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**DRAFT RED HERRING PROSPECTUS**

**Dated:** April 23, 2024

(Please read section 26 and 32 of the Companies Act, 2013)

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

100% Book Built Issue



**NEWMALAYALAM STEEL LIMITED**

**Corporate Identification Number:** U27209KL2017PLC048762

REGISTERED OFFICE	TELEPHONE, EMAIL AND FACSIMILE	CONTACT PERSON	WEBSITE
Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India.	<b>Telephone:</b> +91 703 421 2002; <b>E-mail:</b> info@demacsteel.com <b>Facsimile:</b> N.A.	Shravan Kannan Dev, Company Secretary and Compliance Officer	www.demacsteel.com

**PROMOTERS OF OUR COMPANY: VAZHAPPILY DAVIS VARGHESE, DIVYAKUMAR JAIN AND ANKUR JAIN**

**DETAILS OF THE ISSUE**

TYPE	FRESH ISSUE SIZE	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 46,40,000 Equity Shares aggregating Up to ₹ [●] lakhs	-	Upto 46,40,000 Equity Shares aggregating Up to ₹ [●] lakhs	This issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THIS IS A FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10/-. The Floor Price, Cap Price and Issue Price as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under “Basis for Issue Price” on page 86 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on Page No. 25 of this Draft Red Herring Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

**BOOK RUNNING LEAD MANAGER**

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 <b>KHANDWALA SECURITIES LIMITED</b>	Rinav Manseta / Sanket Sharma	<b>Telephone:</b> +91 224 076 7373 <b>Email ID:</b> ipo@kslindia.com, rinav@kslindia.com

REGISTRAR TO THE ISSUE		
NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 <b>KFin TECHNOLOGIES LIMITED</b>	M. Murali Krishna	<b>Telephone:</b> +91 406 716 2222 <b>Email:</b> www.kfintech.com

BID/ ISSUE PERIOD		
ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]*	BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON: [●]**

*\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

*\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

*^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.*



**NEWMALAYALAM STEEL LIMITED**

Newmalayalam Steel Limited (the “Company” or the “Issuer”) was incorporated on March 31, 2017 as ‘NewMalayalam Steel Private Limited’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by Deputy Registrar of Companies, Registrar of Companies, Central Registration Centre. Further, our Company was converted into a public limited company pursuant to a resolution passed by Board of Directors in their meeting held on December 15, 2023 and by our Shareholders in an Extraordinary General Meeting held on December 19, 2023 and consequently the name of our Company was changed to ‘NewMalayalam Steel Limited’ and a fresh certificate of incorporation dated February 1, 2024 was issued by the Registrar of Companies, Central Processing Centre. The corporate identification number of our Company is U27209KL2017PLC048762. For details of change in Registered Office of our Company, please refer to the chapter titled “History and Certain Corporate Matters” on page 135 of this Draft Red Herring Prospectus.

**Registered Office:** Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India; **Telephone:** +91 703 421 2002; **E-mail:** info@demacsteel.com; **Facsimile:** N/A; **Website:** www.demacsteel.com;  
**Contact Person:** Shraavan Kannan Dev, Company Secretary & Compliance Officer; **Corporate Identity Number:** U27209KL2017PLC048762

**PROMOTERS OF OUR COMPANY: VAZHAPPILY DAVIS VARGHESE, DIVYAKUMAR JAIN AND ANKUR JAIN**

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC OFFER OF UPTO 46,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF OUR COMPANY AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LACS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND MALAYALAM EDITIONS OF [●] (A MALAYALAM LANGUAGE NEWSPAPER, MALAYALAM BEING THE REGIONAL LANGUAGE OF KERALA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).**

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank as applicable.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 (2) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “Issue Procedure” on page 251 of this Draft Red Herring Prospectus.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 251 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “Issue Procedure” beginning on Page No. 251 of this Draft Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of the Issuer, there has been no formal market for the securities of the Issuer. The face value of the equity shares is Rs. 10/- The issue price/floor price/price band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the Issuer 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on Page No. 25 of this Draft Red Herring Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from NSE for using its name in this offer document for listing our shares on NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

**BOOK RUNNING LEAD MANAGER**



**Khandwala Securities Limited**  
Vikas Building, Ground Floor, Green Street, Fort,  
Mumbai – 400 023, Maharashtra, India.  
**Telephone :** +91 224 076 7373;  
**Facsimile:** +91 224 076 7377 / 78;  
**Email:** ipo@kslindia.com, rinav@kslindia.com;  
**Investor grievance email:** investorsgrievances@kslindia.com  
**Website:** www.kslindia.com;  
**Contact Person:** Rinav Manseta / Sanket Sharma  
**CIN No.:** L67120MH1993PLC070709  
**SEBI Registration Number:** INM000001899

**REGISTRAR TO THE ISSUE**



**KFin Technologies Limited**  
*(formerly known as KFin Technologies Private Limited)*  
Selenium Tower B, Plot No.31-32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad – 500 032,  
Telangana, India.  
**Telephone:** +91 406 716 2222  
**Toll Free No.:** 1800 309 4001  
**Facsimile:** +91 406 716 1563  
**Email:** nmsl.ipo@kfintech.com  
**Investor Grievance Email:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact Person:** M. Murali Krishna  
**SEBI Registration No.:** INR000000221  
**CIN No.:** L72400TG2017PLC117649

**ISSUE PROGRAMME**

**ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]      BID/ISSUE OPENS ON: [●]      BID/ISSUE CLOSES ON\*: [●]**

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.  
\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations  
^UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

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PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF  
CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)***

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

#### GENERAL AND COMPANY RELATED TERMS

<b>Term</b>	<b>Description</b>
“Company”, “our Company”, “the Company”, “the Issuer”, or “NewMalayalam”	NewMalayalam Steel Limited, a company incorporated under the Companies Act, 2013, having its registered office at Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India.
Our Promoter(s)	Vazhappily Davis Varghese, Divyakumar Jain and Ankur Jain. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 162 of this Draft Red Herring Prospectus.
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <i>Our Promoters and Promoter’s Group</i> ”.

#### COMPANY RELATED TERMS

<b>Term</b>	<b>Description</b>
Articles / Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 138 of this Draft Red Herring Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, <b>M/s Kutty &amp; Associates</b> , Chartered Accountants
Bankers to the Company	Banker to our Company, namely State Bank of India and HDFC Bank Limited.
Board of Directors /Board/BOD	The Board of Directors of the Company unless otherwise specified.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U27209KL2017PLC048762
Chief Financial Officer (CFO)	The Executive Director and Chief Financial officer of our Company, being <b>Rahul Jain</b>
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer of our Company, being <b>Shravan Kannan Dev</b>
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
Executive Director/ ED	Executive Director
Group Companies	Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INE0TP801012
Key Managerial Personnel /Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “ <i>Our Management</i> ” on page 138 of this Draft Red Herring Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on February 14, 2024 in accordance with the requirements of the SEBI ICDR Regulations.
Managing Director / MD	The Managing Director of our Company, namely Vazhappily Davis Varghese
MOA/ Memorandum / Memorandum of	Memorandum of Association of our Company as amended from time to time

<b>Term</b>	<b>Description</b>
Association	
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 138 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director. Suman Jain is the Non-Executive Directors of our Company
NRI/ Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000
Registered Office	The registered office of our Company, which is situated at Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India
Restated Financial Information/ Restated Financial Statements/	The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and liabilities as on October 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the seven month period ended October 31, 2023 and the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Financial Statement of Significant Accounting Policies and other explanatory information annexed to this report, along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Kerala at Ernakulam, having its office at Corporate Bhawan, BMC Road, Thrikkakara, Kochi- 682 021, Kerala, India
Senior Management	Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “ <i>Our Management</i> ” on page 138 of this Draft Red Herring Prospectus.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 138 of this Draft Red Herring Prospectus.
Whole-time Director / WTD	Whole-Time Director of our company, namely, Molly Varghese and Cyriac Varghese

## **ISSUE RELATED TERMS**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Issue pursuant to successful Bidders.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been issued
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	Rs. [●]/- per equity share i.e. the price at which Equity Shares were made available for allocation to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which was decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/ Issue Period	[●], being one working day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors was submitted and allocation to the Anchor Investors was completed.
Anchor Investor Issue Price	Rs. [●]/- per equity share being the final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Portion	Up to 60% of the QIB Portion consisting of [●] Equity Shares which were allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
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.
ASBA Bid	A Bid made by ASBA Bidder
Bankers to the Issue	Banker to the Issue, Public Issue Bank, Refund Bank and Sponsor Bank, being [●]

Terms	Description
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled “Basis of allotment” under chapter titled “Issue Procedure” starting from page no. 251 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Period	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.</p>
Bid/Issue Closing Date	<p>Except in relation to Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located).</p> <p>Our Company in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located).
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being <b>Khandwala Securities Limited</b> , SEBI Registered Category I Merchant Banker.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Cut-Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.

Terms	Description
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, and occupation and Bank Account details.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Intermediaries/ Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	<b>Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)</b>
DP ID	Depository Participant’s Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated April 23, 2024, filed with NSE Emerge in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	QFIs from such jurisdictions 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 purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or RevisionForm.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, Notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
Issue	This issue of Upto 46,40,000 Equity Shares of face value of ₹10 per Equity Share for an Issue Price of ₹ [●] per Equity Share, aggregating up to ₹ [●] Lakhs.
Issue Agreement	Agreement dated April 15, 2024 entered amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Issue.
Issue Closing	Our Issue shall close on [●].
Issue document	Includes this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus to be filed with Registrar of Companies.
Issue Opening	Our Issue shall open on [●].

<b>Terms</b>	<b>Description</b>
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●] /- per Equity Share).
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled "Objects of the Issue" page 76 of this Draft Red Herring Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the NSE.
Market Maker	The Market Maker to the Issue, in this case being [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion, (other than anchor allocation), which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue	The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Issue.
Non-Institutional Applicant / Investors	All Applicants, including FPIs which are individuals, corporate bodies and family offices, that are not QIBs or RIIs and who have Application for Equity Shares for an amount of more than ₹2.00 Lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price or through such other method of allocation as may be introduced under applicable law
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located), at least two working days prior to the Bid / Issue Opening Date.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Public Issue Account	Account to be opened with the Banker to the Issue to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Account Bank	The bank with whom the Public Issue Account shall be opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●]
Qualified Institutional Buyers /QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than [●]% of the Net Issue, consisting of [●] Equity Shares which were made available for allocation to QIBs (including Anchor Investors) on a proportionate basis, (in which allocation to Anchor Investor were made available on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Bank(s) /Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either NSE or National Stock Exchange of India Limited having

Terms	Description
	right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="https://www.nseindia.com/">https://www.nseindia.com/</a>
Registrar / Registrar to the Issue/ RTA	Registrar to the Issue being KFin Technologies Limited.
Registrar Agreement	The registrar agreement dated April 20, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors/(RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000.
Retail Portions	Portion of the Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues 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;int mId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=35</a>
SME Platform of NSE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Sub Syndicate Member	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue
Syndicate Member(s)	Syndicate members as defined under Regulation 2(1) (hhh) of the SEBI ICDR Regulations, namely [●].
Transaction Registration Slip/TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	[●]
Underwriting Agreement	The Agreement dated [●] entered into between the Underwriter and our Company
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including circular no. 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, 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 2, 2021, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter and Fraudulent Borrower	A wilful defaulter(s) and fraudulent borrower(s) as defined under SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on NSE, working day means all trading days of NSE, excluding Sundays and bank holidays, as per circulars issued by SEBI

## **CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
“Consolidated FDI Policy” or “FDI Policy”	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification issued by DPIIT, effective from October 15, 2020
“Financial Year” or “Fiscal Year” or “FY”	Period of 12 months ending March 31 of that particular year
“OCBs” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act 1956	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
CS	Company Secretary
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
ECB	External Commercial Borrowings
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report
FPIs	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)

<b>Term</b>	<b>Description</b>
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
Mn / mn	Million
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NR	Non-resident or person(s) resident outside India, as defined under the FE
NRE	Non- residential external
NRE Account	Non- residential external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non- resident ordinary
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
OCI	Overseas Citizen of India
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R&D	Research and Development
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SAT	Securities Appellate Tribunal
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

<b>Term</b>	<b>Description</b>
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a state in India
State Government	The Government of a State of India
Stock Exchange	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
TDS	Tax Deducted at Source
Trademarks Act	Trademarks Act, 1999, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

### **INDUSTRY RELATED TERMS**

<b>Terms</b>	<b>Description</b>
CAD	Current Account Deficit
CPI-C	Common user Programming Interface- Communication
CAGR	Compound Annual Growth Rate
COVID-19	Coronavirus Disease of 2019
CY	Current Year
EU	Europe Union
ESG	Environmental, Social and Governance
EV	Electric Vehicles
FAME	Faster adoption and manufacturing of EVs
GDP	Gross Domestic Product
GW	GigaWatt
G20	The Group of Twenty
HFI	High Frequency Indicators
ILO	International Labour Organisation
IMF	International Monetary Funds
IDU	India Development Update
MT	Metric Tons
NIP	National Infrastructure Policy
NMDC	National Mineral Development Corporation
PCI	Pulverized Coal Injection
PLI	Production Linked Incentive
PMAY	Pradhan Mantri Awa Yojana
RE	Renewable Energy
UK	United Kingdom
USD	US Dollar
WPI	Wholesale Price Index

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 281, 93, 96, 127, 171, 224 and 251, respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

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

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on Page No. 171 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and liabilities as on October 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the seven months period ended October 31, 2023 and the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Financial Statement of Significant Accounting Policies and other explanatory information annexed to this report, along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on Page Nos. 25, 111 and 217 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on Page Nos. 25 and 111 respectively, this Draft Red Herring Prospectus.

### **Currency and Units of Presentation**

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in is Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

## **Exchange rates**

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on (in ₹)			
	October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.27	82.22	75.91	73.53

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in) )

## **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "Basis for Issue Price" on Page No. 86 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors" on Page No. 25 of this Draft Red Herring Prospectus.

## **FORWARD - LOOKING STATEMENTS**

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- We depend on our dealers for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key intermediaries may adversely affect our business and results of operations;
- Our operations have significant raw material requirements in the form of pre-galvanised coils, and we may not be able to ensure the availability of the same for our operations at competitive prices and in a timely manner, which could have an adverse effect on our business, financial condition, results of operations and prospects.
- We are dependent on Jaihind Steel Private Limited, one of our Promoter Group entity for a portion of our revenue and business. We also purchase raw materials from Jaihind Steel Private Limited and are dependent on it for part of our raw materials requirements. In the event, of loss of business from such Promoter Group entity or delay in receiving raw materials, our business and results of operations could be adversely affected.
- Our manufacturing unit and our operations are geographically concentrated in Kerala. Consequently, we are exposed to risks from economic, regulatory and other developments in the eastern region which could have an adverse effect on our business, results of operations and financial condition. Further, our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.
- The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on Page Nos. 25, 111 and 217, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## **SECTION II - ISSUE DOCUMENT SUMMARY**

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 Red Herring Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Information*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on Page Nos. 25, 96, 224, 162, 171, 76, 111, 49, 111 and 281, respectively of this Draft Red Herring Prospectus.

### **1. Summary of Industry in which the Company is operating**

India is the second largest steel producer in the world with an installed capacity of 154.1 MT in FY22. It is also the second-largest consumer of finished steel with a consumption of 120 MT in FY23. The Indian steel sector has been able to grow over the years due to domestic availability of raw materials such as iron ore and cost-effective labour. In the last 10 years, finished steel production has grown at a CAGR of 2.8% to 122 MT in FY23 from 96 MT in FY14. The growth in production has been backed by a rise in domestic steel consumption on account of growing economic activities in the country supported by an increase in infrastructure and construction spending by the government, a rise in automobile and consumer durable demand, among others. Domestic finished steel consumption in India has increased at a CAGR of 5.5% to 120 MT in FY23 from 74 MT in FY14. After witnessing an uptrend in steel production, India observed a de-growth of 20.2% y-o-y in FY19 due to lower exports. Further, the outbreak of covid-19 pandemic resulted in a decrease in steel production in FY21, a de-growth of 6.3%.

For further details, please refer to the chapter titled “*Industry Overview*” beginning on Page No. 96 of this Draft Red Herring Prospectus.

### **2. Summary of Business**

Our Company is engaged in the business of manufacturing galvanised pipes, tubes, and sheets. Owing to the consistent efforts of our Promoters, we have been able to create a brand presence in Kerala, under the name of ‘Demac Steel’. Our products find extensive application in the general households of Kerala. Galvanised pipes and tubes are used for building the roofs to reduce heat and avoid leakage, further the galvanisation process offers an added advantage of increasing the life of the product and enhancing its quality by making it rust-free. Our products are therefore manufactured to provide an effective solution to the continuous damage caused to houses in Kerala on account of inclement weather condition. Accordingly, our products experience a constant demand on account of being an indispensable raw material in the construction industry in Kerala. In order to market and sell our products, we have established a widespread dealer base in Kerala through which we sell our products to local contractors and retailers.

For further details, please refer to chapter titled “*Our Business*” beginning on Page No. 111 of this Draft Red Herring Prospectus.

### **3. Promoters**

The Promoters of our Company are Vazhappily Davis Varghese, Divyakumar Jain and Ankur Jain. For further details, please refer to the chapter titled “*Our Promoters and Promoter Group*” beginning on Page No. 162 of this Draft Red Herring Prospectus.

### **4. Details of the Issue**

Our Company is proposing the public issue of upto 46,40,000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating up to ₹ [●] lakhs, of which [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker to the Issue (the “**Market Maker Reservation Portion**”). The Issue less the Market Maker Reservation Portion i.e. Net issue of [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “**Net Issue**”. The Issue and the Net Issue will constitute [●] % and [●]%, respectively, of the post issue paid up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10/- each.

The price band will be decided by our company in consultation with the book running lead manager (“**BRLM**”) and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely

circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located), each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date with the relevant financial ratios calculated at the Floor Price and the Cap Price and shall be made available to the Emerge platform of National Stock Exchange of India Limited (“NSE Emerge”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the issue” beginning on page 241 of this Draft Red Herring Prospectus.

## 5. Objects of the Issue

The details of the proceeds of the Issue are set out in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Estimate amount
1.	IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation	521.95
2.	Funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala	255.95
3.	Advertising and Marketing for brand building	505.55
4.	Funding incremental working capital requirements of our Company	1,420.00
5.	General Purpose	[●]
6.	IPO expenses	[●]
	<b>Total</b>	[●]

\* To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

# The amount utilised for general corporate purposes and pursuing inorganic acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone or for pursuing inorganic initiatives alone shall not exceed 25% of the Gross Proceeds.

## 6. Utilization of Net Issue Proceeds

The details of the utilisation of Net Proceeds of the Issue are set out in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Estimate amount
1.	IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation	521.95
2.	Funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala	255.95
3.	Advertising and Marketing for brand building	505.55
4.	Funding incremental working capital requirements of our Company	1,420.00
5.	General Purpose	[●]
6.	IPO expenses	[●]
	<b>Total</b>	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

<sup>(2)</sup>The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled “Objects of the Issue” beginning on Page No. 76 of this Draft Red Herring Prospectus.

## 7. Aggregate Pre Issue Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
<b>Promoters</b>					
1.	Vazhappily Davis Varghese	62,91,300	49.74	[●]	[●]
2.	Divyakumar Jain	36,49,400	28.85	[●]	[●]
3.	Ankur Jain	21,29,500	16.84	[●]	[●]
<b>Promoter Group</b>					
4.	Mahendra Kumar Jain	5,32,400	4.21	[●]	[●]

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
5.	Molly Varghese	10,000	0.08	[•]	[•]
6.	Cyriac Varghese	10,000	0.08	[•]	[•]
<b>Total</b>		<b>1,26,22,600</b>	<b>99.80</b>	<b>[•]</b>	<b>[•]</b>

For further details, please refer to the chapter titled “*Capital Structure*” beginning on Page No. 65 of this Draft Red Herring Prospectus.

## 8. Summary of Financial Information

Following are the details as per the Restated Financial Information as at and for the seven month period ended October 31, 2023 and as at and for the Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in lacs, except share data)

S. No.	Particulars	Seven month period ended October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	1264.76	1264.76	1264.76	1264.76
2.	Net Worth	4023.36	3620.28	3019.79	2346.73
3.	Revenue from operations	17910.52	35479.84	31791.72	30004.84
4.	Profit after Tax	403.08	600.49	673.06	763.67
5.	Earnings per Share	318.7	474.78	532.17	603.81
6.	Net Asset Value per equity share	3181.12	2862.42	2387.64	1855.47
7.	Total borrowings	2720.60	2815.22	4920.06	3640.62

For further details, please refer to the section titled “*Financial Information*” beginning on Page No. 171 of this Draft Red Herring Prospectus.

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

The Restated Financial Information do not contain any qualifications by the Statutory Auditors.

## 10. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies is provided below:

### a) **Litigations involving our Company**

#### i) *Cases filed against our Company:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

#### ii) *Cases filed by our Company:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

**b) Litigations involving our Directors***i) Cases filed against our Directors:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

*ii) Cases filed by our Directors:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

**c) Litigations involving our Promoters***i) Cases filed against our Promoters:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

*ii) Cases filed by our Promoters:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

**d) Litigations involving our Group Companies***i) Cases filed against our Group Companies:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

*ii) Cases filed by our Group Companies:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page No. 224 of this Draft Red Herring Prospectus.

## 11. Risk Factors

Please refer to the section titled “Risk Factors” beginning on Page No. 25 of this Draft Red Herring Prospectus.

## 12. Summary of Contingent Liabilities

As per the Restated Financial Information, our Company does not have any contingent liabilities as at and for the seven month period ended October 31, 2023 and as at and for the Financial Years ended on March 31, 2023, 2022 and 2021. For further details, please refer to the chapter titled “Restated Financial Statements” beginning on Page No. 171 of this Draft Red Herring Prospectus.

## 13. Summary of Related Party Transactions

As per the Restated Financial Information as at and for the seven month period ended October 31, 2023 and as at and for the Financial Years ended on March 31, 2023, 2022 and 2021, following are the details of the related party transactions of our Company:

(₹. in Lakhs)						
S. No	Particulars	Relation	As on 31-10-2023	As on 31-03-2023	As on 31-03-2022	As on 31-03-2021
1	<b>Rent Paid</b>					
	V D Varghese	Managing Director	-	0.60	0.60	0.60
	Molly Varghese	Director	-	0.60	0.60	0.60
	<b>Total</b>		<b>-</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>
2	<b>Bonus Paid</b>					
	Cyriac Varghese	Director	-	1.61	1.46	1.33
	Molly Varghese	Director	-	0.59	0.54	0.48
	<b>Total</b>		<b>-</b>	<b>2.20</b>	<b>2.00</b>	<b>1.82</b>
3	<b>Salary Paid</b>					
	V.D Varghese	Managing Director	35.00	60.00	60.00	60.00
	Mahendra Kumar Jain	Chairman	35.00	60.00	60.00	60.00
	Divya Kumar Jain	Director	35.00	60.00	60.00	60.00
	Cyriac Varghese	Director	14.40	19.33	17.57	15.49
	Molly Varghese	Director	39.51	67.03	66.39	65.63
	<b>Total</b>		<b>158.91</b>	<b>266.35</b>	<b>263.96</b>	<b>261.12</b>
4	<b>Interest on Loan Paid</b>					
	Molly Varghese	Director	-	19.37	18.29	39.29
	<b>Total</b>		<b>-</b>	<b>19.37</b>	<b>18.29</b>	<b>39.29</b>
5	<b>Commission Paid</b>					
	Ankur Jain	Chairman's Son	-	12.00	11.90	35.46
	<b>Total</b>		<b>-</b>	<b>12.00</b>	<b>11.90</b>	<b>35.46</b>
6	<b>Rental Income</b>					
	Demac Roofing Pvt Ltd	Group Company	-	-	-	0.52
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.52</b>
7	<b>Interest Received</b>					
	Demac Roofing Pvt Ltd	Group Company	12.34	-	14.02	18.11
	<b>Total</b>		<b>12.34</b>	<b>-</b>	<b>14.02</b>	<b>18.11</b>
8	<b>Loan Given</b>					
	Demac Roofing Pvt Ltd	Group Company	455.00	-	-	-
	<b>Total</b>		<b>455.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Loan Repaid</b>					
	Demac Roofing Pvt Ltd	Group Company	300.00	-	-	-
	<b>Total</b>		<b>300.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
10	<b>Purchase of Raw Materials</b>					
	Jaihind Traders	Group Company	-	-	-	1,310.73

S. No	Particulars	Relation	As on 31-10-2023	As on 31-03-2023	As on 31-03-2022	As on 31-03-2021
	Vytila Steel Pvt Ltd	Group Company	-	-	-	739.75
	Jaihind Steel Pvt Ltd	Group Company	7,262.80	20,793.66	14,729.23	6,410.75
	Jaihind Tubes Pvt Ltd	Group Company	198.92	-	-	-
	<b>Total</b>		<b>7,461.72</b>	<b>20,793.66</b>	<b>14,729.23</b>	<b>8,461.24</b>
11	<b>Discount Allowed</b>					
	Jaihind Traders	Group Company	-	-	-	2.62
	Jaihind Steel Pvt Ltd	Group Company	15.37	22.39	33.15	23.84
	<b>Total</b>		<b>15.37</b>	<b>22.39</b>	<b>33.15</b>	<b>26.47</b>
12	<b>Discount received</b>					
	Jaihind Steel Pvt Ltd	Group Company	-	-	53.63	3.13
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>53.63</b>	<b>3.13</b>
13	<b>Sales</b>					
	Jaihind Traders	Group Company	-	-	-	373.99
	Vytila Steel Pvt Ltd	Group Company	-	-	1.51	868.88
	Jaihind Steel Pvt Ltd	Group Company	6,364.86	15,664.87	10,781.84	5,815.94
	Demac Roofing Pvt Ltd	Group Company	-	291.94	-	-
	Jaihind Tubes Pvt Ltd	Group Company	-	7.51	-	-
	<b>Total</b>		<b>6,364.86</b>	<b>15,964.32</b>	<b>10,783.35</b>	<b>7,058.81</b>
14	<b>Purchase of Building Materials</b>					
	Jaihind Steel Pvt Ltd	Group Company	-	7.92	0.28	-
	<b>Total</b>		<b>-</b>	<b>7.92</b>	<b>0.28</b>	<b>-</b>
15	<b>Price Difference Received</b>					
	Jaihind Steel Pvt Ltd	Group Company	-	20.94	40.87	-
	<b>Total</b>		<b>-</b>	<b>20.94</b>	<b>40.87</b>	<b>-</b>

For further details, kindly refer “*Restated Financial Information –Related Party Disclosures under AS 18*” from the chapter titled “*Restated Financial Information*” on Page No. 196 of this Draft Red Herring Prospectus.

