Chairman shall be the sole judge in case of difference in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause, without prejudice to the recourse available under the law.

(8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

179. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made; Provided that the Board shall not, except with the consent of the Company in General Meeting by way of a special resolution:

(a) sell, lease or otherwise dispose of the whole, or substantially the whole; of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(b) invest otherwise than in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

(c) remit, or give time for the repayment of, any debt due by a Director;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

Provided further that the Board shall not, except with the consent of the Company in General Meeting, contribute to bona fide charitable and other funds any amounts the aggregate of which will, in any financial year, exceeds five per cent of its average net profits for the three immediately preceding financial years.

180. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have following powers, that is to say, the power:

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) Subject to Section 179 and 184 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may advise to be reasonably satisfactory.

(3) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and

any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Share Capital or not so charged;

(4) To secure the fulfilment of any contracts or engagement entered into, by the Company by mortgage or charge of Company and its uncalled Share Capital for the time being or in such manner as they may think fit.

(5) To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.

(6) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and provide for remuneration of such trustee or trustees.

(7) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers, or otherwise concerning the affairs of the Company; and also to compound and allow the time for payment or satisfaction of any debts, due and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.

(8) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(9) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(10) Subject to the provisions of Sections 179, 185 and 186 of the Act to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments, save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

(11) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

(12) 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.

(13) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company, a commission on the profit of any particular business or transaction; and charge such bonus or commission as part of the working expenses of the Company.

(14) To provide for the welfare of Directors or ex-Directors or employees and ex-employees of the Company and their wives, widows and families, or the dependents or connections of such persons, by building or contributing to the building of the houses, dwelling or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing

or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(15) 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 depreciation fund, or to an insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stocks, or for special dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes including the purposes referred to in the preceding clause, as the Board may in their absolute discretion, think conducive to the interest of the Company, and subject to the provisions of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with or vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with power to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures, debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.

(16) To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents, and servants 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, remuneration and to require security as they may think fit. And also 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 the four- next following general powers conferred by this sub-article.

(17) To comply with the requirements of any local law which in their opinion shall in the interests of the Company be necessary or expedient to comply, with.

(18) From time to time and at 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 persons to be members of such local boards, and to fix their remuneration.

(19) Subject to Section 179 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the members for the time being of any such local boards or any of them to fill up any vacancies, and any such appointment or delegation may be made on such terms and 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,

(20) At any time and from time to time by power of attorney under the Common Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their

limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members of any local board, established as aforesaid or in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(21) Subject to the provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(22) From time to time to make, vary and repeal by laws for the regulation of the business of the Company, its officers and servants.

#### **MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

181. Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may appoint from time to time one or more of their Directors to be the Managing Director or joint managing director or whole time director or deputy managing director or manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) partly as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder.

#### **MANAGEMENT**

182. The Company shall not appoint or employ at same time more than one of the following categories of managerial personnel namely:

- (a) Managing Director;
- (b) Manager.

#### **THE SECRETARY**

183. Subject to Section 203(1) of the Act, the Board may from time to time appoint and at its discretion, remove any individual, (hereinafter called the “**Secretary**”) to perform any functions, which by the Act are to be performed by such Secretary and such other duties that may be assigned to such Secretary by the Board from time to time. The Board may also at any time appoint some person (who need not be Secretary) to keep the registers required to be kept by the Company.

#### **THE COMMON SEAL**

184. The Board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Common Seal in lieu thereof, and the Board shall provide for the safe custody of the Common Seal for the time being and the Common Seal shall never be used except by the authority of the Board or a committee of the Board previously given.

185. Every deed or other instrument to which the Common Seal of the Company is required

tobe affixed, shall not be valid unless the same is executed by a duly constituted attorney, signed by two Directors or one Director and by Secretary or some other person appointed by the Board for the purpose. Provided that in respect of a Share certificate, the Common Seal shall be affixed in accordance with Article.