#### **14. Financials Arrangements**

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

#### **15. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus**

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of Promoter	No. of shares acquired in last one year from the date of this Draft Red Herring Prospectus	Weighted Average Price (in ₹)
Vazhappily Davis Varghese	Nil	Nil
Divyakumar Jain	Nil	Nil
Ankur Jain	Nil	Nil

#### **16. Average Cost of Acquisition of Equity Shares for Promoters**

The average cost of acquisition of Equity Shares for the Promoters is as follows:

<b>Name of Promoter</b>	<b>No. of shares held</b>	<b>Average Cost of Acquisition (in ₹)</b>
Vazhappily Davis Varghese	62,91,300	9.90
Divyakumar Jain	36,49,400	9.94
Ankur Jain	21,29,500	10.00

#### **17. Pre-IPO Placement**

Our Company has not undertaken a pre-IPO placement.

#### **18. Issue of equity shares made in last one year for consideration other than cash**

Our Company has not issued shares for consideration other than cash during last one year:

#### **19. Split or consolidation of Equity Shares in the last one year**

Pursuant to a resolution passed by our Shareholders at the Extra-Ordinary General Meeting held on November 4, 2023, the Equity Shares of face value of ₹ 1,000 each were sub-divided into Equity Shares of face value of ₹10 each. For further details, please refer to the chapter titled “*Capital Structure*” on page 65.

#### **20. Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

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

### **SECTION III – RISK FACTORS**

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.*

*To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 96, 111 and 217 of this Draft Red Herring Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 17 of this Draft Red Herring Prospectus.*

*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. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.*

#### **Materiality:**

*The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:*

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

*The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Newmalayalam Steel Limited*

*The risk factors are classified as under for the sake of better clarity and increased understanding.*

## INTERNAL RISK FACTORS

### BUSINESS RELATED RISKS

- 1. We depend on our dealers for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key intermediaries may adversely affect our business and results of operations.*

In order to market and sell our products, we have established a widespread dealer base in Kerala through which we sell our products to local contractors and retailers. Our dealers have an established marketing network which we have utilized to create a market presence in Kerala and for penetrating the local markets of the aforementioned areas. We have entered into formal agreements with majority of our dealers and offer them a mutually agreed upon margin on the goods which are distributed by them. We sell all our products using our dealer network. Our Company has entered into formal agreements with a majority of our dealers to market and sell our products, thereby making us highly dependent on them for a significant portion of our revenue. The intermediaries forming part of our distribution network help us in marketing and selling our products domestically. Our dealers account for a substantial portion of our sales, and consequently our revenue, and we expect that such key intermediaries will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. The revenue earned from the sale of our products, through dealers and direct customers during the seven months period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Particulars	Seven month period ended October 31, 2023		Fiscal					
			2023		2022		2021	
	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue
Dealers	14,930.21	83.36	31,392.56	88.48	26,593.77	83.65	23,739.82	79.12
Direct Customers	2,980.31	16.64	4,087.28	11.52	5,197.95	16.35	6,265.01	20.88

The number of dealers and direct customers associated with us during the seven months period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Particulars	Seven month period ended October 31, 2023	Fiscal		
		2023	2022	2021
Number of Dealers	159	144	127	110
Number of Direct Customers	237	397	335	369
<b>Total</b>	<b>396</b>	<b>541</b>	<b>462</b>	<b>479</b>

While, the numbers of our dealers and direct customers has steadily increased during the Fiscals 2023, 2022 and 2021, however, in the event, we are unable to retain our intermediaries, we may have to associate with new intermediaries, on terms and prices which may not be acceptable to us. Further, we cannot assure you that the new intermediaries appointed would be reliable and contribute to our revenues in the same manner as our current intermediaries. On the occurrence of any of the aforementioned events, our business and results of operations could be adversely affected.

While, we have entered into formal agreements with majority of our dealers, we cannot assure you that either of the parties will not terminate such agreement or breach any covenant of such agreements. Periodically we may have to discontinue business with the dealers, for reasons including delay in payments and inability to meet the expected sales targets, among others. Our ability to terminate our arrangements with certain dealers may be limited by the terms of our agreements with them. We may need to litigate the dealers or litigations may be filed against us for any breach or termination of the contract, such litigation could be time consuming and costly and the outcome cannot be guaranteed. Further, the term of the contracts entered by our Company for distribution of our products range are for five years, which are renewable at the end of the term, for additional periods, on terms mutually agreed between the parties, on expiry of such contracts, our Company or the dealers may not renew the contracts. While the aforementioned events have occurred in the past, however, such occurrence have not materially affected our financial condition, results of operations and prospects. We cannot assure you that occurrence of any future termination and associated events, would not materially affect our financial condition, results of operations and prospects.

2. ***Our operations have significant raw material requirements in the form of pre-galvanised coils, and we may not be able to ensure the availability of the same for our operations at competitive prices and in a timely manner, which could have an adverse effect on our business, financial condition, results of operations and prospects.***

Production quantity and cost of our products are dependent on our ability to source raw materials and packaging materials at acceptable prices, and maintain a stable and sufficient supply of our major raw materials. The raw materials required for manufacturing our products and the source of raw materials has been provided below:

Name of Raw Material	Source of the raw material
Pre Galvanised coils	1. Import from Vietnam from companies like Vina One, Hoa Phat 2. Domestic from companies like JSW, AMNS etc 3. Purchase from Jaihind Steel Private Limited

We are into the business of Steel Manufacturing Products. We operate our manufacturing unit in Kerala and are heavily dependent on pre-galvanised coil as a raw material. Though we maintain our inventory of raw materials to avoid situations of irregular supply, we cannot assure you that we would be able to procure sufficient quantities of raw materials on a continuous basis for carrying out our operations. The availability and prices of raw materials may also be negatively affected by, among other factors, new laws or regulations; number of available suppliers, suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; demand and supply of raw materials; the bargaining power of raw material suppliers and the availability and cost of transportation. However, we typically undertake purchase of our some raw materials in bulk when they are processed at a lower level. If, for any reason, we are unable to procure sufficient pre-galvanised coils of requisite quantity and quality, and at acceptable prices, it could disrupt our production of steel, delay our delivery cycle leading to breach of contractual arrangement with our customers, increase our production costs or reduce our production volumes. Where the prices of raw materials rise significantly, we may not be able to realize such additional costs from our customers due to various factors including the demand and supply dynamics and competition in the market. Further, the raw materials require to be of a certain quality. Whilst we avoid undertaking purchase of some of our critical raw materials in monsoon to ensure quality, in the event we do not adhere to the quality control processes, we may have to recall our products or face product liability claims if our products do not meet our customers' expectation, thereby having an adverse impact on our business, results of operations and financial position. Unavailability of raw materials of desired quality or increase in price of raw materials would have a material adverse effect on our business and operations, financial condition, results of operations and prospects.

3. ***We are dependent on Jaihind Steel Private Limited, one of our Promoter Group entity for a portion of our revenue and business. We also purchase raw materials from Jaihind Steel Private Limited and are dependent on it for part of our raw materials requirements. In the event, of loss of business from such Promoter Group entity or delay in receiving raw materials, our business and results of operations could be adversely affected.***

Our Company is engaged in the business of manufacturing galvanised pipes and tubes that are used for building the roofs to reduce heat and avoid leakage. We sell a portion of our products to dealers who further sell it to third party contractors, builders and consumers. We also sell our products to one of our Promoter Group entities, Jaihind Steel Private Limited, which also is a local dealer engaged in trading of pre galvanised coils, steels, pipes, iron and also galvanised tubes and pipes. A break up of the revenue earned from Jaihind Steel Private Limited pursuant to sale of our products during the period ended October 31, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 has been provided below:

October 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
6,364.86	35.54	15,664.87	44.15	10,781.84	33.91	5,815.94	19.38

(₹ in lakhs)

We also procure a portion of our raw materials, i.e., pre galvanised coils from Jaihind Steel Private Limited. A break up of the expenses incurred by our Company towards purchase of raw material from Jaihind Steel Private Limited during the period ended October 31, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 has been provided below:

October 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
7,262.80	42.73	20,793.66	61.45	14,729.23	46.84	6,410.75	24.01

We have not entered into formal agreement with Jaihind Steel Private Limited, which binds it to undertake business with our Company or mandatorily sell raw materials to our Company. The terms of the operations and the cost of the operations undertaken is mutually decided between our Company and our Promoter Group entity. In the absence of such agreements, we cannot assure that our Promoter Group entity would fulfill its obligations or would not commit a breach of the understanding with us. Further, in the event that there are quality lapses in the raw materials purchased from our Promoter Group entity, we may face product liability claims which could impact our image and reputation. In view of the lack of formal agreements, we may not be able to initiate claims relating the quality or receive refund for the amount spent by us from our Promoter Group entity. In the event that the supply of raw material is not done on a timely basis, we may not be able to prosecute our Promoter Group entity due to lack of formal agreements. Further, our Promoter Group entity is not contractually bound to deal with us exclusively, which could adversely affect our business, results of operations and financial condition. The inability to procure new orders on a regular basis or at all from our Promoter Group entity may also adversely affect our business, revenues, cash flows and operations.

4. ***Our manufacturing unit and our operations are geographically concentrated in Kerala. Consequently, we are exposed to risks from economic, regulatory and other developments in the eastern region which could have an adverse effect on our business, results of operations and financial condition. Further, our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing unit and our business operations are located in Kerala. Our products find extensive application in the general households of Kerala. Galvanised pipes and tubes are used for building the roofs to reduce heat and avoid leakage, further the galvanisation process offers an added advantage of increasing the life of the product and enhancing its quality by making it rust-free. Our products are therefore manufactured to provide an effective solution to the continuous damage caused to houses in Kerala on account of inclement weather condition. Accordingly, our products experience a constant demand on account of being an indispensable raw material in the construction industry in Kerala. The economic and regulatory condition in Kerala may be affected by various factors outside our control, including prevailing local, social and economic conditions, changes in the applicable governmental regulations, demographic trends, changes in regulations governing employment of labourers, fluctuation in the income levels and interest rates, among other factors. Further, since our manufacturing unit are concentrated in Kerala any political disruption, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate in Kerala, could adversely affect our business operations or strategy. There is no assurance that such disruption in business operations would not bring any hindrance in the functioning of our manufacturing units. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting the steel industry in Kerala.

Further, as a result, any local social unrest, natural disaster or breakdown of services and utilities in Kerala, could have material adverse effect on the business, financial position and results of our operations. Our current manufacturing unit is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our unit may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

In addition to the above if our manufacturing unit suffers losses as a result of any industrial accident, we may be forced to shut down our manufacturing unit which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing unit may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing unit, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

**5. The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on our Company's results of operations.**

The steel industry is cyclical in nature. Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material inputs, climatic changes, fluctuations in domestic and international demand and supply of steel and steel products, worldwide production and capacity, fluctuation in the volume of steel imports, transportation costs and protective trade measures, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the construction, infrastructure development and transportation, which are among the biggest consumers of steel products. In the last few Fiscals, our focus on retail customers through our dealers has helped us deliver consistent financial performance despite adverse conditions in the steel sector, in circumstances where a downturn occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in our product prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects. We also face low demand during the monsoon season due to decreased construction activities. While steel prices have increased in recent years, they have been subject to fluctuation. Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects. In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

**6. Due to the seasonal nature of the industry we operate in, we may not be able to achieve complete utilisation of the manufacturing unit, which in turn could materially and adversely affect our business, prospects, financial condition and results of operation.**

We are engaged in the business of generation of galvanised pipes and tubes are used for building the roofs to reduce heat and avoid leakage, further the galvanisation process offers an added advantage of increasing the life of the product and enhancing its quality by making it rust-free. Accordingly, our products experience an increase in demand in the third and fourth quarters of a Financial Year. During the second half of the year, the construction activities experience an increase, to prepare for the upcoming summer and monsoon seasons and ease of construction on account of reduction of rains and heat. A quarter wise break of revenue from operations earned by our Company during the seven months period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Months	Fiscal					
	2023		2022		2021	
	Revenue Earned in lakhs	% of total revenue	Revenue Earned in lakhs	% of total revenue	Revenue Earned in lakhs	% of total revenue
Quarter 1	7,596.70	21.41%	6,279.20	19.75%	5,894.05	19.64%
Quarter 2	8,948.94	25.22%	6,867.69	21.60%	6,149.92	20.50%
Quarter 3	8,999.44	25.36%	7,328.63	23.05%	8,795.35	29.31%
Quarter 4	9,934.76	28.00%	11,316.19	35.59%	9,165.51	30.55%
<b>Total</b>	<b>35,479.84</b>	<b>100.00%</b>	<b>31,791.72</b>	<b>100.00%</b>	<b>30,004.83</b>	<b>100.00%</b>

We have historically experienced seasonal fluctuation in our sales, with higher sales volumes associated with the third and fourth quarter of each Financial Year. These seasonal variations in consumer demand subject our sector to a considerable degree of volatility. As a result, our revenue and profits may vary during different quarters of the financial year and certain periods may not be indicative of our financial position for a full financial year or future quarters or periods and may be below market expectations. Further, any unanticipated decrease in demand for our products during our peak selling season could result into higher closing inventory position, which may lead to sale and liquidation of inventory getting delayed against the trajectory under normal course of business, which could adversely affect our financial position and business operations.

In addition, the cyclical nature of the steel industry requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels. Also, since our business is seasonal in nature, we are vulnerable to non-availability of products during the peak season where there are higher number of footfalls. Such instances may lead to our customers approaching our competitors. This may lead to a reduction in our customer

base. Further, we will be vulnerable to demand and pricing shifts and to suboptimal selection and timing of production. If sales do not meet expectations, too much inventory may lower planned margins. Our brand image may also suffer if customers believe we are no longer able to offer the requisite amount of products. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

**7. *We are dependent on our manufacturing unit, and any loss, or shutdown, or under-utilization of the production capacities of our manufacturing unit may have an adverse effect on our business, financial condition and results of operations.***

Our manufacturing unit is subject to operational risks such as the breakdown or failure of equipment, power supply or processes, lack of raw materials performance below expected levels of output or efficiency, obsolescence, production outages, natural disasters, industrial accidents and the need to comply with new directives of the relevant government authorities. We may be required to shut down our manufacturing unit, from time to time, for capacity expansions, enhancements and equipment upgrades. We have enhanced the production capacities at our manufacturing unit in the past and we seek to maintain high capacity utilization at each of our manufacturing unit. However, there is no assurance that we will be able to utilize the production capacities of our manufacturing unit to the fullest. For instance, during the Financial Year 2023, our Company experienced a decline in the utilisation of our manufacturing unit, on account of fall in percentage of utilisation by 6%. The said fall was owing to the low demand, fluctuation in prices of steel products, our production capacities were not optimally utilized resulting in losses. Moreover, any disruptions in the operations of our manufacturing unit, technical or otherwise, may have a material adverse impact on our business, financial condition and results of operations. While we take precautions to minimize the risk of any significant operational problems at our manufacturing unit, there can be no assurance that our business, financial condition and results of operations will not be adversely affected by disruptions caused by operational problems at our manufacturing unit.

**8. *Manufacturing of steel involve hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment, which could result in incurring material liabilities, loss of revenues and increased expenses.***

Owing to the risks associated with the steel manufacturing process carried out at the manufacturing unit, our operations are prone to accidents which may involve moving machinery, on-site transport, forklifts and overhead cranes, fires in control rooms, electrical switch rooms, fires caused by contact of molten metal in the induction furnaces, hot billets in reheating, spills and spattering of molten materials, extreme temperatures, vibration and noise and exposure to, through inhalation or contact with, hazardous chemicals, etc. Occurrence of any accidents may result in destruction of property and equipment, injuries and even fatalities to employees interrupting our operations, damaging our reputation and brand name. We have continuously in the past taken efforts to monitor, safeguard and strengthen safety measures and reduce accidents at our manufacturing unit. However, there have not been any instances in the past where fatal accidents occurred at our manufacturing unit, however occurrence of any such accidents could adversely affect our operations. Our aggrieved employees, members of the public or government authorities may bring claims or initiate criminal proceedings/public interest litigation, class action against us and/or our Directors in relation to accidents at our manufacturing unit. If it is determined by the appropriate authorities that provisions and measures for safety within our premises are inadequate or non-compliant of stipulated guidelines/directions, the licenses granted to us for operations at such premises may be revoked or suspended, thereby adversely affecting our business, operations financial condition and results of operations.

**9. *We have experienced growth in the previous years on account of expansion in dealer base and increased production capacities of our manufacturing unit, which may not recur in the future and accordingly, our revenues may decline and we may be unable to sustain our profitability and thus, our historical financials as included in this Draft Red Herring Prospectus may not be comparable for future results.***

We have experienced a steady growth in the previous years on account of expansion in dealer base along with an increase in production capacities of our manufacturing unit by installing another electric resistance welding tube mill of an installed capacity of 4,000 MT in our manufacturing unit in 2019. There can be no assurance that we will be able to continue to expand our dealer base and increase production capacities in the future and the absence of such positive contributing factors, may have an adverse impact on our growth and profitability as compared to past periods. Conditions such as decline in our dealer base and decrease in the production capacities of our manufacturing unit may have an impact on our revenue and financial condition. Absence of favourable factors may have an adverse impact on our growth and profitability in future as compared to past periods. Owing to a decline in revenue, we may not be able to maintain profitability and may incur losses in the future. Accordingly, our future results of operations, financial

conditions, including growth in profitability, may not be comparable to the Restated Financial Information included in this Draft Red Herring Prospectus and any reliance placed on the same should be accordingly limited.

**10. *If we are unable to successfully implement our proposed expansion plans, our results of operations and financial condition could be adversely affected.***

As part of our long term strategy of organic expansion and integrated operation, we have, in the last five Fiscals, undertaken expansion in production capacities by installing another electric resistance welding tube mill of an installed capacity of 4,000 MT in our manufacturing unit in 2019. Subject to receipt of necessary approvals and compliance of terms and conditions, project assessment, feasibility and funding, we intend to further upgrade and expand our manufacturing operations by undertaking:

- a) IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation; and
- b) funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala

We intend to utilise a portion of the Net Proceeds of the Issue, towards funding the aforementioned expansion. For further details, please see “*Objects of the Issue*” on page 76 of this Draft Red Herring Prospectus.

Our expansion plan, to the extent that it proceeds, would involve risks, including risks associated with the timely and successful completion of such expansion, and our failure to adequately manage these risks notwithstanding our upgraded operational and financial systems, procedures and controls could have a material adverse effect on our business expansion, financial condition, results of operations and prospects. Factors that could affect our ability to complete the expansion plan include obtaining the necessary regulatory approvals and licenses, completing the plan / civil construction and on scheduled time, a decline in demand for our products and general economic conditions. Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to successfully implement or effectively manage our expansion may lead to increased costs, loss of investment and reduced profitability and may adversely affect our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans. Further, there can be no assurance that we will be able to execute our strategies on time and within the budget estimated by our Company.

**11. *Our Company is yet to place orders for 100% of the civil work, IT upgradation and expansion of solar unit. Any delay in placing orders or procurement of such plant and machinery or variation in foreign exchange rate, may further delay the schedule of implementation and increase the cost of commissioning the manufacturing unit.***

Our Company has received third party quotations for civil work, IT upgradation and expansion of solar unit, for details please refer to the chapter titled “*Objects of the Issue*” on page 76 of this Draft Red Herring Prospectus. Although, we have identified the vendors and type of equipment to be purchased for the existing manufacturing unit, we are yet to place order for 100% of the orders for civil work, IT upgradation and expansion of solar unit. Further, the cost of the civil work and equipment is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulation and policies, change in management’s view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for the said civil work and equipment we cannot assure that we will be able to procure the same in a timely manner and at the same price at which the quotations have been received. Delay in procurement of the same or fluctuation in the foreign exchange rate can cause time and cost overrun in the implementation of our proposed project and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**12. *Any change in government policies may impact the growth of the infrastructure sector leading to a decline in sales from the institutional segment adversely affecting our business, prospects and results of operations.***

Our business operations are dependent on favourable government policies and spending of the government in the infrastructure sector. For instance, we believe that the launch of affordable housing scheme PMAY Gramin and PMAY Urban (Housing for All-HFA) will increase the demand of steel products in general. Any unfavourable change in the existing policy of the government towards the infrastructure sector such as reduced expenditure in the infrastructure segment, or delay in implementation of the infrastructure projects sanctioned may result in decreased

demand of steel products in the institutional segment. Any such unfavourable changes and the related uncertainties with respect to the government policies may adversely affect our business, results of operations and financial condition.

**13. Our business and prospects may be adversely affected if we are unable to maintain and grow the image of our brand.**

Our Company has created a brand presence with our brand, namely, ‘Demac Steel’. We sell our products under our brand, which we believe are well recognized, have been developed to cater to customers and have contributed to the success of our business in the market for excipients. Owing to our diversified marketing network and wide-spread intermediaries and sales forces, our Company has been able to penetrate the local markets of Kerala. Our products and brands have become familiar names on account of our aggressive and innovate marketing techniques. Our Company regularly interacts with our customers and intermediaries to understand the satisfaction of the customers with the quality of our products. In order to maintain our brand presence, we have aggressively invested in our sales and marketing initiatives and increased our intermediary base. The expenses incurred by us in sales and marketing of our products during the seven month period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Seven month period ended October 31, 2023		Fiscal					
		2023		2022		2021	
Expenses incurred in (₹ in lakhs)	% of total expenses	Expenses incurred in (₹ in lakhs)	% of total expenses	Expenses incurred in (₹ in lakhs)	% of total expenses	Expenses incurred in (₹ in lakhs)	% of total expenses
19.15	12.58	28.97	14.35	43.15	19.15	29.29	12.78

We believe our brand’s image serve in attracting customers to our products in preference over those of our competitors. Therefore we intend to utilise a portion of the Net Proceeds towards funding expenses for advertising, marketing and branding through Out of Home Advertising which is to be carried out on our behalf by Darwin Platform Mass Media Limited. The advertising campaign will be carried out in 4-5 months period covering major cities of India majorly in Kerala. The cities include Mumbai, Bangalore, Chennai, Kochi, Delhi, Thrissur, Kollam, Vatakara, Thiruvananthapuram, Kozhikode etc. For further details, please see “*Objects of the Issue*” on page 76 of this Draft Red Herring Prospectus.

Maintaining and enhancing the recognition and reputation of these brands is critical to our business and competitiveness. For our future marketing and branding strategy, we shall be significantly dependent upon Darwin Platform Mass Media Limited for executing our marketing initiatives in an efficient manner. In the event, we face any problems in the quality of service or if we face any delay in execution of our marketing strategy, we may have to terminate our contract with the proposed marketing agency and execute a fresh contract with another agency, which may be costly and over and above our estimated budget. Occurrence of any such events could significantly impact our business, results of operations and financial condition.

Many factors, some of which are beyond our control, are important for maintaining and enhancing our brand, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

**14. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers’ expectations.**

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have a quality control and assurance division (“**Quality Division**”) in our manufacturing unit which carries out the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our quality laboratory carries out tests on the raw materials and finished products to ensure that our products are compliant with the specifications provided by our customers/ intermediaries. We have an in-house laboratory at our manufacturing unit, wherein our Quality Division carries out quality tests on the raw material, semi-finished goods and finished goods.

We have implemented quality control processes for our raw materials and finished goods, however, we cannot assure you that our quality control processes or our product will pass the quality tests and inspections conducted by various agencies as per their prescribed standards will not fail. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the regulatory quality standards set by regulatory agencies and our customers/ intermediaries as deviation from the same can cause them to reject our products and can also cause damage to our reputation, market standing and brand value.

In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers/ intermediaries due to quality complaints, we might be compelled to take back the sub-standard products and reimburse the cost paid by our customers/ intermediaries. Such quality lapses could strain our longstanding relationship with our customers/ intermediaries and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers/ intermediaries may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers/ intermediaries for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

**15. *Our inability to effectively manage or expand our distribution network may have an adverse effect on our business, results of operations and financial condition.***

Our ability to expand and grow our sales significantly depends on the reach and effective management of our distribution network and the continued cooperation of third parties such as dealers. We cannot assure you that we will continue to be able to effectively manage our distribution network and maintain good relationships with such third parties. Certain distribution intermediaries may have exclusivity arrangements with our competitors and may be unable to, or decline to, stock and distribute our products, which in turn may limit our ability to expand our distribution network.

In view of the growing demand of our products and to expand our capacity, we propose to utilise a portion of the Net Proceeds towards funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala. In order to cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we intend to expand our existing production capabilities and apportion a designated space for the storage of the finished products within the factory premises. According, we propose to construct a factory shed cum storage facility in the existing manufacturing unit. We intend to shift one of our existing machinery to the new factory shed proposed to be constructed and utilise the storage space for holding the inventories / finished products to avoid any hindrance to the on-going manufacturing process. For further details, please see “*Objects of the Issue*” on page 76 of this Draft Red Herring Prospectus.

We intend to capture our existing intermediaries as well as create a distribution network in new markets to market our products by increasing and manufacturing capacity and improving our inventory turnaround time. Our inability to strategically expand our distribution network may lead to revenue loss and impede the full utilisation of our production capacity. We cannot assure you that we will be able to expand our sale and distribution network in accordance with our business plans, or at all, which may adversely affect our business, results of operations and financial condition.

**16. *Any delays and/or defaults in payments could result in increase of working capital investment and/or reduction of our Company’s profits, thereby affecting our operation and financial condition. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

We are exposed to payment delays and/or defaults by our intermediaries. Our financial position and financial performance are dependent on the creditworthiness of our intermediaries. As per our business network model, we majorly supply our products directly to our intermediaries without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our intermediaries will be received in a timely manner or to that extent will be received at all. If an intermediary defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our

Company's results of operations and financial condition. There is no guarantee on the timeliness of all or any part of our customers'/ intermediaries' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

Our business requires a significant amount of working capital. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers/ intermediaries. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Further, one of the objects of this Issue include funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see "*Objects of the Issue*" on page 76. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers/ intermediaries, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

Any delay in processing our payments by our intermediaries may increase our working capital requirement. Further, if an intermediary defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers/ intermediaries. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

**17. *If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.***

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. For instance, our Company has applied for the following licenses which are pending before the relevant statutory authorities:

- (a) Our Company has applied for changing its name on its licenses and approvals post its conversion from a private limited company into a public limited company.
- (b) Our Company has made an application dated January 30, 2024 bearing number 10049965 before the Kerala State Pollution Control Board seeking renewal of our consent to operate.
- (c) Our Company has made an application dated February 13, 2024 bearing number 400743/RPTL20/General/2024/716 before the Poyya Gram Panchayat seeking renewal of License issued to Factories, Commercial Ventures, Trades & Service Providers under Kerala Panchayatraj Act, 1994.
- (d) Our Company has made an application dated March 22, 2024 before the Station Officer, Fire & Rescue Services, Mala, Department of Treasuries, Government of Kerala seeking renewal of no objection certificate for the firefighting arrangements installed in the manufacturing unit.

We cannot assure you that such licenses will be granted or renewed in time or at all. Further, these licenses, registrations and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. We may be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. Further, our Company will be responsible for bearing any and all liabilities arising out of this non-compliance. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may have a material adverse effect on our business. For further details on the licenses obtained by our Company and licenses for which renewal applications have been made, kindly refer the chapter titled "Government and Other Approvals" beginning on page 229 of this Draft Red Herring Prospectus.

- 18. *We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.***

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers/ intermediaries, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. In the event, any breach of our systems or software leads to the leaking of our trade secrets or any inventive techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

- 19. *There have been instances of erroneous filings in the past, under the Companies Act, 2013 to RoC.***

In the past, there have been certain instances of erroneous filing such as, while filing Form INC-21 for change in registered office, our Company selected "owned by director" in place of "taken on lease by company" in the said form. No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

- 20. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our intermediaries. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.***

To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit and transportation of our products from our unit to our intermediaries, which may be subject to various uncertainties and risks. While, we maintain one vehicle for transportation of raw materials and finished products, however, we are also dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our intermediaries. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long term agreements with our transporters for our manufacturing unit and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfil their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition.

**21. *Our Company has availed certain unsecured loans which may be recalled at any time.***

As of October 31, 2023, our Company has availed certain unsecured loans from our Directors and State Bank of India. As of October 31, 2023, the total outstanding unsecured loans availed by our Company are ₹ 720.32 lakhs, which may be recalled at any time. In the event, any of such unsecured lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.

**22. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our Company is currently using the logo **DEMAC** which is not yet registered in the name of our Company. We have made application for registering the same before the Registrar of Trademarks under the Trademarks Act, 1999. If we are unable to get our logo registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations. Further, there can be no assurance that third parties will not infringe upon 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 its intellectual property, which could adversely affect our business, results of operations and financial condition. For further details, please refer to the chapters titled “*Our Business*” and “*Government and other Statutory Approvals*” on pages 111 and 229, respectively of this Draft Red Herring Prospectus.

**23. *Our business may expose us to potential product liability claims and recalls, which could adversely affect our results of operation, goodwill and the marketability of our products.***

We may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. We do not maintain a product liability insurance, therefore we will not be able to insure or cover the risks arising out of any such claims. Any product liability claims would likely require us to incur substantial amounts on litigation and require our management’s time

and focus. Further, customers may cease purchasing products from us. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

**24. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

We have experienced negative cash flows in the past which have been set out below:

Particulars	For The Period or Year Ended			
	Period Ended October 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Cash from Operating Activities	57.10	3,109.41	(372.61)	1,202.73
Net Cash from Investing Activities	(53.20)	(61.82)	(377.70)	(72.27)
Net Cash used in Financing Activities	(199.60)	(2,378.31)	1,013.07	(1,129.76)

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. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 171 and 220, respectively.

**25. We have significant power requirements for continuous running of our manufacturing unit. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.**

Our manufacturing operations require significant amount of electricity and any interruption in the supply of power may temporarily disrupt our operations. Since, our manufacturing process requires high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. While, we have a solar plant from which we procure majority of our power, however we are also dependent upon third party power providers. There are limited number of electricity providers in the areas from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “Our Business” on page 111 of this Draft Red Herring Prospectus.

**26. We operate in a competitive business environment and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.**

The steel industry in India is competitive with both organized and unorganized markets. However, we are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors. We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We cannot assure you that we will be able to compete with our existing as well as future competitors as well as the products prices and payment terms offered by them. In addition, our customers may enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. Our failure to successfully face existing and future competitors may have an adverse impact on our business, growth and development.

Further, some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able

to capitalize on their overseas experience to compete in the Indian market. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see “*Industry Overview*” on page 96 of this Draft Red Herring Prospectus.

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

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraphs titled — “*Interest of our Directors*” in the chapter titled — “*Our Management*”, the paragraphs titled — “*Interest of our Promoters and Other Interests and Disclosures*” in the chapter titled — “*Our Promoters and Promoter Group*”, “*Financial Indebtedness*” and “*Restated Financial Information*” on pages 147, 163, 212 and 171, respectively of this Draft Red Herring Prospectus.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

**28. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

Upon completion of this Issue, our Promoters and members of our Promoter Group will collectively hold [●] % of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company’s best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**29. *The average cost of acquisition of Equity Shares held by our Promoters could be lower than the Issue Price.***

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined through book building mechanism. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled “*Capital Structure*” on page 65 of this Draft Red Herring Prospectus.

**30. *Our future fund requirements, in the form of further 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 further issue of Equity 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 favorable to the then existing Shareholders. If such funds are raised

in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

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

As of October 31, 2023, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “*Restated Financial Information*” at page 171.

While we believe that all our related party transactions have been conducted on an arm’s length basis, and we confirm that the related party transactions entered into by the company are in compliance with the relevant provisions of Companies Act and other applicable laws, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, 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. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**32. *Our Promoters and Directors have extended personal guarantees and personal properties as collateral security with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Our Promoters and Directors, Vazhappilly Davis Varghese, Mahendra Kumar Jain, Divya Kumar Jain, Ankur Jain, Suman Jain, Cyriac Varghese and Molly Varghese have extended certain personal guarantees in favour of certain banks / financial institutions with respect to various facilities availed by our Company from them. Further, our Directors, Vazhappilly Davis Varghese and Molly Varghese have extended their personal property, as collateral security to secure the loan facilities availed by our Company. In the event any of these guarantees are revoked or if the personal property of our Directors are withdrawn, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If the guarantees is invoked or our manufacturing unit is foreclosed, the ability of our Company to continue its business operations could be adversely affected. Further, if our lenders enforce any of the restrictive covenants or exercise their options under the relevant debt financing arrangement, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details please refer to the chapter titled “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.

**33. *Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans from third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

**34. *In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on October 31, 2023 our Company's total outstanding secured loans are ₹ 2273.60 lacs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 76 of this Draft Red Herring Prospectus.

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

The growth and success of our Company's future significantly depends upon the experience of our Promoters and continued services and the management skills of our Key Managerial Personnel and our Senior Management and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and our Senior Management and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel and our Senior Management in the past, however, any attrition of our experienced Key Managerial Personnel and our Senior Management, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel and our Senior Management who leave. In the event we are unable to motivate and retain our Key Managerial Personnel and our Senior Management and thereby lose the services of our highly skilled Key Managerial Personnel and our Senior Management may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors, Key Managerial Personnel and our Senior Management, please refer to the chapter titled — “*Our Management*” on page 138 of this Draft Red Herring Prospectus.

- 37. *Our Registered Office, our manufacturing unit and our solar unit are located on premises which are not owned by us and has been obtained on lease basis. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business, financial condition and results of operations.***

As on the date of this Draft Red Herring Prospectus, our Registered Office, our manufacturing unit and our solar unit are located on properties taken on lease basis from related parties. There can be no assurance that our Company will be able to successfully renew the said lease agreements in a timely manner or at all or on terms favourable to us. Further, there can be no assurance that we will not face any disruption of our rights as a lessee and that such lease agreements will not be terminated prematurely by the lessor. Any such non-renewal or early termination or any disruption of our rights as lessee will adversely affect our business, financial conditions and results of operations. For further details, see “*Our Business – Properties*” on page 126.

- 38. *Our Group Companies may have conflict of interest with us as they are engaged in similar industry segment and may compete with us.***

Our Group Companies, Vytila Steel Private Limited, Jaihind Steel Private Limited and Jaihind Tubes Private Limited are engaged in the similar industry segment as that of our Company. In view of the same, there might be conflicts of interest in future. We have not entered into any non-compete agreements with our Group Companies and there can be no assurance that our Group Companies will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance.

- 39. *Any conflict of interest which may occur between our business and any other similar business activities pursued by our Promoters and Directors could have a material adverse effect on our business and results of operations.***

As of the date of this Draft Red Herring Prospectus, our Promoters and Directors are directors and promoters of our Promoter Group entities, namely, Vytila Steel Private Limited, Jaihind Steel Private Limited, Jaihind Steel Tubes Private Limited, Starshine Aluminium Extrusions Private Limited, Jaihind Tubes Private Limited and Prime Metals. For details, please see the chapters titled “*Our Business*” and “*Our Promoters and Promoter Group*” on pages 111 and 162, respectively. These entities are engaged in the similar industry segment as that of our Company, thereby causing a conflict of interest between our Company and our Promoters and Directors. We have not entered into a non-compete arrangement with him to address such conflicts. We cannot assure you that a conflict will not arise, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

- 40. *We may face difficulties in implementing our strategies including our expansion and diversification plans of entering new geographical areas, development and commercialization of new products.***

We may face difficulties in implementing our strategies including our expansion and diversification plans of entering into new geographical areas and development and setting up of new manufacturing unit due to various factors such as entry barriers, stringent rules and regulations, fierce competition in the new markets, inadequacy of funds for expansion, high cost of debt that may be required for expansion and diversification. Implementation of our strategies may pose significant challenges to our administrative, financial and operational resources and additional risks that our Company may not be able to foresee. Failure to successfully implement some or all of our key strategic initiatives in an effective and timely manner may adversely affect our future business prospects. For further details on our business strategies, kindly see the chapter titled “*Our Business*” beginning on page 111 of this Draft Red Herring Prospectus.

- 41. *Our lenders have charge over our movable and immovable properties including the property where our manufacturing unit in respect of finance availed by us.***

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information, kindly refer the chapter titled “*Financial Indebtedness*” beginning on page 212 of this Draft Red Herring Prospectus.

**42. *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 ₹ 10,000 lakhs, 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 funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and 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.

**43. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to use the Net Proceeds towards, (i) IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation; (ii) funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala; (iii) advertising, Marketing and Brand Building; (iv) funding incremental working capital requirements of our Company; and (v) general corporate purposes. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads under the setting up of the proposed manufacturing unit and purchase of machinery for our existing manufacturing unit, as disclosed in the section titled “*Objects of the Issue*” on page 76.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this Draft Red Herring Prospectus. In terms of Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in the Draft Red Herring Prospectus, we cannot assure that we will 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 the shareholders who do not agree with our proposal to change the objects of the Issue. 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 utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters 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 Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

**44. *Relevant copies of educational qualifications and experience of our Promoters and Directors are not traceable.***

Relevant copies of documents in relation to the education and experience of our Chairman, Mahendra Kumar Jain, Managing Director, Vazhappily Davis Varghese, Non-Executive Director, Suman Jain and in relation to the experience of our Whole-time Director, Molly Varghese are not traceable. The information included in the section are based on the affidavits obtained from the Promoters and Directors. Consequently, we or the Book Running Lead Manager cannot assure you that such information in relation to the particular Promoter and Directors are true and correct and you should not place undue reliance on the experience and qualification of our management included in this Draft Red Herring Prospectus.

**45. *Information relating to the historical capacity of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical capacity of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions including those relating to availability of raw materials and operational efficiencies. Actual production levels and rates may differ significantly from the production capacities. Undue

reliance should therefore not be placed on our historical capacity information for our existing facilities included in this Draft Red Herring Prospectus.

**46. *The requirement of funds in relation to the objects of the Issue has not been appraised.***

We intend to use the proceeds of the Issue for the purposes described in the section titled “*Objects of the Issue*” on page 76. The objects of the Issue have not been appraised by any bank or financial institution. These are based on management estimates and current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**47. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we maintain insurance cover against loss or damage by burglary, business interruption by fire, earthquake, terrorism, etc. by availing sookshma business package insurance policy and general’s standard fire & special perils (material damage) policy, private car standalone motor own damage policy and two-wheeler motor insurance for insuring the vehicles of our Company. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

**48. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” on page 170 of this Draft Red Herring Prospectus.

**49. *Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.***

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

**50. *We have not independently verified certain data in this Draft Red Herring Prospectus.***

We have not independently verified data from the industry and related data contained in this Draft Red Herring Prospectus. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we

operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect 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, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**51. *The requirements of being a listed company may strain our resources.***

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI (LODR) Regulations which will require us to file audited annual and unaudited half yearly results and limited review reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

**52. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchanges or other securities markets could adversely affect the market value of the Equity Shares.

The Issue Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. You may not be able to resell your Equity Shares at a price that is attractive to you.

**53. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of National Stock Exchange of India Limited in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of National Stock Exchange of India Limited due to delay in submission of required documents/ completion of formalities/compliance with required laws by the issuer. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 54. *There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the lead manager, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the securities markets elsewhere in the world.

- 55. *The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

- 56. *You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI. However, SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced 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. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular.

We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

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

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading 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 the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

- 58. *The price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.***

The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the steel sector;
- adverse media reports about us or the Indian steel sector;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

These fluctuations may be exaggerated if the trading volume of the Equity Shares is low. Volatility in the price of the Equity Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Indian stock exchanges, including the Stock Exchanges, have experienced substantial fluctuations in the prices of listed securities and problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of Indian stock exchanges have also, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If such or similar problems were to continue or recur, they could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

**59. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through further issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Any instance of disinvestments 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 sale of Equity Shares might occur.

**61. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

## **EXTERNAL RISK FACTORS**

### ***62. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, 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 may adversely affect our business, results of operations 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 example, the Government of India implemented a comprehensive national goods and services tax (“**GST**”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the amendment of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2024 and the Ministry of Finance has notified the Finance Act, 2023 (“**Finance Act**”). There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, the Personal Data Protection Bill, 2019 (“**PDP Bill**”) was introduced to propose a legal framework governing the processing of personal data. However, the PDP Bill has been withdrawn on August 3, 2022 and the Ministry of Electronics and Information Technology, Government of India (“**MoEIT**”) has submitted a new Digital Personal Data Protection Bill, 2022 before the Parliament.

We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations 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 businesses or restrict our ability to grow our businesses in the future.

### ***63. Our business is substantially affected by prevailing economic conditions in India.***

We perform all of our activities in India, and the predominant portions of our customers are Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India’s present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries; and
- prevailing national, regional or global economic conditions, including in India’s principal export markets.

In addition to the factors set forth above, our business may be affected by adverse changes specific to the industries in which we operate.

### ***64. Foreign investors are subject to foreign investment restrictions under Indian law.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**66. *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.

**67. *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 of our business. 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 markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. 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.

**68. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**69. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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## SECTION IV - INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	Upto 46,40,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Maker</b>	[●] Equity Shares aggregating up to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Upto [●] Equity Shares aggregating up to ₹ [●] Lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(4)(5)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Of which</b>	
i. Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹. [●] lakhs
ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating up to ₹. [●] lakhs
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,26,47,600 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	Upto [●] Equity Shares of face value ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “Objects of the Issue” on page 76 of this Draft Red Herring Prospectus.

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

#### **Notes:**

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 14, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on February 15, 2024.
- 3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price.
- 4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- 5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange, subject to applicable laws.

For details, including grounds for rejection of Bids, refer to “Issue Structure” and “Issue Procedure” on page 248 and 251, respectively. For details of the terms of the Issue, see “Terms of the Issue” on page 241.

### **SUMMARY OF FINANCIAL INFORMATION**

*The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the seven months period ended October 31, 2023 and as at and for the Financial Years ended March 31, 2023, 2022 and 2021. The Restated Financial Information referred to above is presented under the section titled “Financial Information” beginning on Page No. 171 of this Draft Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on Page Nos. 171 and 217, respectively of this Draft Red Herring Prospectus.*

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**RESTATED BALANCE SHEET**

(₹. in Lakhs)

Particulars		As at 31.10.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
I.	<b>EQUITY AND LIABILITIES</b>				
1	<b>Shareholders' Funds</b>				
	(a)	Share capital	1264.76	1264.76	1264.76
	(b)	Reserves and surplus	2758.60	2355.52	1755.03
	(c)	Money Received Against Share Warrants			
2	<b>Share Application Money Pending Allotment</b>				
3	<b>Non-Current Liabilities</b>				
	(a)	Long-Term Borrowings	1005.76	1209.22	1706.48
	(b)	Deferred Tax Liabilities (Net)	158.68	131.36	115.14
	(c)	Other Long Term Liabilities			
	(d)	Long-Term Provisions			
4	<b>Current Liabilities</b>				
	(a)	Short-Term Borrowings	1714.84	1606.01	3213.58
	(b)	Trade Payables	2079.48	1777.67	645.99
	(c)	Other Current Liabilities	401.67	201.93	86.63
	(d)	Short-Term Provisions	143.47	188.37	214.06
	<b>TOTAL</b>		<b>9527.25</b>	<b>8734.83</b>	<b>9001.66</b>
II.	<b>ASSETS</b>				
	<b>Non-Current Assets</b>				
1	(a)	Property, Plant and Equipment and Intangible assets			
	(i)	Property, Plant and Equipment	2096.27	2152.96	2063.75
	(ii)	Intangible assets	.03	.03	.03
	(iii)	Capital work-in-progress	48.63	29.71	214.06
	(iv)	Intangible assets under development			
	(b)	Non-Current Investments			
	(c)	Long-Term Loans and Advances	40.75	40.75	30.31
2	<b>Current Assets</b>				
	(a)	Current Investments			
	(b)	Inventories	4208.14	3664.28	3322.15
	(c)	Trade Receivables	1631.92	1066.37	1827.81
	(d)	Cash and Cash Equivalents	484.16	679.85	10.58
	(e)	Short-Term Loans and Advances	422.88	530.00	1053.79
	(f)	Other Current Assets	594.47	570.89	479.19
	<b>TOTAL</b>		<b>9527.25</b>	<b>8734.83</b>	<b>9001.66</b>
	<b>TOTAL</b>		<b>9527.25</b>	<b>8734.83</b>	<b>9001.66</b>

**RESTATED PROFIT AND LOSS**
*(₹. in Lakhs)*

Particulars		As at 31.10.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
I.	Revenue from operations	17910.52	35479.84	31791.72	30004.83
II.	Other income	137.18	515.87	569.20	476.92
III.	<b>Total Income (I + II)</b>	<b>18047.71</b>	<b>35995.71</b>	<b>32360.91</b>	<b>30481.75</b>
IV.	Expenses:				
	Cost of materials consumed	17285.57	34000.59	30207.70	28759.06
	Changes in inventories of Stock in Trade	-80.78	12.82	466.31	-
	Change in Inventories of finished Goods	-291.57	112.32	-197.22	-249.49
	Employee benefits expense	212.41	444.19	352.84	335.63
	Finance costs	104.97	273.48	266.37	322.06
	Depreciation and amortization expense	90.96	145.37	131.80	126.86
	Other expenses	152.28	201.88	228.64	233.50
	Total expenses	<b>17473.84</b>	<b>35190.63</b>	<b>31456.44</b>	<b>29527.63</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>	573.87	805.07	904.47	954.12
VI.	Exceptional items	-	-	-	
VII.	<b>Profit before extraordinary items and tax (V + VI)</b>	573.87	805.07	904.47	954.12
VIII.	Extraordinary Items	-	-	-	
IX.	<b>Profit before tax (VII- VIII)</b>	573.87	805.07	904.47	954.12
X	Tax expense:				
	(1) Current tax	143.47	188.37	214.06	167.90
	(2) Deferred tax	27.32	16.22	17.35	22.55
	(3) Short/Excess of Income Tax of Previous Years				
XI	<b>Profit /(Loss) for the period from continuing operations (VII-VIII)</b>	403.08	600.49	673.06	763.67
	Profit/(loss) from discontinuing operations	-	-	-	-
	Tax expense of discontinuing operations				
	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	-	-	-	
	<b>Profit /(Loss) for the period (XI + XIV)</b>	<b>403.08</b>	<b>600.49</b>	<b>673.06</b>	<b>763.67</b>
	Earnings per equity share:				
	(1) Basic (in Indian Rupees)	318.70	474.78	532.17	603.81
	(2) Diluted (in Indian Rupees)	318.70	474.78	532.17	603.81

## RESTATED CASH FLOW STATEMENTS

(₹. in Lakhs)

	Particulars	As at 31.10.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net surplus/(deficit) for the year (before tax)	573.87	805.07	904.47	954.12
	Adjustments for:				
	Depreciation & Amortization	90.96	145.37	131.80	126.86
	Interest & Finance Charges	104.97	273.48	266.37	322.06
	less : Profit on sale of asset		-1.17		
	Add : Loss on sale of asset		1.33		
	<b>Operating Profit before Working Capital Changes</b>	<b>767.46</b>	<b>1225.07</b>	<b>1302.64</b>	<b>1403.04</b>
	Adjustments for:				
	Decrease/(Increase) in Sundry Debtors	-565.56	761.44	-521.19	-550.13
	Decrease/(Increase) in Loans & Advances	107.12	523.80	538.25	-1270.67
	Decrease/(Increase) in Inventories	-543.87	-342.13	-1997.86	1294.04
	Decrease/(Increase) in Other Current Assets	-23.58	-91.71	-462.54	316.31
	(Decrease)/Increase in Current Liabilities	199.74	115.30	-88.18	464.43
	(Decrease)/Increase in Sundry Creditors	301.80	1131.69	627.15	-274.93
	<b>Cash generated from operations</b>	<b>245.47</b>	<b>3323.46</b>	<b>-139.19</b>	<b>1382.07</b>
	Income Tax Paid	-188.37	-214.06	-233.42	-179.34
	<b>Net Cash flow from Operating activities</b>	<b>57.10</b>	<b>3109.41</b>	<b>-372.61</b>	<b>1202.73</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets & Work -In -Progress	-53.20	-51.39	-378.46	-62.02
	Increase in Long term loans and Advances		-10.44	.76	-10.25
	(Increase)/Decrease in Other Non Current Assets		-	-	
	<b>Net Cash used in Investing activities</b>	<b>-53.20</b>	<b>-61.82</b>	<b>-377.70</b>	<b>-72.27</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from Issue of Shares		-	-	200.00
	Interest paid	-104.97	-273.48	-266.37	-322.06
	Proceeds from Long Term Borrowings		1016.95	1710.47	-508.06
	Loans repaid during the year	-203.45	-1514.21	-1761.18	55.56
	Proceeds from Short Term Borrowings	108.83	-1607.57	1330.15	-555.20
	<b>Net Cash used in financing activities</b>	<b>-199.60</b>	<b>-2378.31</b>	<b>1013.07</b>	<b>-1129.76</b>
	<b>Net increase/(decrease) in cash &amp; Cash Equivalents</b>	<b>-195.69</b>	<b>669.27</b>	<b>262.76</b>	<b>.70</b>
	<b>Cash and Cash equivalents as at Opening of year</b>	<b>679.85</b>	<b>10.58</b>	<b>3.46</b>	<b>2.76</b>
	<b>Cash and Cash equivalents as at Closing of year</b>	<b>484.16</b>	<b>679.85</b>	<b>10.58</b>	<b>3.46</b>

## **GENERAL INFORMATION**

Our Company was incorporated on March 31, 2017 as ‘NewMalayalam Steel Private Limited’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by Deputy Registrar of Companies, Registrar of Companies, Central Registration Centre. Further, our Company was converted into a public limited company pursuant to a resolution passed by Board of Directors in their meeting held on December 15, 2023 and by our Shareholders in an Extraordinary General Meeting held on December 19, 2023 and consequently the name of our Company was changed to ‘NewMalayalam Steel Limited’ and a fresh certificate of incorporation dated February 1, 2024 was issued by the Registrar of Companies, Central Processing Centre. The corporate identification number of our Company is U27209KL2017PLC048762.

### **Registered Office of our Company**

#### **NewMalayalam Steel Limited**

Door No. 2/546/A & 2/546/B Mala,  
Pallipuram P O, Mala, Thrissur - 680 732,  
Kerala, India.

**Telephone:** +91 703 421 2002

**E-mail:** info@demaacsteel.com

**Facsimile:** N.A.

**Investor grievance id:** grievance@demaacsteel.com

**Website:** www.demaacsteel.com

**CIN:** U27209KL2017PLC048762

For details in relation to the change in Registered Office of our Company, please refer to the chapter titled, “History and Certain Corporate Matters” on page 135.

### **Corporate Office of our Company**

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

### **Registrar of Companies**

Our Company is registered with the Registrar of Companies, Kerala at Ernakulam situated at the following address:

#### **Registrar of Companies, Kerala at Ernakulam**

Corporate Bhawan, BMC Road,  
Thrikkakara, Kochi- 682 021,  
Kerala, India.