## DIVIDENDS

186. The profits of the Company, subject to any special right relating thereto created or authorised to be created by these Articles, and subject to the Act, may be paid out to the members in proportion to the amount of Share Capital paid-up or credited as paid-up on the Shares held by them respectively.

187. The Company, in General Meeting, may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare smaller dividend.

188. No dividend shall be declared or paid for any financial year otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both.

189. The Board may from time to time, pay to the members, such interim dividend as in their judgment the position of the Company justifies.

190. Where Share Capital is paid in advance of calls, such Share Capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

191. 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.

192. The Board may retain the dividend payable upon Shares in respect of which any person is, under Article 64 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such Shares or shall duly transfer the same.

193. Any one of several persons who are registered as the joint-holders of any Share may give effectual receipt for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

194. No Member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise however, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

195. A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

196. Unless otherwise directed any dividend may be paid by cheque or warrant or electronic

mode or by a pay slip or receipt having the force of a cheque or warrant or bank order sent through the post to registered address, or the registered account, of the member or person entitled or in case of joint holders to that one of them first named in the register in respect of the joint- holdings. Every such cheque or warrant or bank order or electronic transfer shall be made payable to the order of the person to whom it is sent or electronically transmitted. The Company shall not be liable for non-receipt, loss in transmission, or for any dividend loss to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or the fraudulent recovery of the dividend by any other means.

197. Subject to Section 124 of the Act, no unpaid dividend shall bear interest as against the Company.

198. There shall be no forfeiture of unclaimed dividends unless the claim becomes barred by law and unless such forfeiture is permitted by law.

199. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting feels, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.

200. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or any capital redemption reserve account, or in the hands of the Company and available as dividend (or representing premium received on the issue of Shares and standing to the credit of the share premium account) be capitalized and distributed amongst such of the Shareholders as would be entitled to receive the same proportions on the footing that they become entitled thereto as Share Capital and that all or any part of such capitalized fund be applied on behalf of such Shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued Shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalized sum. Provided that a share premium account and a capital redemption reserve account may, for the purposes of the Article, only be applied in the paying of any unissued Shares to be issued to members of the Company as fully paid bonus Shares.

(b) General Meeting may resolve that any surplus moneys, arising from the realization of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as Share Capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to and members upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the registrar for registration, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

## **ACCOUNTS**

201. The Company shall keep at the office or at such other place in India as the Board thinks

fit, proper books of account in accordance with Section 128 of the Act, including with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the books of account at any place other than the registered office of the Company, the Company shall within seven days of the decision file with the registrar a notice in writing giving the full address of that other place.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, updated at intervals of not more than three months, are sent by the branch office to the Company at its registered office or other place in India at which the Company's books of account are kept as aforesaid.

The books of account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The books of account and other books and papers shall be open to inspection by any Director during business hours.

202. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting of any account or books or documents of the Company except as conferred by law or authorised by the Board.

203. The Directors shall from time to time, in accordance with Section 129(2) and other applicable provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting, such balance sheets, profit and loss accounts and reports as are required by the Act.

204. Subject to Section 136 of the Act, a copy of every such profit and loss account, balance sheet and reports referred to in the preceding Article (including the auditor's report and every other document required by law to be annexed or attached to the balance sheets) shall at least twenty one days before the Meeting at which the same are to be laid before the members, be sent to the members of the Company; to trustees for debenture-holders of debentures and to all persons entitled to receive notice of General Meeting of the Company.

#### **AUDIT**

205. Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 147 of the Act and the rules made thereunder.

206. The first auditor or auditors of the Company shall be appointed by the Board within thirty days of the date of registration of the Company and the auditor or auditors so appointed shall hold office until the conclusion of the first Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the Meeting provided further that if the Board fails to exercise its powers under this Article, the Company in

General Meeting may appoint the first auditor or auditors.

## **DOCUMENTS AND NOTICE**

207. (1) Subject to Section 20 of the Act, a document or notice may be served or given by the Company on any member either personally or by sending it by post, registered post or courier or electronically or any other mode permitted by law, to him to his registered address or (if he has no registered address in India) to the address, if any, supplied by him to the Company for serving documents or notice on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledge due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time, at which the letter would be delivered in the ordinary course of post.