**Telephone:** +91 484 242 1626/ 242 1310

**E-mail:** roc.ernakulam@mca.gov.in

### **Board of Directors of our Company**

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
1.	Mahendra Kumar Jain	Chairman and Executive Director	01689078	56/3074, Jain Kunj, Tripti lane, S.A. Road, Manorama JN, Ernakulam - 682 016, Kerala, India
2.	Vazhappily Davis Varghese	Managing Director	07763636	Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Thrissur - 680 722, Kerala, India
3.	Molly Varghese	Whole- time Director	08279078	Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Thrissur - 680 722, Kerala, India
4.	Cyriac Varghese	Whole- time Director	07763663	Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Thrissur - 680 722, Kerala, India.
5.	Divyakumar Jain	Executive Director	01689124	56/3074, Jain Kunju, Thripthi Lane, Kochi SA Road South, M.G. Road, Ernakulam - 682 016, Kerala, India

S. No.	Name	Designation	DIN	Address
6.	Suman Jain	Non- Executive Director	01689057	56/3074, Jain Kunj, Tripti lane, S.A. Road, Manorama JN, Ernakulam - 682 016, Kerala, India
7.	Veliyath Antony Davies	Independent Director	08329772	Veliyath House, Periyachira Road, Potta P.O., Thrissur - 680 722, Kerala, India
8.	Rahul Mamman Abraham	Independent Director	03284826	28/1292, Chengezhath House, Vivek Nagar, Padam Kadavanthara, Ernakulam - 682 020, Kerala, India
9.	Jijo Maliyakkal	Independent Director	10434545	Maliyakkal House, Potta S.O., Thrissur - 680 722, Kerala, India

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 138 of the Draft Red Herring Prospectus.

### **Chief Financial Officer**

**Rahul Jain**, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Door No. 2/546/A & 2/546/B Mala,  
Pallipuram P O, Mala, Thrissur - 680 732,  
Kerala, India.

**Telephone:** +91 986 455 6998

**Facsimile:** N.A.

**E-mail:** cfo@demaacsteel.com

### **Company Secretary and Compliance Officer**

**Shravan Kannan Dev**, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Door No. 2/546/A & 2/546/B Mala,  
Pallipuram P O, Mala, Thrissur - 680 732,  
Kerala, India.

**Telephone:** +91 984 705 8378

**Facsimile:** NA

**E-mail:** cs@demaacsteel.com

### **Investor grievances**

**Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, non credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the Issue other than the Anchor Investors 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 Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

**Details of Key Intermediaries pertaining to this Issue of our Company:**

**Book Running Lead Manager**

**Khandwala Securities Limited**

Vikas Building, Ground Floor,  
Green Street, Fort, Mumbai – 400 023,  
Maharashtra, India.

**Telephone:** +91 224 076 7373;

**Facsimile:** +91 224 076 7377 / 78;

**Email:** ipo@kslindia.com, rinav@kslindia.com;

**Website:** www.kslindia.com;

**Contact Person:** Rinav Manseta / Sanket Sharma

**CIN No.:** L67120MH1993PLC070709

**Registrar to the Issue**

**KFin Technologies Limited**

*(formerly known as KFin Technologies Private Limited)*

Selenium Tower B, Plot No.31-32,

Gachibowli, Financial District,

Nanakramguda, Serilingampally,

Hyderabad – 500 032,

Telangana, India.

**Telephone:** +91 406 716 2222

**Toll Free No.:** 1800 309 4001

**Facsimile:** +91 406 716 1563

**Email:** nmsl.ipo@kfintech.com

**Investor Grievance Email:** einward.ris@kfintech.com

**Website:** www.kfintech.com

**Contact Person:** M. Murali Krishna

**SEBI Registration No.:** INR000000221

**CIN No.:** L72400TG2017PLC117649

**Legal Advisor to the Issue**

**T&S Law**

Unit Number 15, Logix Technova,

Block B, Sector 132, Noida – 201 304,

Uttar Pradesh, India.

**Telephone:** +91 995 611 4287

**Facsimile:** N.A.

**Email:** info@tandslaw.in

**Contact Person:** Sagarika Kapoor

**Statutory and Peer Review Auditor of our Company**

**M/s. Kutty & Associates**

Chartered Accountants,

9/734, Cherootty Road,

Calicut - 673 001,

Kerala, India.

**Telephone:** +91 944 727 6077

**Email:** kutty \_ associates@hotmail.com

**Website:** N.A.

**Contact Person:** P. Sankaran Kutty

**Membership No.:** 023673

**Firm Registration No.:** 001640S

**Peer Review Certificate No.:** 012760

### **Bankers to our Company**

#### **State Bank of India, SME Chalakudy Branch**

Cheerakathil Complex, Cars India Junction,  
North Chalakudy, Thrissur – 680 307,  
Kerala, India.

**Telephone:** +91 940 006 4001/ 480 270 7091

**Facsimile:** N.A.

**Email ID:** sbi.71020@sbi.co.in

**Website:** <https://sbi.co.in>

**Contact Person:** Jaikrishnan P

#### **HDFC Bank Limited**

ECG Dept, 6<sup>th</sup> Floor, SL Plaza,  
Palarivattom, Kochi,  
Ernakulam – 682 025,  
Kerala, India.

**Telephone:** +91 904 800 2616

**Facsimile:** N.A.

**Email ID:** shyamnath.anand@hdfcbank.com

**Website:** <https://www.hdfcbank.com/>

**Contact Person:** Shyam Nath Anand

### **Banker to the Issue**

The Banker(s) to the Issue shall be appointed prior to filing of the Red Herring Prospectus.

### **Refund Bank**

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

### **Sponsor Bank**

The Sponsor Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

### **Syndicate Member**

The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus.

### **Designated Intermediaries**

#### ***Self-Certified Syndicate Banks***

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at 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 website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

#### ***SCSBs enabled for UPI Mechanism***

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

### ***Registered Brokers***

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) as updated from time to time.

### ***Registrar and Share Transfer Agent***

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of National Stock Exchange of India Limited at [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) as updated from time to time.

### ***Collecting Depository Participants***

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

### **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Brokers to the Issue**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

### **Debenture Trustees**

As this is an Issue of Equity Shares, the appointment of Debenture trustees is not required.

### **Monitoring Agency**

As the Net Proceeds of the Issue will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

### **Expert Opinion**

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

Our Company has received written consent dated April 20, 2024 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as a Statutory Auditor and in respect of its (i) examination report dated February 20, 2024 on our Restated Financial Information; and (ii) its report dated April 15, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Inter-se Allocation of Responsibilities**

Khandwala Securities Limited, being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

### **Filing**

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts, documents and the Prospectus will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

### **Changes in Auditors during the last three years**

Except as stated below, there has been no change in the statutory auditors of our Company in the last three years preceding the date of this Draft Red Herring Prospectus:

<b>Name of the auditor</b>	<b>Date of change</b>	<b>Reason of change</b>
<b>Venugopalan C,</b> Chartered Accountant, IV/539/110, Second Floor, Sreelakshmi Narayana Palace, Casino Complex, T B Road, Kozhikode, Thrissur-680 021, Kerala, India. <b>Telephone:</b> +91 984 704 9046 <b>Website:</b> NA <b>Email:</b> <a href="mailto:sysca2004@gmail.com">sysca2004@gmail.com</a> <b>Firm Registration No.:</b> 010710S <b>Peer Review Certificate No.:</b> N.A.	September 30, 2023	Cessation of the auditor on account of expiry of term.
<b>M/s. Kutty &amp; Associates</b> Chartered Accountants, 9/734, Cherootty Road, Calicut - 673 001, Kerala, India. <b>Telephone:</b> +91 495 236 6034 <b>Email:</b> kutty _ associates@hotmail.com <b>Contact Person:</b> P. Sankaran Kutty <b>Membership No.:</b> 023673 <b>Firm Registration No.:</b> 001640S <b>Peer Review Certificate No.:</b> 012760	September 30, 2023	Appointment of the auditor in the capacity of the Statutory Auditor of our Company, for a period of five years

### **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and in Regional newspaper where our registered office is situated at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being Khandwala Securities Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;

- The Registrar to the Issue, in this case being KFin Technologies Limited;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB 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 BRLM and the Designated Stock Exchange.

All Bidders, other than Anchor Investors are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, 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 Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

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 Issue 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. For details in this regards, specific attention is invited to the chapter titled “**Issue Procedure**” beginning on page 251 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 251 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders,

details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 251 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Program:

Event	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

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

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ 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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced 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. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timelines provided under the aforementioned circular.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and

National Stock Exchange of India Limited Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment;

#### **UNDERWRITING AGREEMENT**

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriters [•].

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

<b>Details of the Underwriters</b>	<b>No. of shares underwritten*</b>	<b>Amount Underwritten (₹ in Lakh)</b>	<b>% of the total Issue Size Underwritten</b>
[•]	[•]	[•]	[•]

\*Includes [•] Equity shares of ₹10.00 each for cash of ₹ [•]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The above mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

## **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Issue:

[●]

[●]

[●]

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

[●], registered with EMERGE Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in 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 offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer 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.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the [●] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.
8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
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 Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the 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 one month notice or on mutually acceptable terms to the Lead Managers, 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(s) 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 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a

replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

11. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
12. **Punitive Action in case of default by Market Maker:** EMERGE Platform of National Stock Exchange of India Limited 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 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 Exchange from time to time. The 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.
13. The Department of Surveillance and Supervision of the 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.
14. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.
15. Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

16. 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 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)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	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 / National Stock Exchange of India Limited from time to time.

## CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorised Share Capital out of which :</b>		
	2,00,00,000 Equity Shares having face value of ₹ 10/- each	2,000.00	-
B.	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b>		
	1,26,47,600 Equity Shares having face value of ₹ 10/- each	1,264.76	-
C.	<b>Present Issue in terms of this Draft Red Herring Prospectus<sup>(1)</sup></b>		
	Issue of upto 46,40,000 Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share	[•]	[•]
	<b>Which comprises:</b>		
	[•] Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share reserved as Market Maker Portion	[•]	[•]
	Net Issue to Public of [•] Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share to the Public	[•]	[•]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to [•] Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share will be available for allocation for Investors of up to ₹ 10.00 lakhs	[•]	[•]
	Up to [•] Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share will be available for allocation for Investors of above ₹ 10.00 lakhs	[•]	[•]
D.	<b>Paid-up Share Capital after the Issue</b>		
	[•] Equity Shares of ₹ 10/- each		[•]
E.	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		[•]

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated February 14, 2024 and a special resolution of our Shareholders at an Extra-ordinary General Meeting dated February 15, 2024 under Section 62(1)(c) of the Companies Act, 2013.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

### Classes of Shares

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

### Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was ₹ 10,00,000 (Rupees ten lakhs only) divided into 1,000 Equity Shares of ₹ 1,000/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
August 9, 2017	₹ 10,00,000 divided in to 1,000 Equity Shares of ₹ 1,000 each	₹ 11,00,00,000 divided into 1,10,000 Equity Shares of ₹ 1,000 each	EGM
December 9, 2020	₹ 11,00,00,000 divided into 1,10,000 Equity Shares of ₹ 1,000 each	₹ 13,00,00,000 divided into 1,30,000 Equity Shares of ₹ 1,000 each	EGM

*Pursuant to a resolution passed by our Shareholders at the EGM dated November 4, 2023, the Equity Shares of face value of ₹*

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
<i>1,000 each were sub-divided into Equity Shares of face value of ₹10 each.</i>			
November 4, 2023	₹ 13,00,00,000 divided into 1,30,00,000 Equity Shares of ₹ 10 each	₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each	EGM

## **NOTES TO THE CAPITAL STRUCTURE**

### 1) Share Capital History of our Company:

#### Equity Share Capital

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

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
On Incorporation *	200	1,000	1,000	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	200	2,00,000
August 17, 2017	53,238	1,000	1,000	Consideration other than Cash	Preferential Allotment <sup>(2)</sup>	53,438	5,34,38,000
November 4, 2017	53,038	1,000	1,000	Cash	Preferential Allotment <sup>(3)</sup>	1,06,476	10,64,76,000
December 26, 2020	20,000	1,000	1,000	Cash	Rights Issue in the ratio of 1:19 to shareholders holding Equity Shares on December 26, 2020 <sup>(4)</sup>	1,26,476	12,64,76,000
<i>Pursuant to a resolution passed by our Shareholders at the EGM dated November 04, 2023, the Equity Shares of face value of ₹ 1,000 each were sub-divided into Equity Shares of face value of ₹10 each.</i>							
Sub-division of Equity Shares	1,26,47,600	10	-	-	-	1,26,47,600	12,64,76,000

\*The MoA of our Company was signed on March 30, 2017, However, our Company was incorporated on March 31, 2017.

# Pursuant to the Business Transfer Agreement executed on August 7, 2017 between our Company and M/s. Demac Steel, our Company took over the entire business of M/s. Demac Steel along with its assets and liabilities in entirety, on a going concern basis (the "Transfer"). Our Company undertook the transfer of the Assets and Liabilities for a total consideration of ₹ 532.39 lakhs. The amount of the consideration was paid by way of issue of 53,238 Equity Shares of face value of ₹ 1,000 each to Vazhappily Davis Varghese, the sole proprietor of M/s. Demac Steel. The balance amount of ₹ 938/- was paid by way of a cheque.

(1) Subscription of to the MOA for the total of 200 Equity Shares by Vazhappily Davis Varghese (199) and Cyriac Vazhappily Varghese (1).

(2) Preferential Allotment of 53,238 equity Shares by Vazhappily Davis Varghese (53,238).

(3) Preferential Allotment of 53,038 Equity Shares by Mahendra Kumar Jain (5,124); Divyakumar Jain (26,619); and Ankur Jain (21,295).

(4) Rights Issue of 20,000 Equity Shares by Vazhappily Davis Varghese (10,000); Divyakumar Jain (10,000).

### 2) Preference Share capital history of our Company

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

3) **Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:**

Except as disclosed in “*Notes to the Capital Structure - Share Capital History of our Company*”, we have not issued equity shares for consideration other than cash.

- 4) As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- 5) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 6) We have not issued any Equity Shares at a price which may be lower than the Issue Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

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7) **Shareholding Pattern of our Company**

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)++(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	06	1,26,22,600	-	-	1,26,22,600	99.80	1,26,22,600	1,26,22,600	99.80	-	-	-	-	-	-	1,26,22,600
(B)	Public	02	25,000	-	-	25,000	99.80	25,000	25,000	99.80	-	-	-	-	-	-	25,000
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>08</b>	<b>1,26,47,600</b>	<b>-</b>	<b>-</b>	<b>1,26,47,600</b>	<b>100.00</b>	<b>1,26,47,600</b>	<b>1,26,47,600</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,26,47,600</b>

*Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.*

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

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vazhappily Davis Varghese	62,91,300	49.74
2.	Mahendra Kumar Jain	5,32,400	4.21
3.	Divya Kumar Jain	36,49,400	28.85
4.	Ankur Jain	21,29,500	16.84
<b>Total</b>		<b>1,26,02,600</b>	<b>99.64</b>

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vazhappily Davis Varghese	62,91,300	49.74
2.	Mahendra Kumar Jain	5,32,400	4.21
3.	Divya Kumar Jain	36,49,400	28.85
4.	Ankur Jain	21,29,500	16.84
<b>Total</b>		<b>1,26,02,600</b>	<b>99.64</b>

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vazhappily Davis Varghese	63,238	50.00
2.	Mahendra Kumar Jain	5,324	4.21
3.	Divya Kumar Jain	36,619	28.95
4.	Ankur Jain	21,295	16.84
<b>Total</b>		<b>1,26,476</b>	<b>100</b>

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vazhappily Davis Varghese	63,238	50.00
2.	Mahendra Kumar Jain	5,324	4.21
3.	Divya Kumar Jain	36,619	28.95
4.	Ankur Jain	21,295	16.84
	<b>Total</b>	<b>1,26,476</b>	<b>100</b>

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

- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.

- 9) Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the

Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### 10) **Shareholding of our Promoters**

Set forth below are the details of the build-up of shareholding of our Promoters:

##### ***Vazhappily Davis Varghese***

<b>Date of Allotment / Transfer</b>	<b>Nature of Transaction</b>	<b>Consideration</b>	<b>No. of Equity Shares</b>	<b>F.V (in Rs.)</b>	<b>Issue / Transfer Price (in Rs.)</b>	<b>% of Pre-Issue Equity Paid Up Capital</b>	<b>% of Post-Offer Equity Paid Up Capital</b>
March 30, 2017	Subscription to Memorandum of Association	Cash	199	1,000	1,000	0.00	[•]
August 17, 2017	Preferential Allotment	Consideration other than Cash	53,238	1,000	1,000	0.42	[•]
August 17, 2017	Transfer to Mahendra Kumar Jain	Cash	(199)	1,000	1,000	0.00	[•]
December 26, 2020	Rights Issue in the ratio of 1:19 to shareholders holding Equity Shares on December 26, 2020	Cash	10,000	1,000	1,000	0.08	[•]
<i>Pursuant to a resolution passed by our Shareholders at the EGM dated November 04, 2023, the Equity Shares of face value of ₹ 1,000 each were sub-divided into Equity Shares of face value of ₹10 each.</i>							
Sub-division of Equity Shares		Cash	63,23,800	10	-	50.00	[•]
December 27, 2023	Transfer to Molly Varghese	Cash	(10,000)	10	28.75	(0.08)	[•]
December 27, 2023	Transfer to Cyriac Varghese	Cash	(10,000)	10	28.75	(0.08)	[•]
December 27, 2023	Transfer to Sangeeta Kasliwal	Cash	(12,500)	10	28.75	(0.10)	[•]
<b>Total</b>			<b>62,91,300</b>			<b>49.74</b>	<b>[•]</b>

##### ***Divyakumar Jain***

<b>Date of Allotment / Transfer</b>	<b>Nature of Transaction</b>	<b>Consideration</b>	<b>No. of Equity Shares</b>	<b>F.V (in Rs.)</b>	<b>Issue / Transfer Price (in Rs.)</b>	<b>% of Pre-Issue Equity Paid Up Capital</b>	<b>% of Post-Offer Equity Paid Up Capital</b>
November 4, 2017	Preferential Allotment	Cash	26,619	1,000	1,000	0.21	[•]
December 26, 2020	Rights Issue in the ratio of 1:19 to shareholders holding Equity Shares on December 26, 2020	Cash	10,000	1,000	1,000	0.08	[•]
<i>Pursuant to a resolution passed by our Shareholders at the EGM dated November 04, 2023, the Equity Shares of face value of ₹ 1,000 each were sub-divided into Equity Shares of face value of ₹10 each.</i>							
Sub-division of Equity Shares		Cash	36,61,900	10	-	28.95	[•]
December 27, 2023	Transfer to Riddhi Kasliwal	Cash	(12,500)	10	28.75	-0.10	[•]
<b>Total</b>			<b>36,49,400</b>			<b>28.85</b>	<b>[•]</b>

**Ankur Jain**

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	% of Pre-Issue Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
November 4, 2017	Preferential Allotment	Cash	21,295	1,000	1,000	0.17	[•]
<i>Pursuant to a resolution passed by our Shareholders at the EGM dated November 04, 2023, the Equity Shares of face value of ₹ 1,000 each were sub-divided into Equity Shares of face value of ₹10 each.</i>							
Sub-division of Equity Shares		Cash	<b>21,29,500</b>	10	-	16.84	[•]
<b>Total</b>			<b>21,29,500</b>			<b>16.84</b>	[•]

- 11) As on the date of the Draft Red Herring Prospectus, the Company has eight (8) members/shareholders.
- 12) The details of the Shareholding of the members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
<b>Promoters</b>					
7.	Vazhappily Davis Varghese	62,91,300	49.74	[•]	[•]
8.	Divyakumar Jain	36,49,400	28.85	[•]	[•]
9.	Ankur Jain	21,29,500	16.84	[•]	[•]
<b>Promoter Group</b>					
10.	Mahendra Kumar Jain	5,32,400	4.21	[•]	[•]
11.	Molly Varghese	10,000	0.08	[•]	[•]
12.	Cyriac Varghese	10,000	0.08	[•]	[•]
<b>Total</b>		<b>1,26,22,600</b>	<b>99.80</b>	[•]	[•]

- 13) Our Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Red Herring Prospectus is filed with Stock Exchange.
- 14) Except as disclosed in “Shareholding of our Promoters”, there are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

**15) Promoters’ Contribution and other Lock-In details:**

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoters’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

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

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Issue paid-up capital	Period of lock-in
<i>Vazhappily Davis Varghese</i>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]					[•]	
<i>Divyakumar Jain</i>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]					[•]	
<i>Ankur Jain</i>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>TOTAL</b>	[•]					[•]	

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

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

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

For details on the build-up of the Equity Share capital held by our Promoters, see “*Shareholding of our Promoters*” on page 70.

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

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

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

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in

dematerialized form.

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

Other than the Equity Shares locked-in as Promoters' Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoters' Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

***Other requirements in respect of 'lock-in'***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

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

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

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

- 16) Our Company, our Promoters, our Directors and the Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
- 17) The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
- 18) There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
- 19) No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
- 20) There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.

- 21) Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
- 22) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 23) Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Red Herring Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
- 24) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- 25) As on the date of this Draft Red Herring Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 26) Our Promoters and the members of our Promoter Group will not participate in the Issue.
- 27) Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
<i>Promoters</i>					
1.	Vazhappily Davis Varghese	62,91,300	49.74	[•]	[•]
2.	Divyakumar Jain	36,49,400	28.85	[•]	[•]
3.	Mahendra Kumar Jain	5,32,400	4.21	[•]	[•]
4.	Ankur Jain	21,29,500	16.84	[•]	[•]
5.	Molly Varghese	10,000	0.08	[•]	[•]
6.	Cyriac Varghese	10,000	0.08	[•]	[•]
<b>Total</b>		<b>1,26,22,600</b>	<b>99.80</b>	<b>[•]</b>	<b>[•]</b>

- 28) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
- 29) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “**Issue Procedure**” beginning on page 251 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- 30) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 31) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer 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

Promoters 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.

- 32) 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 Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- 33) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 34) As on date of this Draft Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

### **OBJECTS OF THE ISSUE**

The Offer comprises of upto [●] Equity Shares of ₹10/- (Rupees Ten only) each at a price of ₹. [●] per Equity Share (the "Offer Price"), including a share premium of ₹. [●] per equity share aggregating to ₹ 3,800 Lakh by our Company.

Our Company proposes to utilize the Net Proceeds from the offer towards funding the following objects:

1. IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation.
2. Funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala
3. Advertising, Marketing and Brand Building
4. Funding incremental working capital requirements of our Company
5. Issue related expenses
6. General Corporate purposes

(Collectively, referred to herein as the —Objects)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake our existing business activities and to undertake the activities for which the funds are being raised in the Issue.

### **Net Proceeds**

The details of the proceeds of the Offer are set forth in the table below:

<b>Particulars</b>	<b>(Amount in lakhs)</b>
Gross Proceeds of the offer	[●]
Less: Offer Expenses*	[●]
Net Proceeds **	[●]

\*For details see "Offer Related Expenses" below on page 84.

\*\* To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing with the RoC.

### **Requirement of Funds and Utilisation of Net Proceeds**

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(Amount in lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Estimate amount</b>
1.	IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation	521.95
2.	Funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala	255.95
3.	Advertising, Marketing and Brand Building	505.55
4.	Funding incremental working capital requirements of our Company	1,420.00
5.	Issue related expenses*	[●]
6.	General Corporate purposes#	[●]
	<b>Total</b>	[●]

\* To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

# The amount utilised for general corporate purposes and pursuing inorganic acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone or for pursuing inorganic initiatives alone shall not exceed 25% of the Gross Proceeds.

The requirement and deployment of funds as indicated above are based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered into by our Company, and have not been appraised by any bank or financial institution. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations and configuration of the business segment, increase in input costs, labour costs, Fuel costs, incremental preoperative expenses, taxes and duties, interest and finance charges, procurement costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law.

Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Offer in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated amount of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals, general corporate purposes and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of employment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

For further details of factors that may affect these estimates, see "Risk Factors" on page 25

### Means of Finance

We propose to fund the requirements of the Objects detailed above entirely from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing identifiable internal accruals as required under Regulation 230(1)(e) the SEBI ICDR Regulations.

### Details of the Objects

#### 1. IT / Technological Upgradation of existing manufacturing facility and expansion of the existing solar facility for power generation:

Our products find extensive application in the general households of Kerala. Accordingly, our products experience a constant demand on account of being an indispensable raw material in the construction industry in Kerala.

With a view to electronically manage the inventory status and to upgrade the current technology driving the manufacturing process and inventories status, the Company proposes to incur expenditure towards IT Equipment's and Storage for Rs.287.62 Lakhs from Net Proceeds of the Issue, details of the proposed / estimated expenditure obtained from Slone Infosystems Limited for the IT Equipment and storage is provided below, however, the Company is yet to place any orders or enter into definitive agreements towards such expenditure:

#### Estimated cost of IT Equipment's and Storage:

(Amount in lakhs)

Sr. No.	Description of Goods	Quantity	Rate	Per	Amount
1	Storage	3.0.No	56,00,000.00	No.	168.00
	Hp MSA 2052 7.6TB 12ssd+20TB				

Sr. No.	Description of Goods	Quantity	Rate	Per	Amount
	*12*3EXPANSION, USABLE				
	700TB WITH TIERING LICENCE				
2.	Storage	2.0 No	10,00,000.00	No.	20.00
	Promise Vtrak E830				
	San Storage Encbuser Type				
	588 SAS,4TB*24 (96TB),				
	Wih San Controller Carri				
3.	DUNK SWITCH	2.0 No.	16,00,000.00	No.	32.00
	DS-C9148-48 PORT- K9 s;\7TCH				
	DS-SFP-FCBG-SW Module				
4.	DUNK SWITCH	5.0 No	4,75,000.00	No.	23.75
	3750X-48 PORT				
					243.75
	S-IGST 18 %			18%	43.87
	<b>Total</b>	<b>12.0 No.</b>			<b>287.62</b>

Adequate and cost-effective supply of electrical power is required for our operations. Our business requires uninterrupted supply of electrical power in order to ensure smooth functioning of our business. The shortage or non-availability of electrical power may adversely affect our business and have an adverse impact on our results of operations and financial condition.

Further, it is proposed to utilize Rs.234.00 Lakhs towards expansion of the present solar facility from the Net Proceeds. Our Company has received quotation from Kirloskar Solar (detail mentioned below) for setting up of the aforementioned solar plant and is yet to place any orders or enter into definitive agreements towards set up of such solar facility.

After installation of solar facility, our power cost expenses will substantially reduce to a great extent and our dependence on state electric supply shall also be curtailed.

#### Estimated cost of Solar Installation:

The estimated cost for set up of solar facility is set forth below.

(Amount in lakhs)

Solar Project	PER KW Rate	500 KWP
Cost Of Plant	40,000	200.00
TAX-13.8%	5,520	27.60
<b>TOTAL</b>	<b>45,520</b>	<b>227.60</b>

#### Other Expenses in relation to Solar Installation includes following:

(Amount in lakhs)

Sr. No	Particulars	Amount
1.	Feasibility	0.01
2.	Registration	5.91
3.	GST	0.82

**Schedule of implementation of the aforesaid objects:**

Sr. No	Activity Description	Start Schedule	Target Completion
1.	Purchase of IT Equipment's and Storage	01-05-2024	30-06-2024
2.	Solar installation	01-07-2024	31-03-2025

**2. Funding of expenditure towards civil construction of new factory shed cum storage facility within the existing factory premises situated at Kerala:**

Our Company is mainly engaged in the business of manufacturing of galvanised pipes, tubes, and sheets by installing another electric resistance welding tube mill with an installed capacity of 3,500 MT in our manufacturing unit situated at Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India

In order to cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we intend to expand our existing production capabilities and apportion a designated space for the storage of the finished products within the factory premises. According, it is proposed to construct factory shed cum storage facility at the existing factory land.

We intend to shift one of our existing machinery to the new factory shed proposed to be constructed and utilise the storage space for holding the inventories / finished products to avoid any hindrance to the on-going manufacturing process.

Our Company has obtained quotations and cost estimates from supplier for undertaking civil Works for the proposed expansion. However, our Company is yet to place any orders or enter into definitive agreements or any memorandum of understanding for the implementation of construction of factory shed cum warehouse

The detailed break-down of estimated cost of the proposed expansion, is set forth below:

**A. Estimated cost of Steel Building fabrication for Factory:**

Sr. No.	Description	Unit	Quantity	Rate	Amount
<b>Steel Works</b>					
1	Supply & erection of structural steel including columns, rafters & connections etc. Primary structural steel painted with two coat epoxy system (DFT 80 μ); minimum yield strength of primary steel 250 N/mm2 Make: SAIL/TATA/JSW	Kg	50150.00	105.00	52.65
2	Supply & erection of Purlins & girts etc. Minimum yield strength of primary steel 250 N/mm2 Make: JSW/AMNS	Kg	19290.00	100.00	19.29
3	Supply & fixing of galvanized anchor bolts	Kg	735.00	125.00	0.91
4	Supply & fixing of galvanized nuts & bolts grade 8.8 Make: Pooja Forge/ TVS Fasteners	Kg	1310.00	170.00	2.22
	<b>Total (A)</b>				<b>75.09</b>
<b>For Crane Beam</b>					

1	Supply & fixing of crane beam including connection plates etc. Primary structural steel painted with two coat epoxy system (DFT 80 μ); minimum yield strength of primary steel 250 N/mm <sup>2</sup> Make: SAIL/TATA/JSW (Length- 140m)	Kg	29940.00	100.00	29.94
2	Supply & fixing of galvanized nuts & bolts grade 8.8 Make: Pooja Forge/ TVS Fasteners	Kg	450.00	170.00	0.76
<b>Total (B)</b>					<b>30.70</b>
For Roof & wall Sheeting					
1	Supply & fixing of roof sheet 0.47mm AZ 150 Trafford profile sheet with required accessories (Net area) Make: TATA/ BUSHAN/JSW/ JINDAL	Ton	2694.00	860.	23.16
2	Supply & fixing of wall sheet 0.47mm PPAZ 150 wall cladding with required accessories (Net area) Make: TATA/ BUSHAN/JSW/ JINDAL	Sqm	2405.80	880.00	21.17
3	Supply & fixing of flashings 0.47mm PPAZ (Girth upto 610mm)	Sqm	512.76	950.00	4.87
4	Supply & fixing of gutter 0.47mm PPAZ with required accessories (Girth 810mm)	Rm	247.50	920.00	2.27
5	Supply & fixing of down take pipe 0.47mm PPAZ with required accessories	Rm	283.00	635.00	1.79
<b>Total (C)</b>					<b>53.28</b>
<b>Grand Total (A+B+C)</b>					<b>159.08</b>
Additional Accessories for this project					
<b>Sr. No</b>	<b>DESCRIPTION</b>				<b>Amount</b>
1.	*1.50mm thick polycarbonate wall sheet- (3.6m X 1.08m)				<b>0.86</b>

## B. Estimated cost of Material for building for factory constructions

Details in a tabular form, which shall include the details of the materials required to be bought by the issuer, cost of the materials etc:

(Amount in lakhs)

Sr. No.	Description	Unit	Quantity	Rate	Amount
1	Earth work excavation	CUM	320	395	1.26
2	PCC for footing	CUM	15	7800	1.17
3	RCC footing	CUM	34	12000	4.08
4	RCC Pedestal, Plinth Beam	CUM	28	135000	3.78

5	Reinforcement steel	KG	12800	81	10.36
6	Solid brick works	CUM	73	7300	5.32
7	Plastering works	SQM	730	400	2.92
2.	Flooring RCC	CUM	150	7900	11.85
9	VDF floor finish	SFT	15000	20	3.00
10	Refiling work	CUM	800	1100	8.80
11	D. R. Masonry	CUM	100	4400	4.40
		<b>Total Amount</b>			<b>56.96</b>

**Note:** The above mentioned amount is excluding GST.

### Implementation Schedule:

Sr. No	Activity Description	Start Schedule	Target Completion
1.	Construction of factory	01-05-2024	31-10-2024
2.	Steel building fabrication	01-05-2024	31-10-2024

### Government and other Approvals:

For the construction of the factory shed cum storage facility, our company will be required to obtain certain licenses / approvals or we would be required to amend our existing licenses / approval for inclusion of the details of the proposed factory shed cum storage facility.

The details of the licenses / approval required to be obtained or amended, as the case may be, is provided below:

S. No.	Particulars of licenses	Tentative Time Period of application
1.	Amendment to Factory License	May 15, 2024

### 3. Advertising, Marketing and Brand Building:

We are a direct-to-customer platform with specific focus on customer interface. Historically, we have deployed brand marketing through Print Media, Outdoor Media (Hoardings) and Electronic Media (Newspaper). The Company intends to utilize Rs.505 Lakhs for the purpose for advertising, marketing and branding through Out of Home Advertising which is to be carried out on behalf of the company by Darwin Platform Mass Media Limited. The advertising campaign will be carried out in 4-5 months period covering major cities of India majorly in Kerala. The cities include Mumbai, Bangalore, Chennai, Kochi, Delhi, Thrissur, Kollam, Vatakara, Thiruvananthapuram, Kozhikode etc.

Estimated quotation of advertisement is mentioned below:

(Amount in lakhs)

Sr. No.	Name of Party	Purpose	Quotation Validity	Total Cost
1.	Darwin Platform Mass Media Limited	Advertisement, Marketing and Brand Building	31-05-2024	505.55

### Funding incremental working capital requirements of our Company:

We propose to utilise Rs.1,420.00 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2024 & 2025.

We have significant working capital requirements and we fund a majority of our working capital requirements in the ordinary course of business from our existing equity, internal accruals and financing facilities from various banks, financial institutions and non-banking financial companies. As on October 31, 2023, the outstanding amount under the working capital of our Company was Rs.4,716.96 Lakhs.

Further, the funding of the incremental working capital requirements of our Company will help to a consequent increase in our profitability and in achieving the proposed targets as per our business plan.

### Existing and Estimated Working Capital Requirement

The details of our Company's working capital requirement for Fiscal 2021, 2022 & 2023, derived from the restated consolidated financial statements, and the sources of funding of the same and estimated working capital requirements for Fiscal 2024 and 2025 and proposed funding of such working capital requirements are as set out in the table below:

(Amount in lakhs)

S. No.	Particulars	As at	As at	As at	As at	As at	As at
		March 31, 2021	March 31, 2022	March 31, 2023	October 31, 2023	March 31, 2024	March 31, 2025
		(Actual)	(Actual)	(Actual)	(Actual)	(Estimated)	(Estimated)
1	Current Assets						
a)	Inventories	1,324.29	3,322.15	3,664.28	4,208.14	5,380.00	5,244.00
b)	Trade Receivables	1,306.62	1,827.81	1,066.37	1,631.92	1,296.00	1,352.00
c)	Loans & Advances	1,750.07	1,532.98	1,100.89	1,017.35	1,298.00	1,320.00
d)	Cash and Cash Equivalent	3.46	10.58	679.85	484.16	1,161.00	1,371.00
	<b>Total Current Assets (A)</b>	<b>4,384.44</b>	<b>6,693.52</b>	<b>6,511.39</b>	<b>7,341.57</b>	<b>9,135.00</b>	<b>9,287.00</b>
2	Current Liabilities						
a)	Trade Payables	18.83	645.99	1,777.67	2,079.48	1,631.00	692.00
b)	Other Current Liabilities	344.71	300.68	390.30	545.13	514.00	584.00
	<b>Total Current Liabilities (B)</b>	<b>361.54</b>	<b>946.67</b>	<b>2,167.97</b>	<b>2,624.62</b>	<b>2,145.00</b>	<b>1,276.00</b>
3	<b>Net Working Capital Requirements (A-B)</b>	<b>4,022.90</b>	<b>5,746.85</b>	<b>4,343.42</b>	<b>4,716.96</b>	<b>6,990.00</b>	<b>8,011.00</b>
5	Funding Pattern						
a)	Current Borrowings from Banks, Financial Institutions and	1,379.49	2,709.64	1,065.99	1,133.92	-	-
b)	Others, Internal Accruals and Equity	2,643.41	3,037.20	3,277.43	3,583.03	6,990.00	6,591.00
c)	Proceeds from the Offer					-	1,420
	<b>Total</b>	<b>4,022.90</b>	<b>5,746.84</b>	<b>4,343.42</b>	<b>4,716.95</b>	<b>6,990.00</b>	<b>8,011.00</b>

### Holding Period (Number of Days)

The table below contains the details of holding period (in number of days) for Fiscal 2023, Fiscal 2022 and Fiscal 2021 and the estimated holding period (in days) for the Fiscal 2024 and Fiscal 2025 and the assumptions based on which the working plan projections have been made and approved by our Board of Directors:

Particulars	Number of Days for the Year Ended				
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
<b>Current Assets</b>					
Trade Receivables	16	21	11	45	60

Inventory	17	40	39	60	60
Trade Payable	0	8	19	45	30

The table below sets forth the key assumptions for holding period levels:

Sr. No	Particulars	Assumptions
<b>Current Assets</b>		
1	Trade Receivables	Our Company gives credit facility to its customers in the normal course of business. Our Company had maintained trade receivable days of 16 days for Fiscal 2021, 21 days for Fiscal 2022 and 11 days for Fiscal 2023. Going forward, as the business cycle will improve and to build a long-term sustainable business relationship with customers and to add new customers, we are envisaging to support them with credit terms of 45 days in the Fiscal 2024 and 60 days in in the Fiscal 2025
2	Inventory	Our Company had maintained Inventory days of 17 days for Fiscal 2021, 40 days for Fiscal 2022 and 39 days for Fiscal 2023. Going forward, our company will maintain the inventory cycle of 60 days fir Fiscal year 2024 and 60 days for Fiscal year 2025
<b>Current Liabilities</b>		
3	Trade Payable	Our Company receive the credit from Suppliers / Vendors in the normal course of business. The Company had maintained trade payable days of 0 days for Fiscal 2021, 8 days for Fiscal 2022 and 19 days for fiscal 2023. It is projected to reduce the trade payable days projected to be 45 days for the Fiscal 2024 and 30 days for the Fiscal year 2025

Working capital is essential for covering various expenses like raw materials, labour costs, utilities, and other operational costs. Without sufficient working capital, the company may face challenges in meeting short-term obligations, such as paying suppliers or employees, which can ultimately impact production and overall business performance. Additionally, having adequate working capital also allows company to take advantage of growth opportunities, manage seasonal fluctuations, and maintain a competitive edge in the market. The main reason for increased working capital is for holding inventory which is estimated to increase from 39 days in March 2023 to 45 days in March 2025. Also Debtors are expected to be for 60 days as against 39 days in March 2023.

#### General Corporate Purposes:

Our Company proposes to deploy the balance Net Proceeds, aggregating to [●], towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such amount not exceeding 25% of the Gross Proceeds of the Offer, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, meeting ongoing general corporate contingencies, strengthening marketing capabilities and brand building exercises, enhancing our technology related infrastructure, strategic initiatives and acquisition and/or funding any shortfall in any of the abovementioned objects. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

## Offer Related Expenses

The total expenses of the Offer are estimated to be approximately [•] lakh. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLM, Legal Advisor to the Offer, Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to Members of the Syndicate, Registered Brokers, CRTAs, SCSBs and CDPs, printing and stationery expenses, advertising and marketing expenses, fee payable to consultants and auditors for deliverables in connection with the Offer and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange

All Offer expenses will be borne, upon successful completion of the Offer, by our Company in accordance with applicable law.

The break-up of the estimated Offer expenses are as follows:

(Amount in Lakh)

Particulars	Estimated Expenses (1)	As a % of the total estimated Expenses(1)	As a% of the total Offer Size(1)
Fees payable to the BRLM and commissions (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Selling Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer and fee payable to the Sponsor Bank for Applications made by RIIs. Brokerage, underwriting commission and selling commission and applying charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs ((2)(3)(4)(5)(6)	[•]	[•]	[•]
Fees payable to the Registrar of the Offer	[•]	[•]	[•]
Fees payable to the other advisors to the Offer/ Company	[•]	[•]	[•]
Other Expenses	[•]	[•]	[•]
a. Listing fees, SEBI fees, Stock Exchange processing fees, ASBA software fees, and other regulatory expenses	[•]	[•]	[•]
b. Printing and distribution of Offer Stationery	[•]	[•]	[•]
c. Advertising and Marketing Expenses	[•]	[•]	[•]
d. Fees payable to the Legal Advisor to the Offer	[•]	[•]	[•]
e. Miscellaneous	[•]	[•]	[•]
Total estimated Offer expenses	[•]	[•]	[•]

## Bridge Financing Facilities

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

## Interim Use of Fund

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## Monitoring Utilization of Funds

As the size of the Fresh Issue does not exceed ₹3800 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulation, 2015 our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus

#### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the —Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and SEBI Regulations.

#### **Appraising agency**

None of the objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution/any other agency.

#### **Other Confirmations**

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

## **BASIS FOR ISSUE PRICE**

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue floor Price is [●] which is [●] times of the face value of Equity Shares and the Issue Cap Price is [●] which is [●] times of the face value of Equity Shares. Investors should refer to “Risk Factors”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 25, 111, 171 and 217 respectively, to have an informed view before making an investment decision.

### **Qualitative Factors**

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

- Widespread distribution network and presence across various retail channels.
- Diversified Product Basket
- Strong brand recall and established track record.
- Existing client and supplier relationships
- Quality Assurance and Quality Control of our products.
- Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities with a core focus on quality.
- Cost efficient sourcing and locational advantage
- Well experienced management team with proven project management and implementation skills.

For more details on quantitative factors, please refer to chapter "Our Business- Competitive Strengths" on page 115

### **Quantitative Factors**

Some of the information presented in this section is derived from our Restated Financial Information. For details, see “Financial Information” on page 171.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### **1. Basic and Diluted Earnings per Share**

<b>Financial period</b>	<b>Basic EPS (in Rs.)</b>	<b>Diluted EPS (in Rs.)</b>	<b>Weight</b>
7 months period ended October, 2023	318.70	318.70	4
As at 31 <sup>st</sup> March 2023	474.78	474.78	3
As at 31 <sup>st</sup> March 2022	532.17	532.17	2
As at 31 <sup>st</sup> March 2021	603.81	603.81	1
<b>Weighted Average</b>	<b>436.73</b>	<b>436.73</b>	

#### **Notes:**

1. Basic EPS = Net profit after tax, as restated attributable to equity holders of the Company divided by Weighted average number of equity shares outstanding during the year/period
2. Diluted EPS = Net profit after tax, as restated attributable to equity holders of the Company divided by Weighted average number of dilutive equity shares outstanding during the year/period
3. Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.  $\{(EPS \times Weight) \text{ for each year} \} / \{Total \text{ of weights} \}$
4. The basic and diluted earnings per share for the Equity Shares of our Company has been presented to reflect the adjustments for split of equity shares and issue of bonus shares subsequent to October 31, 2023

## 2. Price Earnings Ratio (P/E) in relation to Price Band of ₹ [●] to ₹ [●] per share of ₹ 10 each

Particulars	P/E (at the higher end of the Price Band no. of times)
Based on basic EPS for period ended 31 <sup>st</sup> October 2023	[●]
Based on diluted EPS for period ended 31 <sup>st</sup> October 2023	[●]

\*To be updated after finalization of the Offer Price.

### Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	52.6
Lowest	25.6
Industry Average	39.1

\*Source: The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section

## 3. Return on Net Worth (“RoNW”):

Financial period	RoNW (%)	Weight
7 months period ended October, 2023	10.02	4
As at 31 <sup>st</sup> March 2023	16.59	3
As at 31 <sup>st</sup> March 2022	22.29	2
As at 31 <sup>st</sup> March 2021	32.54	1
<b>Weighted Average</b>	<b>16.7</b>	

\* Not annualised.

As certified by P Sankara Kutty, Chartered Accountants pursuant to their certificate dated March 26, 2024

RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus – revaluation reserves.

## 4. Net Asset Value per Equity Share

Net Asset Value per Equity Share	NAV Per Equity Shares (Rs)
<b>As on October 31, 2023</b>	3,181.12
As at 31 <sup>st</sup> March 2023	2,862.42
As at 31 <sup>st</sup> March 2022	2,387.64
As at 31 <sup>st</sup> March 2021	1,855.47
After the Completion of the Offer:	
-At Upper Price Band	[●]
-At Lower Price Band	[●]

Notes: Net Asset Value per Equity Share = Net worth derived from Restated Financial Statements as at the end of the year divided by number of equity shares outstanding as at the end of the /year as per Restated Financial Statements.

## 5. Comparison with Listed Industry Peers

(Amount in lakhs)

Name of the Company	Revenue from Operations (₹ in lakhs)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
NewMalayallam Steel Limited	35,995.71	10	[●]	474.78	474.78	16.59	2,862.42
<b>Listed Peers</b>							

Apollo Pipes Limited	91,452.00	10	50.27	18.47	18.45	5.25	92.70
Hariom Pipe Industries Steels	64,371.21	10	24.1	18.3	18.29	12.29	135.8

## 6. Financial Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our listed peers. The table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price.

(₹ in lakhs)

Key Performance Indicators#	October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	17,910.52	35,479.84	31,791.72	30,004.83
Total Revenue <sup>(2)</sup>	18,047.71	35,995.71	32,360.91	30,481.75
Gross Profit <sup>(1)</sup>	997.31	1,354.12	1,314.93	1,495.26
Gross Margin <sup>(2)</sup>	5.57%	3.82%	4.14%	4.98%
EBITDA <sup>(3)</sup>	769.80	1,223.92	1,302.64	1,403.04
EBITDA Margin <sup>(5)</sup>	4.27%	3.40%	4.03%	4.60%
Profit After Tax for the Year ("PAT")	403.08	600.49	673.06	763.67
PAT Margin <sup>(6)</sup>	2.23%	1.67%	2.08%	2.51%
ROE <sup>(7)*</sup>	10.02%	16.59%	22.29%	32.54%
ROCE <sup>(4)(8)*</sup>	31.06%	48.51%	50.73%	61.88%
Net Debt/ EBITDA <sup>(9)</sup>	2.91	1.74	3.77	2.59

**\*Not Annualized**

#As certified by the Statutory Auditor vide their certificate dated 26 March, 2024

### Notes:

1. Revenue from Operations means the income generated by an entity from its daily core business operations
2. Gross profit represents revenue from operations less cost of goods sold. Cost of goods sold comprises of cost of materials consumed, Purchases of Stock-In-Trade and Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade
3. Gross profit margin is calculated as gross profit as a percentage of revenue from operations
4. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense
5. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
6. Net Profit after tax represents the restated profits of our Company after deducting all expenses
7. Net Profit margin is calculated as restated net profit after tax for the year/period divided by revenue from operations
8. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period)

**Comparison of our key performance indicators with listed industry peers for the Financial Years/ periods included in the Restated Financial Information:**

Particulars	NewMalayallam Steel Limited			Hariom Pipe Industries Limited			Apollo Tubes Limited		
	For the year ended on March 31			For the year ended on March 31			For the year ended on March 31		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Revenue from Operations (₹ in Lakhs)	35,479.84	31,791.72	30,004.83	64,371.21	43,056.65	25,413.89	9,1452	7,8408	51,806.83
Gross Profit (₹ in Lakhs)	1,354.12	1,314.93	1,495.26	11,330.83	8,352.39	4,746.94	22,175	21,089	15,627.15
Gross Profit Margin	3.82%	4.14%	4.98%	17.60%	19.40%	18.68%	24.25%	26.90%	30.16%
EBITDA (₹ in Lakhs)	1,223.92	1,302.64	1,403.04	8,188.33	5,611.92	3,428.31	6,802	9,340	7,425.03
EBITDA Margin	3.40%	4.03%	4.60%	12.72%	13.03%	13.49%	7.44%	11.91%	14.33%
Net Profit after tax (₹ in Lakhs)	600.49	673.06	763.67	4,620.80	3,195.72	1,513.21	2,391	4,977	4,447.43
Net Profit Margin	1.67%	2.08%	2.51%	7.18%	7.42%	5.95%	2.61%	6.35%	8.58%
Return on Net Worth	16.59%	16.59%	16.59%	12.31%	31.63%	32.15%	5.22%	12.27%	12.65%
Return on Capital Employed	48.51%	50.73%	61.88%	14.46	36.48	21	8.97	17.12	17.41
Debt Equity Ratio	0.77	1.62	1.55	0.79	0.87	0.91	0.10	0.10	0.15

**Notes:**

1. Revenue from operations represents the revenue from sale of products of our Company as recognized in the Restated financial information
2. Gross profit represents revenue from operations less cost of goods sold. Cost of goods sold comprises of cost of materials consumed, Purchases of Stock-In-Trade and Changes in Inventories of Finished

Goods, Work-In-Progress and Stock-In-Trade.

3. Gross profit margin is calculated as gross profit as a percentage of revenue from operations.
4. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense
5. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
6. Net Profit after tax represents the restated profits of our Company after deducting all expenses
7. Net Profit margin is calculated as restated net profit after tax for the year/period divided by revenue from operations
8. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year/period.
9. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period).
10. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings. Total equity is the sum of equity share capital and reserves and surplus
11. Total Asset Turnover is calculated as Net revenue from operations divided by Average Total Assets

**WEIGHTED AVERAGE COST OF ACQUISITION:**

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

There have been no issuance of Equity Shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

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

There have been no secondary sale / acquisitions of Equity Shares or convertible securities, 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 Draft Red Herring Prospectus, 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 under a and b, the following are the details of price per share of our Company basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, the Promoter Selling Shareholder, or Shareholder(s) having the special rights are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:**

Date of transfer	Name of transferor	Number of Securities	Face value per equity share ₹	Price per equity share ₹	Nature of consideration
27-12-2023	Varghese Vazhappily Davis	12,500	10	28.75	Cash
27-12-2023	Varghese Vazhappily Davis	10,000	10	28.75	Cash
27-12-2023	Varghese Vazhappily Davis	10,000	10	28.75	Cash
27-12-2023	Divyakumar Jain	12,500	10	28.75	Cash

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

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price [●]	Cap Price[●]
I. Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than 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	N.A*	N.A*	N.A*
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five percent 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	N.A*	N.A*	N.A*
II. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			
Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price [●]	Cap Price[●]
a) WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	NA#	[●] times	[●] times
b) WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	[●]	[●] times	[●] times

^As certified by P Sankara Kutty, Statutory Auditors pursuant to their certificate dated 26 March, 2024

#WACA has been mentioned as NA since there have been no transactions

\*To be updated at Prospectus Stage.

**7. Detailed explanation for Offer Price/Cap price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) along with our Company's key financial and operational metrics and financial ratios for Fiscal 2023, 2022 and 2021 [●]\* \*To be included on finalization of price band**

**8. Explanation for Offer Price/Cap price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) in view of the external factors which may have influenced the pricing of the Offer.**

[●]\* \*To be included on finalization of price band

The Offer price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company, in consultation with the Book Running Lead Manager and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 25, 111, 217 and 171 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 25 and you may lose all or part of your investment.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

### Statement of possible special tax benefits available to the Company and its Shareholders

To,

The Board of Directors  
**NewMalyalam Steel Limited**  
Door No: 2/546/A & 2/546/B Mala,  
Pallipuram P O, Thrissur - 680 732,  
Kerala, India

Dear Sir(s),

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of NewMalyalam Steel Limited (the “Company” and such offering, the “Issue”)**

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We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2023 i.e. applicable for FY 2023-23 and AY 2024-25, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and submission of this certificate as may be necessary, to the SME Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed (“Stock Exchange”) and the Registrar of Companies, Kerala at Ernakulam (“RoC”), SEBI or any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

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

Your sincerely,

For  
M/S Kutty and Associates  
Chartered Accountants  
ICAI Firm Registration No.: 001640S

P. Sankaran Kutty, B.com, FCA, DISA, DIRM  
Membership No: 023673  
UDIN: 24023673BKEIBN7091  
Place: Calicut  
Date: April 15, 2024

**Enclosed as above**

**Annexure – A**

CC:

**Book Running Lead Manager to the Issue  
Khandwala Securities Limited**  
Vikas Building, Ground Floor,  
Green Street, Fort, Mumbai - 400 023,  
Mumbai India

**Legal counsel to the Issue  
T&S Law**  
Unit Number 15, Logix Technova,  
Block B, Sector 132, Noida – 201 304,  
Uttar Pradesh, India.

## ANNEXURE A

### UNDER THE DIRECT TAX LAWS

#### 1. Special tax benefits available to the Company

Company has already availed section 155 BAA of the Act.

#### 2. Special tax benefits available to Shareholders

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions prescribed in section read with rules thereon.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

### UNDER THE INDIRECT TAX LAWS

#### 1. Special tax benefits available to the Company

There are no special indirect tax benefits available to the Company under Indirect Tax Laws

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

#### **GLOBAL ECONOMY**

More than three years after the global economy suffered the largest shock of the past 75 years, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia's war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging market and developing economies.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below prepandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with prepandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$3.6 trillion in 2023 prices) below prepandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to prepandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes.