208. A document or notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address and has not supplied to the Company an address for the serving of documents, or for the sending of notices to him.

209. A document or notice may be served or given by the Company to the joint-holder named first in the register of members in respect of the Share, and such notice shall be deemed to be notice to each of such joint-holders.

210. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) supplied for the purpose by the persons claiming to be entitled, or (until any such address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

211. Documents or notices of every General Meeting shall be served or given in same manner herein-before authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of member, (c) the auditor or auditors for the time being of the Company, and (d) every director of the Company.

212. Every person who, by operation of law, transfer or other means whatsoever shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previously to his name and address being entered on the register of members, shall have been duly served on or given to the person from whom he derives his title to such Shares.

213. Any documents or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

214. All documents or notices to be served or given by members on or to the Company or any officer thereof, shall be served or given by sending it to the Company or officer by registered post or speed

post or courier service or by leaving it at the registered office of the Company or electronically or by such other mode as may be prescribed.

#### **BUY-BACK OF SHARES**

215. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **WINDING UP**

216. The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit.

#### **INDEMNITY AND RESPONSIBILITY**

217. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all 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 Section 463 of the Act in which relief is granted to him by the Court.

#### **SECURITY CLAUSE**

218. (a) Every Director, Company Secretary, Manager, Auditor, Treasurer, Trustee, Member of committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his/her duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and in matters relating thereto; and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the company without the permission of the Directors or to require discovery of any information respecting any details of the Company's trading, 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 Directors, it would be inexpedient in the interest of the Company to disclose.

**SECTION XIV-OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than 2 Years before the date of the Draft Prospectus) or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus in RoC.

**A. Material Contracts to the Issue**

1. Issue Agreement dated March 21, 2024 entered into among our Company and the Lead Manager.
2. Agreement dated March 20, 2024 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated January 19, 2024 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated January 20, 2024 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement [•] among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [•] between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated [•] between our Company and the Lead Manager.

**B. Material Documents**

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated February 09, 2024 and February 09, 2024 respectively, authorizing the Issue and other related matters;
3. Copies of annual reports of our Company for Fiscal Years 2023, 2022, 2021, 2020 and 2019 and audited financial statements of our Company for the nine-month period ended December 31, 2023.
4. Peer Review Auditors Report dated April 14, 2024 on Restated Financial Statements of our Company for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the nine months period ended December 31, 2023;
5. Copy of Statement of tax benefits dated April 20, 2024 from the Statutory Auditor included in this Draft Prospectus;
6. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Legal Advisor to the Issue, Banker to the Issue, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Draft Prospectus to act in their respective capacities;
7. Certificate dated April 27, 2024 issued by Statutory Auditors of the Company, certifying the KPIs as presented in this Draft Prospectus.
8. Resolution passed by the Audit Committee of the Company in its meeting held on April 26, 2024 for taking on record the KPIs as presented in this Draft Prospectus.
9. In-principle listing approval dated [•] from the NSE for listing the Equity Shares on the EMERGE Platform of National Stock Exchange of India;
10. Due Diligence certificate from Lead Manager to be submitted with SEBI;

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
<b>Varghese Joseph Pottakerry</b> DIN: 02771578	Managing Director	Sd/-
<b>Aftabhusen S Khandwawala</b> DIN: 02771726	Executive Director	Sd/-
<b>Gurubaxsing Jamiatsing Bagga</b> DIN: 06391512	Non-Executive Director	Sd/-
<b>Nishant Bali</b> DIN: 10440133	Non-Executive Independent Director	Sd/-
<b>Rachna Sandeep Luthra</b> DIN: 10671201	Non-Executive Independent Director	Sd/-

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>Manoj Gopinathan Pillai</b> PAN: AGCPP7203Q	Sd/-
---	------

**Date:** June 27, 2024

**Place:** Ahmedabad