Among emerging market and developing economies, the consumption shortfall is particularly large in China, reflecting tight restrictions on mobility during the COVID-19 crisis. Divergences in labour market performance across regions broadly mirror those for output and consumption. Employment and labour participation rates are estimated to exceed prepandemic trends in advanced economies but to remain significantly below them in emerging market and developing economies, reflecting more severe output losses and much weaker social protection. Countries that had the most limited fiscal space are also those where employment shortfalls are the largest (ILO 2023). Among advanced economies, the euro area has seen larger employment gains than the United States. This may reflect more extensive use in the former of worker-retention programs modelled on the German Kurzarbeit short-time work scheme (IMF 2020), which protect workers' income and allow businesses to retain firm-specific human capital, reducing the costly process of separation, rehiring, and training. In the euro area, these programs bolstered employment during the most challenging phases of the crisis and accelerated the recovery when economies reopened.

Investment, on the other hand, has uniformly fallen short of prepandemic trends across regions. Businesses have shown less enthusiasm for expansion and risk taking amid rising interest rates, withdrawal of fiscal support, dimmer prospects for product demand, stricter lending conditions, and growing uncertainties regarding geoeconomic fragmentation. Higher leverage has further dampened investment which remains 3 percent to 10 percent lower across regions than had been projected before the pandemic. Moreover, the pandemic, war in Ukraine, and worsening climate shocks have contributed to a reversal in decades-long poverty reduction trends. According to World Bank staff estimates, 75 million to 95 million more people were living in extreme poverty in 2022 compared with prepandemic estimates. Spikes in food prices and related insecurities following Russia's invasion of Ukraine, as well as bouts of extreme weather, have accentuated these difficulties. The global average temperature in July 2023 was the highest on record for any month, amid reports of catastrophic flooding, heat

waves, and wildfires in many regions. Overall, the global prevalence of undernourishment is significantly higher than before the pandemic.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023#:~:text=Advanced%20economies%20are%20expected%20to,in%20both%202023%20and%202024>.

## **OVERVIEW OF THE INDIAN ECONOMY**

India continues to show resilience against the backdrop of a challenging global environment, according to World Bank's latest India Development Update (IDU). The IDU, the Bank's flagship half yearly report on the Indian economy, observes that despite significant global challenges, India was one of the fastest-growing major economies in FY22/23 at 7.2%. India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies. This resilience was underpinned by robust domestic demand, strong public infrastructure investment and a strengthening financial sector. Bank credit growth increased to 15.8% in the first quarter of FY23/24 compared with 13.3% in the first quarter of FY22/23.

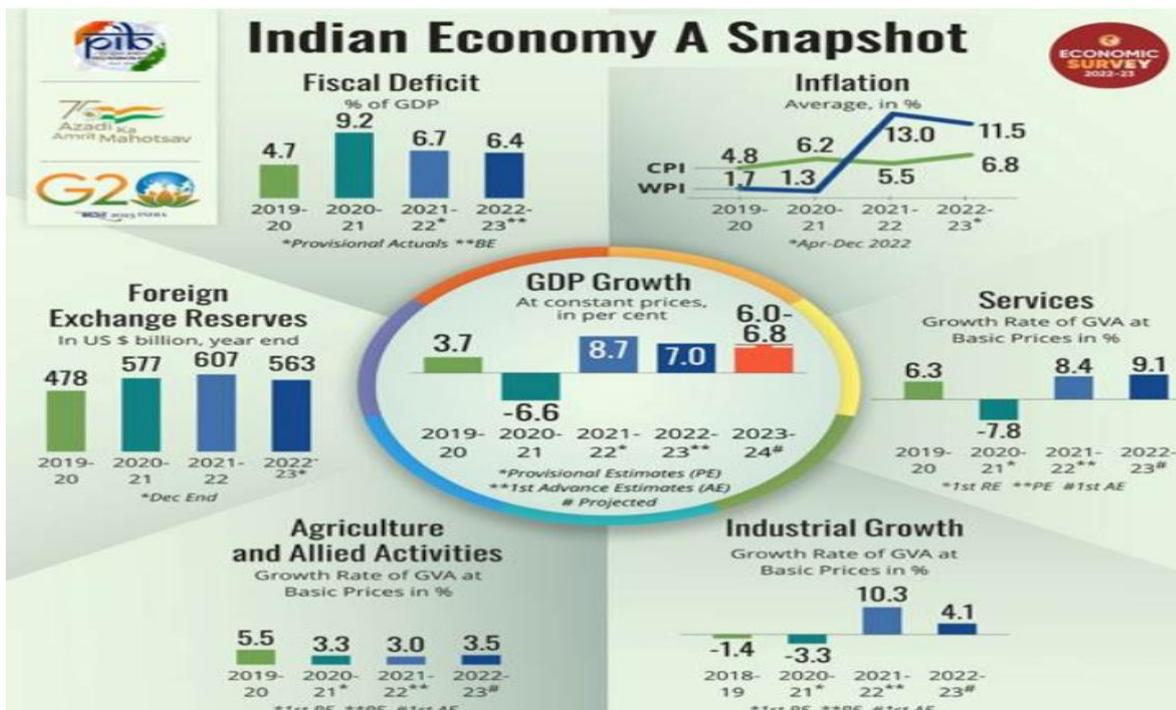
The World Bank forecasts India's GDP growth for FY23/24 to be at 6.3%. The expected moderation is mainly due to challenging external conditions and waning pent-up demand. However, service sector activity is expected to remain strong with growth of 7.4% and investment growth is also projected to remain robust at 8.9%.

*"Tapping public spending that crowds in more private investments will create more favourable conditions for India to seize global opportunities in the future and thus achieve higher growth." - Auguste Tano Kouame, World Bank's Country Director in India.*

*"While the spike in headline inflation may temporarily constrain consumption, we project a moderation. Overall conditions will remain conducive for private investment," said Dhruv Sharma, Senior Economist, World Bank, and lead author of the report. "The volume of foreign direct investment is also likely to grow in India as rebalancing of the global value chain continues."*

Source:

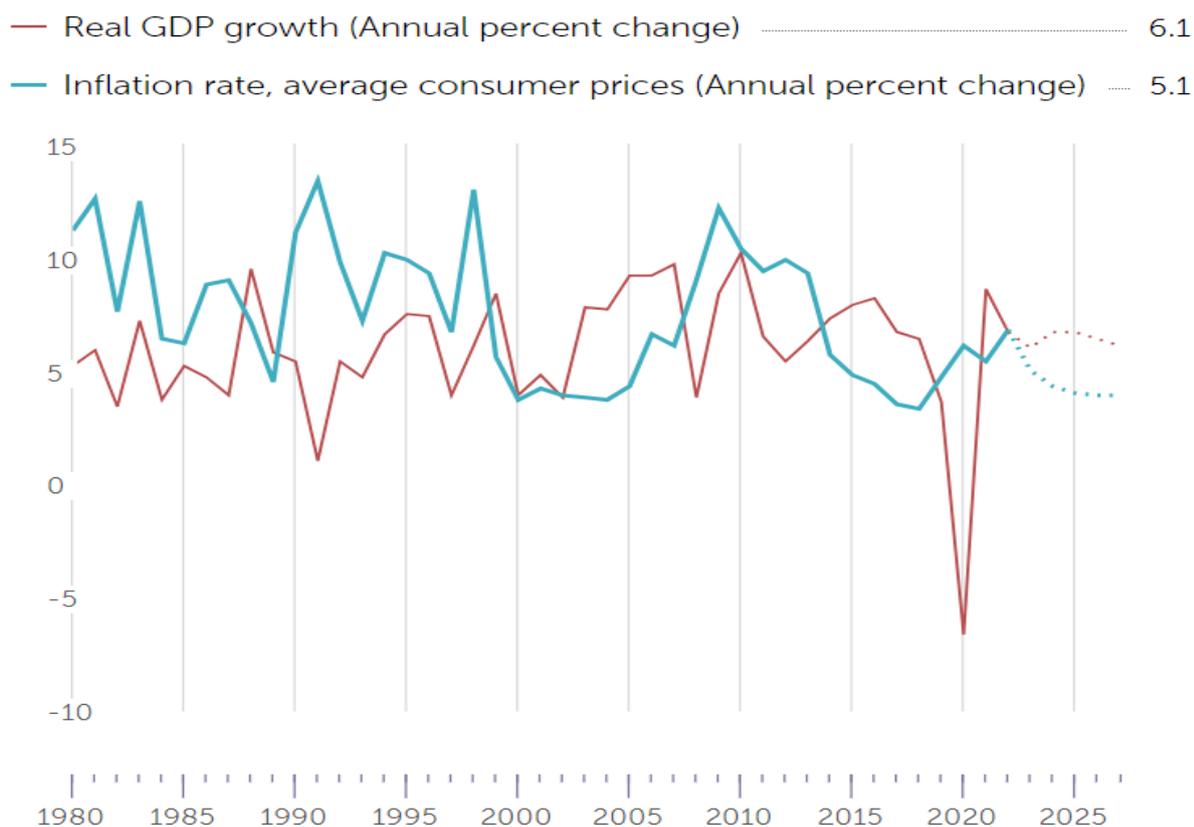
<https://www.worldbank.org/en/news/press-release/2023/10/03/india-s-growth-to-remain-resilient-despite-global-challenges#:~:text=The%20IDU%2C%20the%20Bank's%20flagship,average%20for%20emerging%20market%20economies>.



Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of the COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

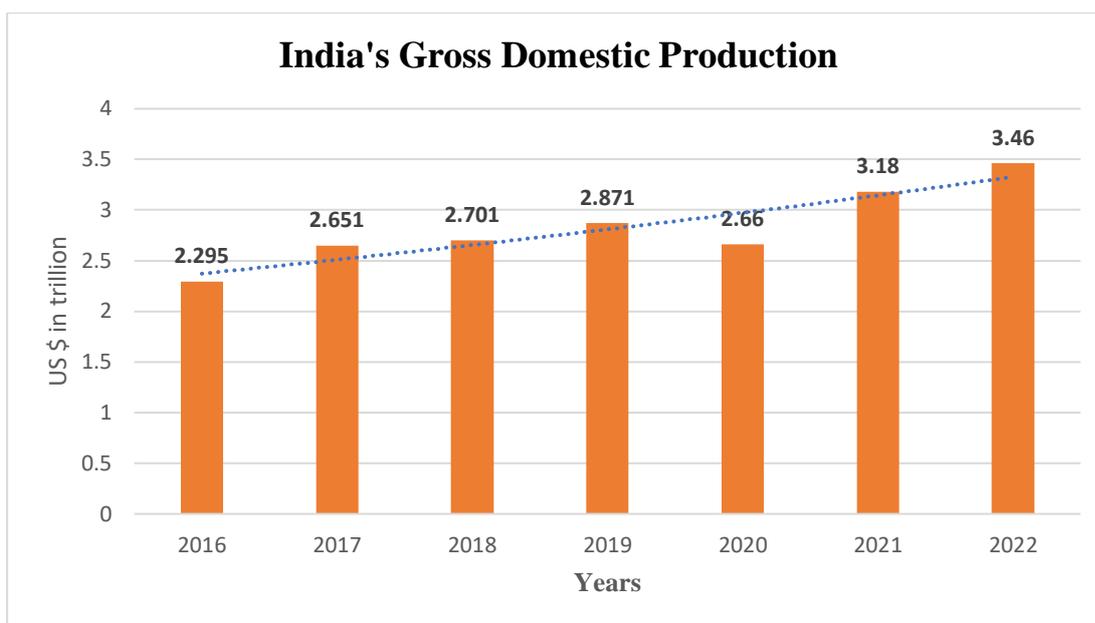
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalization of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.



India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.



### **Road Ahead**

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second-highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

### **OVERVIEW OF THE GLOBAL STEEL INDUSTRY**

Steel is a paramount material in the fields of construction and engineering, finding widespread applications in industries such as automotive, construction, consumer goods, infrastructure, mechanical and medical equipment, packaging, and utensils, among others. Its popularity stems from its abundant availability, cost-effectiveness, exceptional strength and durability, ductility, and recyclability. According to the World Steel Association, there are more than 3,500 different grades of steel produced worldwide, each possessing unique physical, chemical, and environmental properties to suit various applications.

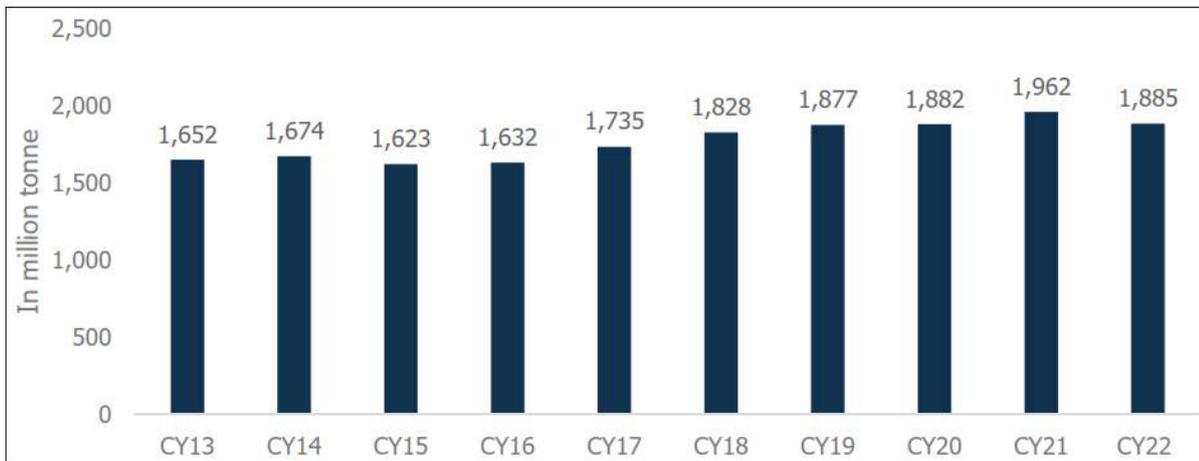
### **GLOBAL STEEL PRODUCTION AND CONSUMPTION**

The global steel production capacity reached 2,452.7 MT in 2022, with Asia accounting for the largest share of 60%. China holds a dominant position in steelmaking capacity, production, and consumption, boasting the highest steel production capacity globally, followed by India and Japan. Additionally, the European Union, North

America, Latin America, the Middle East, and Oceania also contribute significantly to the global steel production capacity.

Global crude steel production has grown at a 10-year CAGR of 1.5% to 1,885 MT in CY22 from 1,652 MT in CY13. However, crude steel production declined by ~4% y-o-y in CY22 from 1,962 MT in CY21 due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressure which led to the rise in input costs and supply chain disruptions caused due to the Russia-Ukraine war.

**GLOBAL CRUDE STEEL PRODUCTION**



[Source: Report of Assocham on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

The total crude steel production was 1,885 MT in CY22 out of which China continued to be the largest crude steel producer accounting for 54% share. However, Chinese production declined by 2% y-o-y to 1,018 MT in CY22 as compared to 1,035 MT in the previous year, due to lockdowns and restrictions enforced in the country due to the outbreak of Covid-19 and a slowdown of its real estate market.

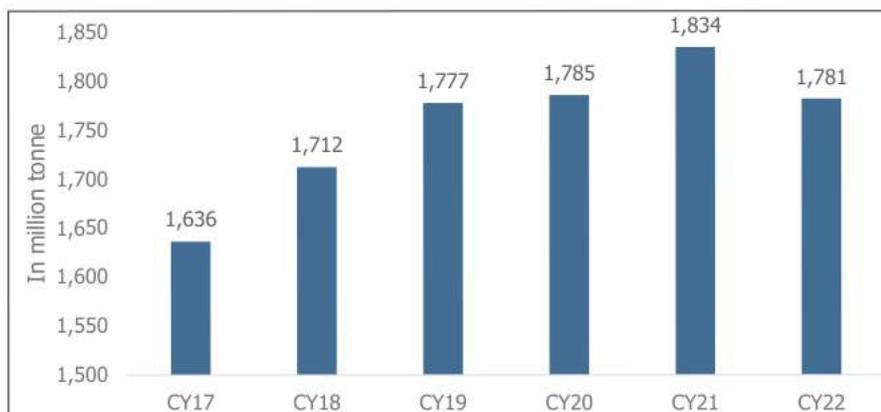
China is also cutting down their production due to environmental concerns. India was the second largest producer of crude steel in CY22 with a 7% share, followed by Japan with a 5% share. The USA, Russia and South Korea accounted for a 4% share each in the total production during CY22.

**GLOBAL STEEL DEMAND**

Steel is being used in industries like energy, construction, automotive, transportation, infrastructure, packaging, and machinery. There has been a strong recovery in steel demand post the Covid-19 pandemic. In developed economies like USA, Europe, Japan and South Korea, the demand was driven by automotive and durable goods sector. The demand in China reduced on account movement restrictions and lockdown in the country on account of Covid-19 pandemic, environmental concerns, and target to lower carbon emission. However, the support by Chinese Government will aid in the recovery of demand with the resumption of construction and real estate activities.

The steel demand in India has been robust on account of increased investment on Infrastructure and policy support by the Government. Despite the inflationary pressure and uncertainties around the global economy, India witnessed a healthy demand from auto, consumer durables, capital goods and real estate sectors.

## Global Steel demand



[Source: Report of Assocham on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

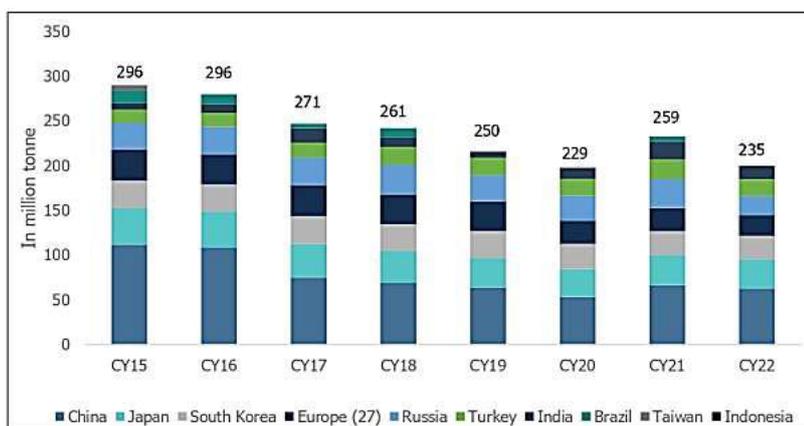
The global steel demand has increased at a CAGR of 1.7% from 1,636 MT in CY17 to 1,781 MT in CY22. The demand declined significantly in CY22, because global production was affected due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures which led to the rise in input costs and supply chain disruptions caused due to the Russia-Ukraine war.

## GLOBAL TRADE – STEEL EXPORTS

Global steel exports have been on an upward trajectory in the last decade, supported by rising consumption and reached 259 MT in CY21. However, exports declined to 235 MT in CY22 on account of Covid-19 pandemic and geopolitical tensions arising due to the Russia-Ukraine war which impacted the demand-supply situation.

As of CY2021, China is the largest steel exporter accounting for 14% of total exports. The exports from China are almost double compared to Japan, the second largest exporter of steel which accounts for 7%. Even though the export volumes from China have been declining since 2016, China has held on to the position of the largest steel exporter. Indian exports reduced significantly in 2022 on account of the imposition of an export duty in May 2022 to reduce pressure on domestic prices and secure its domestic steel supply chain. However, this duty was reversed in November 2022 post when the steel exports from India started to pick up.

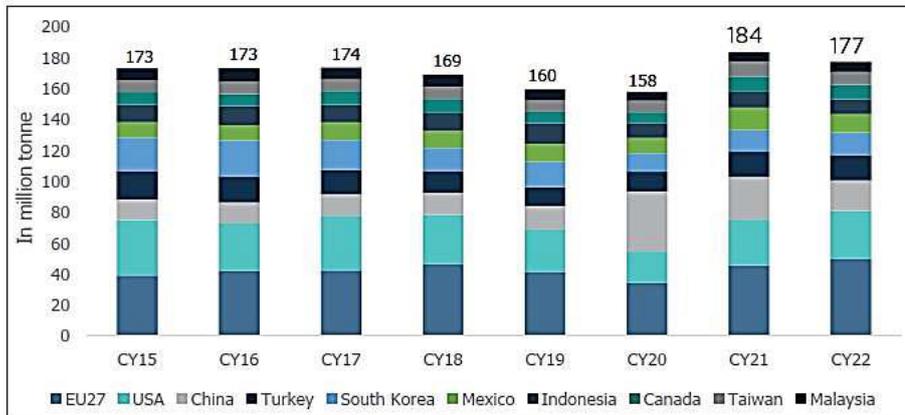
## Steel Exports



[Source: Report of Assocham on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

## Steel Imports

Europe Union (27) has been the largest importer of steel with a 10% share in global imports in CY21. This is mainly because EU27 doesn't have a large steelmaking capacity and relies heavily on imports. The USA (6.4%) and China (6.0%) are the second and third-largest importers of steel, respectively.



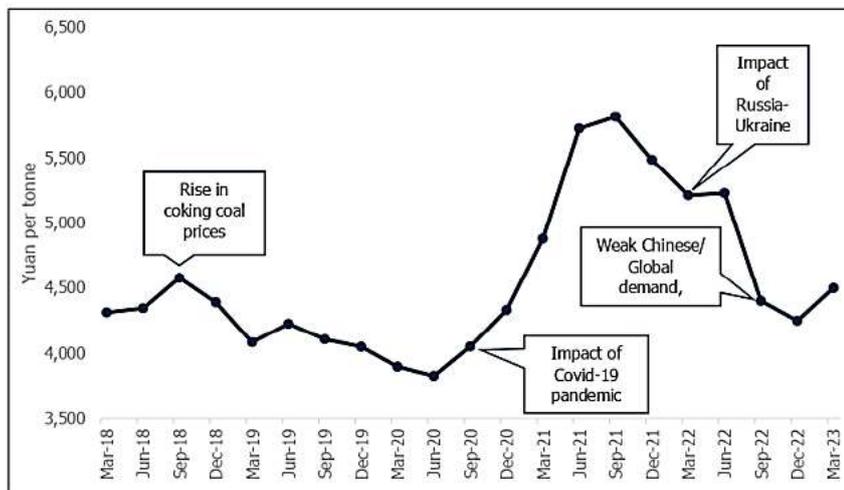
[Source: Report of ASSOCHAM on "India Steel Sector Enhancing Competitiveness and Overcoming Challenges" for May, 2023].

## GLOBAL STEEL PRICE TRENDS

International steel prices remained in the range of Yuan 3,827 to Yuan 4,577 per tonne from March 2018 to September 2020. The prices started increasing in December 2020, mainly on account of the supply disruptions caused by the Covid-19 pandemic. Escalated prices were further supported by the impact of the Russia-Ukraine war which commenced in February 2022.

The prices started declining in June 2022 and fell to pre-Covid levels of Yuan 4,250 per tonne in December 2022 due to weak demand from the largest consumer China on account of lockdowns and Covid-19-related restrictions and weak global demand. Also, the fall in iron ore and coking coal prices have impacted international steel prices and caused the decline. There was a relaxation in Covid-19 restrictions in China post-December 2022 and iron ore and steel prices have started rising gradually on expectations of demand recovery.

### Trend in International Steel Price:

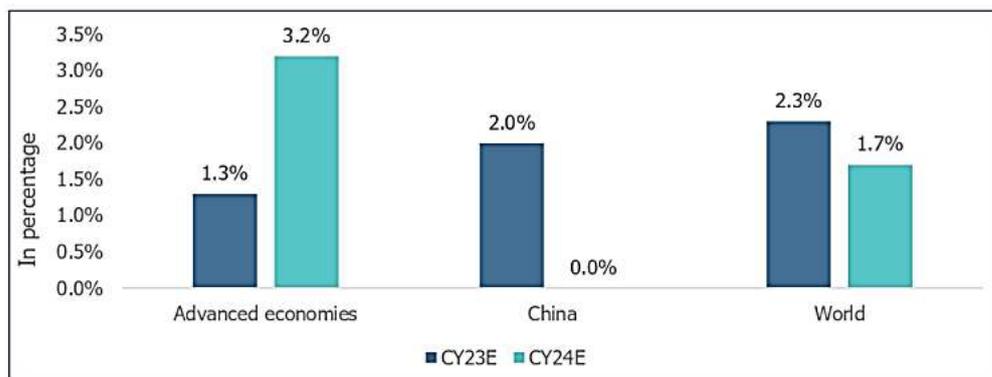


[Source: Report of ASSOCHAM on "India Steel Sector Enhancing Competitiveness and Overcoming Challenges" for May, 2023].

## OUTLOOK

World Steel Association forecasts' the steel demand to increase by 2.3% to 1,822.3 MT in CY23 and 1.7% to 1,854 MT in CY24 compared to a decline of 6.2% in CY22. This growth will be led by a recovery in manufacturing activity, China's reopening and easing of supply chain bottlenecks, however, persistent inflation and high-interest rates will limit the demand recovery.

### Steel Demand Growth Estimates



[Source: Report of ASSOCHAM on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

The steel demand in China, which accounts for more than half of global consumption, is expected to grow by 2% in CY23 and remain flat in CY24. Chinese steel demand contracted in CY22 due to lockdowns which led to the deceleration of the Chinese economy. Challenges in real estate intensified in CY22 and put pressure on construction activities. However, the situation is expected to improve and a slight pickup in the real estate sector is likely on account of government support. Further, government-supported infrastructure investments will also support steel demand.

The advanced economies including the European Union (27), the United States, Japan, and South Korea, witnessed 6.2% decline in steel demand in 2022 due to the Russia-Ukraine war, high energy costs and rising interest rates. World Steel Association expects demand from advanced economies to grow by 1.3% in 2023 and 3.2% in 2024. The growth will be supported by the alleviation of the war impact and supply chain disruptions in the European Union and the United Kingdom, and recovery in the manufacturing and construction sectors.

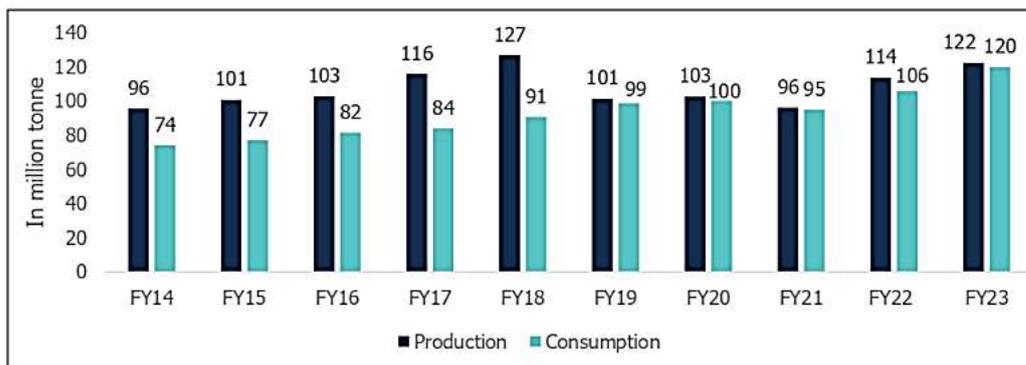
## INDIAN OVERVIEW

India is the second largest steel producer in the world with an installed capacity of 154.1 MT in FY22. It is also the second-largest consumer of finished steel with a consumption of 120 MT in FY23. The Indian steel sector has been able to grow over the years due to domestic availability of raw materials such as iron ore and cost-effective labour. The industry has been driven by domestic steel demand from sectors such as construction, real estate, and automobiles, while the vast coastline has enabled exports and imports, making India one of the leading countries in the global steel industry.

In the last 10 years, finished steel production has grown at a CAGR of 2.8% to 122 MT in FY23 from 96 MT in FY14. The growth in production has been backed by a rise in domestic steel consumption on account of growing economic activities in the country supported by an increase in infrastructure and construction spending by the government, a rise in automobile and consumer durable demand, among others.

Domestic finished steel consumption in India has increased at a CAGR of 5.5% to 120 MT in FY23 from 74 MT in FY14. After witnessing an uptrend in steel production, India observed a de-growth of 20.2% y-o-y in FY19 due to lower exports. Further, the outbreak of covid-19 pandemic resulted in a decrease in steel production in FY21, a de-growth of 6.3%.

## INDIA'S FINISHED STEEL PRODUCTION & CONSUMPTION



[Source: Report of Assocham on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023]

## TRENDS IN STEEL TRADE

Steel exports from India have contributed to the total off take of steel, in addition to the domestic demand, supported by an increase in the country’s overall capacity and production. Exports increased at a CAGR of 10.7% over the period of 9 years from 6 MT in FY14 to 13.5 MT in FY22. Of these 9 years mentioned, India was a net steel exporter for six years - FY14, FY17, FY18, FY20-FY22. In 2021, India’s exports accounted for 4.4% of the global exports.

Exports witnessed a reversal in trend during FY23 after an upward trend of exports in 3 consecutive years i.e., FY20, FY21 & FY22 and declined to 6.7 MT compared to 13.5 MT in FY22, a sharp fall of 50.2% y-o-y. The Indian Government imposed an export duty of 15% on a range of finished steel products in May 2022 which made exports from India less competitive in global markets.

Exports were also impacted by weak international demand, continued geopolitical tensions and inflationary headwinds globally. Moreover, India became a net importer of steel for the first time in three years for the period of October 2022 to February 2023. The exports have started to pick up on a sequential basis post the reversal of export duty by Government in November 2022, however, the full impact of the duty removal is expected in export volumes by the first half of FY24.

## INDIA'S FINISHED STEEL EXPORTS



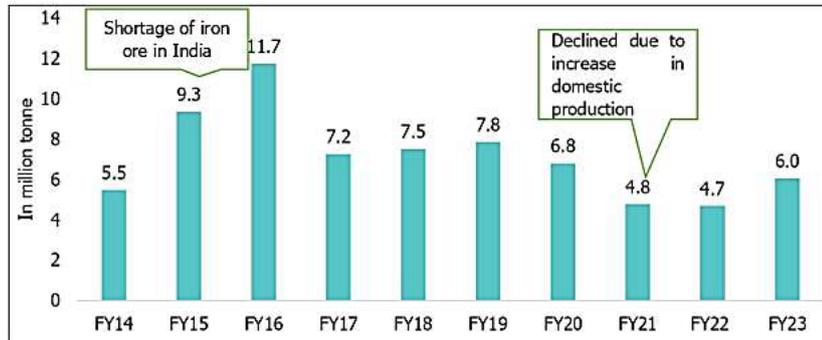
[Source: Report of Assocham on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

The exports to the top 5 countries (Italy, Vietnam, UAE, Belgium and Nepal) accounted for 49% of the total outbound shipments from India during FY23. Italy, Belgium, and UAE continued to remain the top importers of Indian finished steel products. Among others, the shipments to USA and Turkey totaled 807 thousand tons and constituted 5.6% and 5.5%, respectively, of the total exports from India.

## IMPORTS

Steel imports have increased at a CAGR of 1.1% from 5.5 MT in FY14 to 6 MT in FY23. India mainly imports special-grade steel which is used in end-user segments such as automobiles, defence, shipbuilding, power, railways etc. and is witnessing good traction in domestic marking leading to growth in imports.

### INDIA'S FINISHED STEEL IMPORTS



[Source: Report of ASSOCHAM on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

During the year FY23, India’s finished steel imports have grown by 29% y-o-y from 4.7 MT in FY22. This can be attributed to the rise in low-cost imports from Russia and the fall in international prices. China, South Korea, and Japan continue to be the leading suppliers to India with a 72% share in the total imports in FY23.

### KEY GROWTH DRIVERS

Steel is consumed by various sectors like construction and infrastructure, engineering & packaging, automobiles, consumer durables and railways among other sectors. Housing and construction are the largest consumer of steel with a 43% share in FY22, followed by infrastructure with a 25% share, engineering, and packaging with a 22% share and automotive with an 8.5% share.

#### Construction and Infrastructure

- One of the major drivers for the steel industry is the infrastructure investment thrust by the Government of India. In the Union Budget 2023-24, the government continued its focus on infrastructure development with the allocation of Rs.10,00,000 crore towards infrastructure capital expenditure, an increase of 33% over allocation under the Union Budget 2022-23. Total allocation towards infrastructure, including investments in public enterprises, stood at Rs. 14,91,400 crore, an increase of 24.8% over revised estimates of 2022-23.
- The government has expanded the National Infrastructure Policy (NIP) to 7,400 projects from 6,835 projects and announced plans for the National Monetization Pipeline and Development Finance Institution (DFI) to improve the financing of infrastructure projects.
- The NIP covering rural and urban infrastructure, entails investments to the tune of Rs. 111 lakh crore, which is being undertaken by the central government, state governments and the private sector during FY20-25.
- Moreover, the alignment of PM Gati Shakti National Master Plan and NIP will aid in debottlenecking hurdles for faster execution of projects.
- The budget towards infrastructure grew on a CAGR of about 18% in the past 5 years from FY20 to FY24.

## Budget allocation towards Infrastructure



[Source: Report of ASSOCHAM on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

## ROAD INFRASTRUCTURE

- India’s road infrastructure has seen consistent improvement in the last few years. Connectivity has improved and road transportation has become a focus of rapid development.
- Total highway construction in India during the period FY23 was 10,993 km compared to 10,457 km in FY22, indicating a construction run rate of 30 km per day.
- The highway construction activity remained flat in FY23, mainly due to a decline in project awarding activity by 2.8% to 12,375 km in FY23 as compared to 12,731 km in FY22.
- This slowdown can be attributed to an increase in input cost, longer-than- usual monsoon and problems related to land acquisition and environmental clearance.
- About 12,000 km of highways are expected to be constructed in FY24 at an estimated capital expenditure of Rs 4 Lakh Crore.

## Residential Real Estate

- In FY23, the residential real estate market witnessed steady growth with increased sales momentum supported by past inventory levels and continued new project launches specifically in the affordable and mid-size segments.
- The housing market in general is seeing growth due to an increase in commercial activities, the need for upgraded infrastructure and living spaces, and an improved economic scenario.
- Growth in various sectors like BFSI and e-commerce segment, increase in savings because of work from home trend in the last 2 years and increase in demand for better spaces to live, have led to an increase in first-time home buyers. There is also an increase in the mid-segment housing projects due to increase in urbanization and per capita income.
- Government initiatives like Pradhan Mantri Awas Yojna (PMAY), Urban Development Plan and digitization of land records have also added to the growth in the sector. Rural and Urban housing construction under the Pradhan Mantri Awas Yojana has gained traction in FY23.
- Under the PMAY scheme of the Union Ministry of Housing and Urban Affairs, more than 1.20 crore houses have been sanctioned under the PMAY-Urban, out of which 73.87 lakhs have been completed as on May 10,2023, and the rest are under construction.
- In addition to that, about 2.85 crore houses have been sanctioned under PMAY-Gramin out of which 2.25 crore have been completed.

## Automobiles

- India was the third-largest automobile market in 2022. It is expected the domestic automobile sales volume to grow by 7-9% in FY24 and the growth momentum is expected to continue after the robust demand (20% sales growth) seen in FY23, supported by favorable demand sentiments and various government initiatives for rural and urban development.
- Passenger vehicles and commercial vehicles are expected to drive demand, while two and threewheelers will gradually increase sales and cross the pre-pandemic level. However, inflationary pressure, price hikes due to

regulatory changes, and higher cost of ownership might potentially affect demand in FY24.

- The growth in the automobile sector will also be supported by electric vehicles (EV) as the shift in demand of consumers towards electric vehicles is increasing.
- In the Union Budget 2023-24, the allocation towards the FAME (Faster adoption and manufacturing of EVs) scheme has increased to Rs.5,172 crore from Rs.2,908 crore in the previous year. Further the cut in customs duty on lithium-ion batteries from 21% to 13% will also result in an increase in sales and accelerate the demand for EVs. This will aid the growth in the auto sector.

### Others

- The growth in the urbanisation will lead to increased demand for steel as it involves usage in the construction of buildings, pipes for water supply, improved drainage systems, waste treatment plants, elevators etc.
- On August 15, 2019 the government launched “Jal Jeevan Mission” Programme, with an aim to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The mission has always seen a consistent allocation in the Budget every year.
- In the Union Budget 2023-24, the allocation towards Jal Jeevan Mission has increased to around Rs. 70,000 crore from Rs, 60,000 crore in the previous budget. Under this Programme, steel pipes will be used for the distribution of water due to its non-corrosion and non-rusting characteristics. This Programme has already covered 61.4% of rural households in 3.9 years.
- Another initiative ‘One Nation, One Gas Grid’ will attract new investments in India’s natural gas infrastructure, which uses steel pipes. It is expected that the gas pipeline network, which is more than 22,000 km currently, will reach 35,000 km in the coming 4-5 years. The efforts of moving towards the gas based economy along with the implementation of city gas distribution networks are expected to augment the demand for pipes going forward.

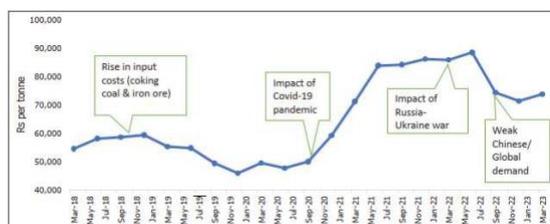
Driven by rising infrastructure development and growing demand from sectors like automotives, construction, consumer durables & capital goods, India’s per capita consumption of steel grew from 46 kgs in FY08 to around 75 Kgs now. Even though consumption of total finished steel has increased considerably, Indian steel industry still has significant potential for demand led growth, underscored by the fact that the per capita steel consumption in the country at 70 kgs is much lower than the global average of 227.5 kg. The need of the hour is not just to enhance domestic steel consumption, but also creating a demand for Indian steel abroad and giving a boost to steel exports.

### Indian Steel Prices

Steel prices have remained range-bound from March 2018 to June 2019 and started to fall thereafter as the economy was hit by the pandemic. During FY21, the average domestic finished steel prices peaked at Rs 71,157 per tonne as on March 2021. Since then, the prices increased throughout CY21 on account of a revival in domestic demand as economic activities began to take place after the upliftment of restrictions and lockdowns.

During CY22, prices have been impacted by the geo-political war between Russia and Ukraine (since February 2022) and stood at Rs 85,820 per tonne as of March 2022. The geopolitical crisis situation continued and the prices were further pushed to Rs. 88,498 per tonne in June 2022 quarter. The escalation in prices was also because of the rise in coking coal and iron ore prices globally. However, after a sharp rise, the prices declined by around 16% in September 2022 as compared to the previous quarter. Furthermore, they fell to Rs 71,326 per tonne in December 2022. This decline was caused by the imposition of an export duty on a range of finished steel products from the period May 2022 to November 2022, leading to lower exports and an increase in domestic inventories. In addition to that, softening of iron ore prices also affected the steel prices in the domestic market.

### Domestic average finished steel Prices



[Source: Report of ASSOCHAM on “India Steel Sector Enhancing Competitiveness and Overcoming Challenges” for May, 2023].

After the reduction in export duty on iron ore in November 2022, domestic prices began to rise. In January 2023, NMDC increased the prices for iron ore lumps and fines, which further boosted the prices. As of March 2023, iron ore prices stood at Rs. 4,383 per tonne, a growth rate of 8% as compared to December 2022. This rise in raw material prices resulted in higher domestic steel prices. Going forward, it is expected that domestic steel prices will continue to track global prices and remain range-bound due to continued strong domestic demand.

## Outlook

Indian Steel Industry contributes to all the facets of economy, including GDP, industrial and infrastructural development. The steel industry contributes approx. 2.5% to national GDP, employing 2.5 million people, directly & indirectly. The output effect of steel on Indian economy is approx. 1.4 times, with an employment multiplier of 6.8 times.

As India has entered its pre-election year in 2023, the government is likely to increase investments both at the state and central levels and this is expected to augur well for the domestic steel demand.

Some of the key budgetary announcements, which reflect the same, are:

- An increase in allocation of capex towards infrastructure from Rs.7.5 lakh crore to Rs.10 lakh crore in Union Budget 2023-24.
- The capital outlay of Rs.2.4 lakh crore for Indian Railways.
- 100 transport infrastructure projects.
- Approval of Production Linked Incentive (PLI) Scheme for specialty steel.
- Allocation towards PMAY scheme to be increased to Rs. 79,590 crore from Rs. 48,000 crore in previous budget
- Allocation of Rs 10,000 crore towards Jal Jeevan Mission.

The National Steel Policy, 2017, envisages the steel production to almost double to 255 MT by FY31 to cater to the growing domestic demand. To continue to be Atmanirbhar in steel, it is imperative to secure a sustainable supply of raw materials such as iron ore and coking coal. India has sufficient reserves of iron ore; however, the production needs to be ramped up through the identification and auction of a higher number of captive and commercial mines and an increase in production from existing mines by using better technology.

India is dependent on imports due to limited domestic availability of suitable quality coking coal. As a near-term measure, the import sources must be diversified to ensure timely availability and better pricing. Further, exploration and production of domestic coking coal should be encouraged and sufficient washing capacities should be set up to get the desired quality of coking coal. Both iron ore and coking coal mining can be encouraged by implementing single window clearances, rationalizing taxes and royalties on mining which are currently higher than global benchmarks and boosting overall investment in the exploration and production of these minerals through policy support.

By improving logistics infrastructure and enhancing rail connectivity, the steel industry can effectively mitigate logistical challenges and reduce costs. This, in turn, will enhance the overall competitiveness of domestically produced steel, bolstering its position in the global market. Industry stakeholders, policy-makers, and the Railway Ministry need to collaborate and prioritize the development of efficient transportation systems to support the targeted growth of the steel industry in India.

The future of the steel industry has to also be responsible and sustainable growth focused on reducing carbon emissions and moving towards de-carbonization. The industry is already implementing measures such as increasing the usage of renewable energy in the production process, use of pulverized coal injection (PCI) in the blast furnaces, improving efficiency by waste heat recovery, suitable use of by-products, usage of steel scrap etc. Future technologies which will significantly reduce the carbon emissions such as green steel and carbon capture utilization and storage have been identified and R&D efforts are being undertaken across the world to achieve viably scalable technologies. The steel industry is evolving its overall Environmental, Social and Governance (ESG) practices to adopt the global best practices which will enable the steel industry to tap larger markets and grow a climate-conscious investor base.

While India is the second largest producer and consumer of steel, it ranks 7th in global exports. With the share of 6% in global crude steel production and 5.7% in global crude steel consumption, India has become one of the steel hubs in the world for both production and consumption of steel. However, Indian products are currently less competitive in global markets compared to their Asian counterparts due to factors such as high finance and logistics costs, high levies on mining and duties imposed by key export countries. To push the 'local for global' agenda in the steel sector, policy support will be required to reduce the cost disadvantage coupled with the government's push through various diplomatic channels to reduce duties on Indian steel products and enter into trade agreements beneficial for the industry.

Aligned with the Government of India's National Mission of Atmanirbhar Bharat, the National Steel Policy 2017 targets a crude steel capacity of 300 MT by 2030 in the country. The government has taken multiple initiatives over the last decade to encourage steel production and consumption of domestically manufactured steel targeted towards making India 'Atmanirbhar' for its current as well as future demand.

### **Solar Structural Pipes Market Overview:**

According to recent reports, India's renewable energy (RE) sector has experienced a remarkable growth rate of 14% over a five-year period, spanning from FY 2017 to FY 2022. This growth has propelled the country to achieve a significant milestone, reaching a total RE capacity of 114 GW as of September 2022. Notably, solar power constitutes approximately 51% of this overall capacity.

Over the past decade, the share of solar installations in India has exhibited a remarkable compound annual growth rate (CAGR) of 29%, soaring from 4% in FY 2012 to 51% by September 2022. India's appetite for renewables is growing year on year, the country is now ranked 4th globally in solar power generation. India Solar Energy Market was estimated at USD 38 billion in 2022 and is anticipated to reach around USD 238 billion by 2030, growing at a CAGR of roughly 40% between 2023 and 2032.

As the solar energy industry expands, the demand for various components and infrastructure associated with solar power generation will also experience a substantial increase. Solar structural pipes, which play a crucial role in supporting solar panels and creating the framework for solar installations, may likely see a tremendous surge in demand. Solar structural pipes are used in the construction of ground-mounted solar arrays, rooftop installations, and solar tracking systems. As the solar energy capacity in India increases, more solar farms and installations will be set up, driving up the demand for these pipes.

India's commitment to expanding its renewable energy capacity, especially solar, is backed by favorable government policies and incentives. This supportive environment shall encourage investment in the entire solar ecosystem, including the production and supply of components like solar structural pipes. In conclusion, the booming India solar energy market may likely have a cascading effect on various industries, including the market for solar structural pipes. The increased demand for solar installations, driven by India's renewable energy goals and policies, is poised to create substantial opportunities for businesses involved in supplying the necessary components to support this growth.

*Source:*

*<https://www.custommarketinsights.com/report/india-solar-energymarket/#:~:>*

*text=As%20of%202020%2C%20India's%20installed,during%20the%20past%20several%20years.*

*<https://solarquarter.com/2023/02/17/indias-solar-energy-capacity-soars-to-54gw-with-41-39-cagr/>*

## **OUR BUSINESS**

*Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 25. This section should be read in conjunction with such risk factors.*

*Unless otherwise indicated, industry and market data included in this section has been derived from the industry sources. This section should be read in conjunction with the “Industry Overview” on page 96 of this Draft Red Herring Prospectus . Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “Restated Financial Information”, included in this Draft Red Herring Prospectus on page 171.*

### **OVERVIEW**

Our Company was incorporated in 2017, for taking over the entire business of M/s. Demac Steel along with its assets and liabilities in entirety, on a going concern basis (the “**Transfer**”). Our Company entered into an agreement to sell business undertaking executed dated August 7, 2017 with M/s. Demac Steel and undertook the transfer of the Assets and Liabilities for a total consideration of ₹ 532.39 lakhs. The amount of the consideration was paid by way of issue of 53,238 Equity Shares of face value of ₹ 1,000 each to Vazhappily Davis Varghese, the sole proprietor of M/s. Demac Steel. The balance amount of ₹ 938/- was paid by way of a cheque. Furthermore, pursuant to the Business Transfer Agreement, M/s. Demac Steel agreed to not compete with our Company and subsequent to the transfer would have no rights in the business of our Company. For further details, please see the chapter “*History and Certain Corporate Matters*” on page 135 of this Draft Red Herring Prospectus.

Our Company operates under the guidance of our Promoters, Vazhappily Davis Varghese, Divyakumar Jain and Ankur Jain. Our Promoter, Vazhappily Davis Varghese with the intention of expanding the business operations of M/s. Demac Steel, incorporated our Company for expanding our portfolio and reach. Our Company is engaged in the business of manufacturing galvanised pipes, tubes, and sheets. Owing to the consistent efforts of our Promoters, we have been able to create a brand presence in Kerala, under the name of ‘Demac Steel’.



In 2018, our Company commenced manufacturing of galvanised pipes, tubes, and sheets by installing another electric resistance welding tube mill of an installed capacity of 3,500 MT in our manufacturing unit situated at Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India. . Our products find extensive application in the general households of Kerala. Galvanised pipes and tubes are used for building the roofs to reduce heat and avoid leakage, further the galvanisation process offers an added advantage of increasing the life of the product and enhancing its quality by making it rust-free. Our products are therefore manufactured to provide an effective solution to the continuous damage caused to houses in Kerala on account of inclement weather condition. Accordingly, our products experience a constant demand on account of being an indispensable raw material in the construction industry in Kerala. In order to capture the market and cater to the growing demand, in the year 2019, we increased our manufacturing capacity by installing another electric resistance welding tube mill of an installed capacity of 4,000 MT in our manufacturing unit.

In order to market and sell our products, we have established a widespread dealer base in Kerala through which we sell our products to local contractors and retailers. Our dealers have an established marketing network which

we have utilized to create a market presence in Kerala and for penetrating the local markets of the aforementioned areas. We have entered into formal agreements with majority of our dealers and offer them a mutually agreed upon margin on the goods which are distributed by them. Our dealer network has enabled us in establishing our brand presence thereby creating a significant customer base in Kerala. We sell all our products using our dealer network. We also sell our products to our Promoter Group entity, namely Jaihind Steel Private Limited, who further trades it to wholesalers, construction agencies, consumers *etc.*

We believe that we have established our brand as the preferred brand for galvanised tubes and pipes. We have a successful track record which has enabled us to develop an effective business model with stringent control over processes, including raw material procurement, manufacturing operations, inventory management and management of distribution logistics. We adhere to stringent product quality standards and closely track consumer preferences across segments from cross-section of markets. Owing to our diversified marketing network and wide-spread intermediaries and sales forces, our Company has been able to penetrate the local markets of Kerala. Our products and brands have become familiar names on account of our aggressive and innovate marketing techniques. Our Company regularly interacts with our customers and intermediaries to understand the satisfaction of the customers with the quality of our products. In order to maintain our brand presence, we have aggressively invested in our sales and marketing initiatives and increased our intermediary base. The expenses incurred by us in sales and marketing of our products during the seven month period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Seven month period ended October 31, 2023		Fiscal					
		2023		2022		2021	
Expenses incurred in (₹ in lakhs)	% of total expenses	Expenses incurred in (₹ in lakhs)	% of total expenses	Expenses incurred in (₹ in lakhs)	% of total expenses	Expenses incurred in (₹ in lakhs)	% of total expenses
19.15	12.58	28.97	14.35	43.15	19.15	29.29	12.78

Since incorporation, it has been our Company's vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations. We have a quality control and assurance division ("**Quality Division**") in our manufacturing unit which carries out the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our quality laboratory carries out wheat analysis tests on the raw materials and finished products to ensure that our products are compliant with the specifications provided by our customers. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. We have an in-house laboratory at our manufacturing unit, wherein our Quality Division carries out quality tests on the raw material, semi-finished goods and finished goods.

Our manufacturing unit is substantially operated through our solar plant situated at Survey No. 262/3-29 in Poyya Village and Kodungallur Taluk; Building No.2/546 of Poyya Panchayath. In the year, 2022, our Company had set up a solar plant of an installed capacity of 489.77 kWp. We partly source the electricity for running our manufacturing unit from our solar plant and also rely on the electricity supplied by Kerala State Electricity Board. We also sell a portion of the electricity produced at the solar plant to Kerala State Electricity Board, which is adjusted in our bill by the said authority. We believe that our solar plant empowers us in becoming a responsible, ethical and socially responsible green unit.

Our revenues from operations for the seven month period ended October 31, 2023 and the Fiscals 2023, 2022 and 2021 were ₹ 17,910.52 lakhs, ₹ 35,479.84 lakhs, ₹ 31,791.72 lakhs and ₹ 30,004.83 lakhs, respectively. Our EBITDA for the seven month period ended October 31, 2023 and the Fiscals 2023, 2022 and 2021 were ₹ 769.80 lakhs, ₹ 1,223.91 lakhs, ₹ 1,302.64 lakhs and ₹ 1,403.04 lakhs, respectively. Our profit after tax for the seven month period ended October 31, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 403.07 lakhs, ₹ 600.49 lakhs, ₹ 673.06 lakhs and ₹ 763.67 lakhs, respectively. For further details, please refer to the section titled "*Financial Information*" on page 171 of this Draft Red Herring Prospectus.

## KEY PERFORMANCE INDICATORS

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Financial Information included in this Draft Red Herring Prospectus. We present these key performance indicators because

they are used by our management to evaluate our operating performance. Further, these key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. A list of our KPIs for the seven months ended October 31, 2023 and Financial Years ended March 31, 2023, 2022 and 2021 is set out below:

(₹ in lakhs)

Key Performance Indicators#	October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	17,910.52	35,479.84	31,791.72	30,004.83
Total Revenue <sup>(2)</sup>	18,047.71	35,995.71	32,360.91	30,481.75
Gross Profit <sup>(1)</sup>	997.31	1,354.12	1,314.93	1,495.26
Gross Margin <sup>(2)</sup>	5.57%	3.82%	4.14%	4.98%
EBITDA <sup>(3)</sup>	769.80	1,223.92	1,302.64	1,403.04
EBITDA Margin <sup>(5)</sup>	4.27%	3.40%	4.03%	4.60%
Profit After Tax for the Year ("PAT")	403.08	600.49	673.06	763.67
PAT Margin <sup>(6)</sup>	2.23%	1.67%	2.08%	2.51%
ROE <sup>(7)*</sup>	10.02%	16.59%	22.29%	32.54%
ROCE <sup>(4)(8)*</sup>	31.06%	48.51%	50.73%	61.88%
Net Debt/ EBITDA <sup>(9)</sup>	2.91	1.74	3.77	2.59

**Number of dealers and director customers:**

Particulars	Seven month period ended October 31, 2023	Fiscal		
		2023	2022	2021
Number of Dealers	159	144	127	110
Number of Direct Customers	237	397	335	369
<b>Total</b>	<b>396</b>	<b>541</b>	<b>462</b>	<b>479</b>

- a) A detailed revenue breakup of our Company during the seven month period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

(₹ in lakhs)

S. No.	Seven month period ended October 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations	17,910.52	35,479.84	31,791.72	30,004.83
Other Income	137.18	515.87	569.20	476.92
<b>Total</b>	<b>18,047.71</b>	<b>35,995.71</b>	<b>32,360.91</b>	<b>30,481.75</b>

- b) The following is the revenue breakup of the top five customers of our Company during the seven month period ended October 31, 2023 and Fiscals 2023, 2022 and 2021:

*Seven month period ended October 31, 2023*

(₹ in lacs)

Name of Customers	Revenue	Percentage of revenue from Operations
Jaihind Steel Private Limited	6,339.01	35.39
Panchami Traders	556.68	3.11
Global Trade Links	432.50	2.41
Aashico Ventures LLP	421.30	2.35
Smlash Ispat Pvt Ltd	270.92	1.51
Others	9890.11	55.23
<b>Total</b>	<b>17,910.52</b>	<b>100.00</b>

*Fiscal 2023*

(₹ in lacs)

Name of Customers	Revenue	Percentage of revenue from Operations
Jaihind Steel Private Limited	15,664.87	44.15
Panchami Traders	1,140.59	3.21
Global Trade Links	704.96	1.99
Christ Marketing-M.G Kavu	410.82	1.16
Brothers Trade Centre	409.57	1.15
Others	17,149.03	48.33
<b>Total</b>	<b>35,479.84</b>	<b>100.00</b>

*Fiscal 2022*

(₹ in lacs)

Name of Customers	Revenue	Percentage of revenue from Operations
Jaihind Steel Private Limited	10,783.96	33.92
Panchami Traders	1,251.17	3.94
NTL Trade Links	743.37	2.34
Christ Marketing-M.G Kavu	434.82	1.37
Beena Iron Traders	382.25	1.20
Others	18,196.15	57.24
<b>Total</b>	<b>31,791.72</b>	<b>100.00</b>

*Fiscal 2021*

(₹ in lacs)

Name of Customers	Revenue	Percentage of revenue from Operations
Jaihind Steel Private Limited	5,815.94	19.38
Panchami Traders	992.39	3.31
Global Trade Links	844.56	2.81
NTL Trade Links	795.05	2.65
Vyttila Steels Private Limited	733.16	2.44
Others	20,823.74	69.40
<b>Total</b>	<b>30,004.83</b>	<b>100.00</b>

- c) The following is the revenue breakup of the top five suppliers of our Company during the seven month period ended October 31, 2023 and Fiscals 2023, 2022 and 2021:

*Seven month period ended October 31, 2023*

(₹ in lakhs)

Name of Suppliers	Purchases	Percentage of total Purchases
Jaihind Steel Private Limited Creditors	7,262.79	42.59
Vina One Manufacturing Corporation	4,448.91	26.09
Hoah Phat Steel Pipe Co. Ltd	2,707.29	15.88

Tay Nam Steel Manufacturing & Trading Co Ltd	1,243.51	7.29
Krishna Sheet Processors Pvt. Ltd	717.17	4.21
Others	671.44	3.94
<b>Total</b>	<b>17,051.11</b>	<b>100.00</b>

### *Fiscal 2023*

(₹ in lakhs)

Name of Suppliers	Purchases	Percentage of total Purchases
Jaihind Steel Private Limited Creditors	20,793.66	61.31
ArcelorMittal Nippon Steel India Ltd Hazira	8,707.82	25.67
Tay Nam Steel Manufacturing & Trading Co Ltd	1,957.57	5.77
Hoa Phat Steel Sheet Co Ltd	990.91	2.92
ArcelorMittal Nippon Steel India Limited Pune	593.44	1.75
Others	873.79	2.58
<b>Total</b>	<b>33,917.20</b>	<b>100.00</b>

### *Fiscal 2022*

(₹ in lakhs)

Name of Suppliers	Purchases	Percentage of total Purchases
Jaihind Steel Private Limited Creditors	14,729.23	46.64
ArcelorMittal Nippon Steel India Ltd Hazira	13,924.72	44.09
Shri Lakshmi Metal Udyog Limited	1,379.36	4.37
Appolo Tricoat Tubes Limited	489.06	1.55
Steel Bond CBE	445.44	1.41
Others	611.93	1.94
<b>Total</b>	<b>31,579.74</b>	<b>100.00</b>

### *Fiscal 2021*

(₹ in lakhs)

Name of Suppliers	Purchases	Percentage of total Purchases
ArcelorMittal Nippon Steel India Limited	16,324.66	60.84
Jaihind Steel Private Limited	6,410.75	23.89
Jaihind Traders	1,310.73	4.88
Vyttila Steels Private Limited	739.75	2.76
Metal Craft Pte Ltd	520.37	1.94
Others	1,527.27	5.69
<b>Total</b>	<b>26,833.54</b>	<b>100.00</b>

## **OUR COMPETITIVE STRENGTHS**

### *Widespread distribution network and presence across various retail channels.*

Our Company has invested in establishing processes, teams and technology to manage our distribution channels and retail presence. Our Company has a unique business model through which it markets and sells its products. Our Company has engaged number of dealers to ensure easy product availability to our customers, efficient supply chain, focused customer service and short turnaround times. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. Our long-standing dealer base is supported by an efficient sales team, leading the products to retailers and wholesalers in Kerala, thereby making our products available on the shelf at all times, reducing dealer stock levels and increasing annual sales per dealer. The intermediaries in our distribution network remain in constant contact with our customers, which enables them to perceive the market requirement and the sentiment of customers towards our products. The intermediaries in our distribution network are the first point of contact for us and our sales and marketing teams remain in contact with the intermediaries to constantly improve our products and bring them in line with the requirements of our customers. Our sales and marketing team has a focused approach to creating brand awareness by targeting deeper penetration in small cities and towns for marketing of our products. We have deployed our team of sales professionals in Kerala so that we can provide first hand guidance and assistance to

our dealers across the nation. As a result of our widespread distribution network, significant operational experience and regular follow ups to gauge the customer's demand, we believe that we have been able to identify market trends and personally connect with a large number of consumers, thereby gaining trust of our customers over the years.

#### ***Diversified Product Basket***

Our capacity to continuously diversify and develop our products, effectively supported by our strategically located manufacturing and distribution network, enables us to launch and market new products aligned to evolving consumer preferences. Our products are generally standardised in nature, however on specific requirements of our dealers/ customers, we also customise our products by reducing or increasing the length of our tubes and pipes. This facilitates minimal time-to-scale, and has enabled us to generate significant revenues from each of our products. A break up of the product-wise revenues earned by our Company during the ten month period ended October 31, 2023 and Fiscals 2023, 2022 and 2021 have been provided below:

Name of Product	Seven month period ended October 31, 2023		Fiscal					
			2023		2022		2021	
	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue	Revenue earned in (₹ in lakhs)	% of total revenue
GP Pipes	16,354.08	91.31%	32,935.31	92.83%	29,565.83	93.00%	28,885.93	96.27%
GI Pipes	158.94	0.89%	416.50	1.17%	462.84	1.46%	-	0%
Coil	358.57	2.00%	12.10	0.03%	65.68	0.21%	52.93	0.18%
Sheet	828.67	4.63%	1,603.80	4.52%	1,322.10	4.16%	799.72	2.67%
Slit	136.95	0.76%	59.10	0.17%	183.50	0.58%	105.28	0.35%
Others	73.31	0.41%	453.03	1.28%	191.77	0.60%	160.97	0.54%
<b>Total</b>	<b>17,910.53</b>	<b>100%</b>	<b>35,479.84</b>	<b>100%</b>	<b>31,791.72</b>	<b>100%</b>	<b>30,004.83</b>	<b>100%</b>

Owing to our wide range of products, our business and results of operations are less susceptible to price fluctuation or disruptions in market trends.

#### ***Strong brand recall and established track record.***

The reputation and the quality of our products has enabled us to establish brand equity of the products marketed under our brand name "Demac Steel". We have a track record of developing home-grown brands, leveraging our deep understanding and market research of the steel industry. Our products are marketed by our dealers, sales and marketing teams. We believe that our brands enable us to better cater to the needs of our customers and increase the range and diversity of our products, leading to increased brand loyalty and repeat customers.

The steel industry is a fragmented and an unorganized industry in India and we intend to focus on creating a diverse portfolio of brands to gain higher market share from the unorganized segment. We also believe in enhancing brand visibility by expanding our distribution network and have taken certain initiatives towards achieving the same. We have been able to sustain the demand for our brands by offering a continuous flow of value added products. Our brands give us a broader platform to market our products to our customers. In addition, our presence has helped us in understanding the changing needs and demands of our customers. With constant improvement in performance of our products, augmented with quality and recognition of our brand, we believe that we enjoy considerable brand equity and reliability in the market.

#### ***Existing client and supplier relationships***

We believe in constantly addressing the customer needs for variety of our products. Our existing relationships help us to get repeat business from our dealers/customers. This has helped us to maintain a long term working relationship with our dealers/customers and improve our retention strategy. We have strong existing dealer relationships which generates multiple repeat orders. We believe that our existing relationship with our dealers represents a competitive advantage in gaining new dealers and increasing our business. Further being a small

and medium size organisation we rely on personal relationships with our dealers. We believe that existing relationships will help as a core competitive strength for us.

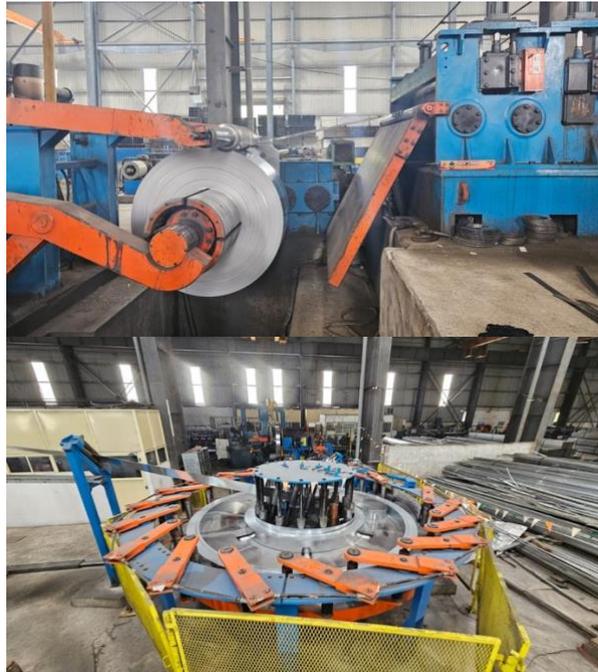
***Quality Assurance and Quality Control of our products.***

We are committed towards quality of our products. Our determination towards quality is demonstrated by well-defined quality and safety procedures at various stages of our manufacturing process from procurement of raw material to distribution of our products. Owing to the expertise of our experienced and trained team forming part of our Quality Division, all our products are manufactured strictly as per the regulatory standards. All our manufacturing facilities have a fully equipped Quality Division with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. We have an in-house laboratory which is well equipped with the necessary instruments and technology to enable our Quality Division to carry out the required tests on our raw materials, semi-finished products and finished products. Owing to our consistent efforts towards maintain quality of our products, our Company has received a certificate of registration from Jas Global Certifications certifying that the management systems of our Company have been assessed and registered with the requirements of the standard prescribed under ISO 9001:2015.

***Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities with a core focus on quality.***

Our strategically located multi-product manufacturing unit manufactures products close to our customers and distribution networks and reduces our costs of transportation by manufacturing almost all our product under one roof, thereby giving us an advantage over our competitors. Our state of art manufacturing unit is situated in Kerala.





Our investment in modern infrastructure and our ability to enhance capacity utilization in excess of installed capacities in manufacturing results into economies of scale. We manufacture multiple products under one roof in one of our manufacturing unit, which results in cost savings in terms of shared overheads and resources across different product categories. It also reduces transportation costs and improves logistics management as our dealers can place orders for multiple products from one manufacturing facility resulting in single truck load delivery enabling them to replenish stocks at regular intervals.

***Cost efficient sourcing and locational advantage***

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to time our procurement of raw materials and being a large player in the industry we are also able to source these materials at a competitive price. The location of our current manufacturing unit gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs.

***Well experienced management team with proven project management and implementation skills.***

We are led by a group of individuals, having a strong background and extensive experience in the specialized plastic industry. Our Promoters have been associated with us since the inception and are actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. We have an experienced and professional management team with strong management and execution capabilities and considerable experience in the steel industry. The team comprises of personnel having technical, operational and

business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page 138 of this Draft Red Herring Prospectus.

## **OUR BUSINESS STRATEGIES**

### ***Increasing our manufacturing capacity to focus on the growing demand of our core products***

We have over the years increased our production capacities through consistent growth and innovation. In 2018, our Company commenced manufacturing of galvanised pipes, tubes, and sheets by installing another electric resistance welding tube mill of an installed capacity of 3,500 MT in our manufacturing unit situated at Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India. In order to capture the market and cater to the growing demand, in the year 2019, we increased our manufacturing capacity by installing another electric resistance welding tube mill of an installed capacity of 4,000 MT in our manufacturing unit. We believe that our strong presence in the Indian market positions us well to capitalise on the anticipated growth in demand of our core products. We intend to expand the manufacturing capacity by establishing a new factory shed in the same premises as our manufacturing unit, which will increase the present capacity and subsequently boost our sales and profitability. As part of such investment, we intend to incur expenditure towards IT Equipment’s and Storage for Rs.287.62 Lakhs, Solar installation for Rs.234.33 Lakhs, Steel building fabrication for factory for Rs.188.74 Lakhs and Material for building for factory constructions for Rs.67.21 Lakhs from Net Proceeds of the Issue. The strategic decision to add an additional factory shed and a storage unit, will increase our ability to cater to the expected increase in demand of our products. We believe that our strategic decision to expand our manufacturing unit will significantly increase our product offering and we also expect to benefit from economies of scale. For further details, please refer to the chapter titled “*Objects of the Issue*” on page 76 of this Draft Red Herring Prospectus.

### ***Strengthen our brand value and create awareness for our new products***

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands. Since the industry is highly unorganized, a good distribution network is essential in this industry. We are focusing on expanding our dealership network by opening new marketing offices or by way of appointment of new dealers, including smaller towns and rural areas.

### ***Strengthen our marketing network***

We continue to enhance our business operations by ensuring that our customer/dealer base increases through our marketing efforts. Our core competency lies in the thorough understanding of our customers’ needs and preferences, our vision to engage in sustainable practices and providing unparalleled quality of our products thereby achieving customer loyalty. We intend to strengthen our existing marketing team by inducting qualified and experienced personnel, who will supplement our existing marketing strategies in the domestic and international markets.

We would aim our business strategies to be dynamic and proactive, given the macro and micro market environments in which we operate or where we may expand in the future. Our Company shall always strive to:

- achieve maximum operational efficiency;
- strengthen and expand our market position and product portfolio;
- enhance our depth of experience, knowledge-base and know-how; and
- increase our network of dealers, customers and geographical reach.

### ***Improving operational efficiencies***

Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in

existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure. As a result, of these measures, our company will be able to increase its market share and profitability.

***Leveraging our Market skills and Relationships***

This is a continuous process in our organization and the skills that we impart in our people, gives importance to dealers. We aim to enhance the growth by leveraging our relationships and further enhancing customer/dealer satisfaction. We plan to increase our dealers by meeting orders in hand on time, maintaining our dealer relationship and renewing our relationship with existing buyers.

***Value proposition for consumers***

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. Our brand equity has increased over the years, driven by product quality and cost efficiencies in our production and distribution operations, and offering superior value proposition for consumers, through a wide range of our products. We believe that the relatively high grammage and consequent value proposition that we offer to the price conscious middle-class Indian consumers who form a large proportion of the consumer market in India, has been an important factor in the growth and acceptance of our brand and our market share, particularly in the urban, semi-urban and rural markets in India. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product 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.

**DETAILS OF OUR BUSINESS**

**PRODUCTS**

**Raw Materials**

The raw materials required for manufacturing our products and the source of raw materials has been provided below:

Name of Raw Material	Source of the raw material
Pre Galvanised coils	<ol style="list-style-type: none"> <li>1. Import from Vietnam from companies like Vina One, Hoa Phat</li> <li>2. Domestic from companies like JSW, AMNS etc</li> <li>3. Purchase from Jaihind Steel Private Limited</li> </ol>

**Our Products**

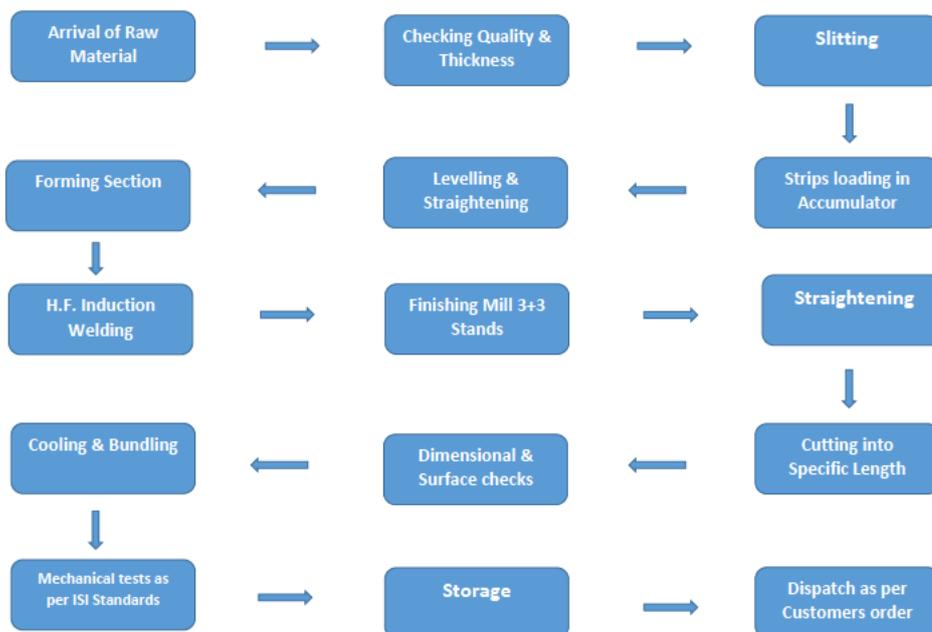
We offer a wide range of products under our own “Demac Steel” brand including (i) Square Pipes; (ii) Rectangular Pipes; and (iii) Round Pipes. A brief description of our Products is provided as under:

Product	Outside diameter range	Usage	Grade	Standards
Square Pipes	15x15 MM	General Purpose	YST 210	IS 4923
Square Pipes	20x20 MM	General Purpose	YST 210	IS 4923
Square Pipes	25x25 MM	General Purpose	YST 210	IS 4923
Square Pipes	32x32 MM	General Purpose	YST 210	IS 4923
Square Pipes	40x40 MM	General Purpose	YST 210	IS 4923
Square Pipes	50x50 MM	General Purpose	YST 210	IS 4923
Square Pipes	75x75 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	25x12 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	40x10 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	40x20 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	50x25 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	60x40 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	75x25 MM	General Purpose	YST 210	IS 4923

Product	Outside diameter range	Usage	Grade	Standards
Rectangular Pipes	80x40 MM	General Purpose	YST 210	IS 4923
Rectangular Pipes	100x50 MM	General Purpose	YST 210	IS 4923
Round Pipes	26.7 MM	General Purpose	YST 210	IS 3601
Round Pipes	33.4 MM	General Purpose	YST 210	IS 3601
Round Pipes	42.2 MM	General Purpose	YST 210	IS 3601
Round Pipes	50.8 MM	General Purpose	YST 210	IS 3601
Round Pipes	63.5 MM	General Purpose	YST 210	IS 3601
Round Pipes	76.2 MM	General Purpose	YST 210	IS 3601
Round Pipes	94 MM	General Purpose	YST 210	IS 3601

## MANUFACTURING PROCESS

An indicative manufacturing process is provided below:



## LIST OF MACHINERY

Following is the list of major machinery installed at our manufacturing unit:

SI No	List of Machinery	Purpose	Owned / Leased
1	<b>Tube Mill</b>		Owned
a)	Uncoiler	Uncoiling of slitted coils	Owned
b)	Welder	Welding/joining of slitted coils	Owned
c)	Accumulator	Collection of slitted coils and storing it in a turn table. This allows smooth and continuous production flow without any interruptions or slowdowns.	Owned
d)	Forming stand	Formation of slitted coils to round shape	Owned
e)	Welding table	High frequency induction welding for the formation of pipes	Owned
f)	Cooling table	Reducing temperature of pipes after welding	Owned
g)	Shaping stand	Shape correction	Owned
h)	Sizing stand	To convert the pipes to square or rectangular shape	Owned
i)	Cold saw	To cut the pipes/tubes to the required length	Owned
j)	Run out table	To transfer the pipes to the packing section	Owned
2	<b>Slitting Line</b>		Owned

SI No	List of Machinery	Purpose	Owned / Leased
a)	Uncoiler	Uncoiling GP mother coils	Owned
b)	Leveller	Levelling the sheets in case of any bends	Owned
c)	Slitter head	Slitting the coils to various required widths	Owned
d)	Recoiler	Recoiling of the slitted coils	Owned
3	EOT crane 40MT	For goods & raw material movement.	Owned
4	EOT crane 30MT	For goods & raw material movement.	Owned
5	EOT crane 10MT	For goods & raw material movement.	Owned
6	EOT crane 3MT - 6nos	For goods & raw material movement.	Owned
7	Compressor	To provide high pressure air supply to different machines	Owned
8	Universal testing machine	To test the strength & elasticity of pipes & its weld	Owned
9	H.F. Induction welder	High frequency induction welding for the pipes formation	Owned
10	Tube Mill roll sets	To form different types of pipes and tubes	Owned
11	Cooling tower	To reduce machinery temperature by running cooled water	Owned
12	Filtration unit	To filter the coolant oil from contaminants and to reuse it	Owned

## **HUMAN RESOURCE**

Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, along with assurance of quality.

Department wise bifurcation of our employees as of February 29, 2024 has been provided below:

Sr. No.	Division / Department	Number of Employee
1.	Key Management/ Top Management	4
2.	Office & Plant Administration	7
3.	Commercial & Logistics	2
4.	Sales & Marketing	5
5.	Dispatch	4
6.	Finance & Accounts	5
7.	Plant, Lab & Store	102
	<b>Total</b>	<b>129</b>

## **UTILITIES**

### ***Power***

The electricity for our manufacturing unit is sourced from our solar plant situated at Survey No. 262/3-29 in Poyya Village and Kodungallur Taluk; Building No.2/546 of Poyya Panchayath. We also partly source the electricity for running our manufacturing unit from Kerala State Electricity Board.

### **Water**

Our processing unit has adequate water supply position. We source water from third party water vendors. We also have set up a rain water harvesting system, which enables us in sustainably using rain water for our manufacturing process and in the ordinary course of business. We also have a reverse osmosis (“RO”) water plant in our manufacturing unit, which enables in cleaning the rain water and outsourced water for usage in manufacturing process and drinking purposes.

### **Capacity Installed and Capacity Utilisation**

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three years.

Financial Year	Installed Capacity (in MTPA)	Utilized Capacity (in MTPA)	Percentage of utilization (%)
2021-2022	72000MT	38185.05 MT	53 %
2022-2023	72000MT	47628.59 MT	66 %
2023-2024	72000MT	42865.73 MT (Approx)	60 %

**COLLABORATIONS**

As on date of this Draft Red Herring Prospectus, we have not entered into any technical or financial collaborations or agreements.

**INSURANCE**

Under the restrictive covenants imposed by the financial institutions and also as a good business practice we maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We maintain insurance cover against loss or damage by burglary, business interruption by fire, earthquake, terrorism, etc. by availing sookshma business package insurance policy and general’s standard fire & special perils (material damage) policy, private car standalone motor own damage policy and two-wheeler motor insurance for insuring the vehicles of our Company.

**MARKETING, BRANDING & ADVERTISING**

Our Company has marketing and brand strategy for its products. We undertake advertisements through (i) shop branding; (ii) bus advertisements; (iii) advertisements at metro station; (iv) display of hoardings; and (v) newspaper advertisements. Some of our marketing and advertisement initiatives have been provided below:



Advertisements at Metro Stations



Hoardings



Newspaper advertisements



In order to market and sell our products, we also offer cash discounts, quantity discounts and transportation discounts to our dealers, on an occasion and discretionary basis.

Our sales and marketing team has enabled our Company to adopt a focused approach towards creating brand awareness by targeting deeper penetration in small cities and towns for marketing of our products. Our sales and marketing team consists of five (05) employees who oversee the sales of our products, manage our intermediaries and adopt marketing activities to spread awareness of our products.

**INTELLECTUAL PROPERTY RIGHTS**

As on date of this Draft Red Herring Prospectus, our Company has applied for the following trademarks:

Sr. No.	Particulars	Application No.	Class	Date of Application	Current Status
1.	<b>DEMAC</b>	5655953	35^	October 20, 2022	Objected

^The Trademark is applied as "DEMAC" logo under category "Trademark" for advertising, sales and marketing of DEMAC branded products under class 35.

## INFRASTRUCTURE AND FACILITIES

### Registered Office

#### NewMalayalam Steel Limited

Door No. 2/546/A & 2/546/B Mala,  
Pallipuram P O, Mala, Thrissur - 680 732,  
Kerala, India.

### Manufacturing Unit

#### NewMalayalam Steel Limited

Door No. 2/546/A & 2/546/B Mala,  
Pallipuram P O, Mala, Thrissur - 680 732,  
Kerala, India.

### Solar Unit

Survey No. 262/3-29 in Poyya Village and Kodungallur Taluk;  
Building No.2/546 of Poyya Panchayath,  
Thrissur – 680 732

All our facilities including our in-house quality laboratory, Quality Division and warehouse are housed in our manufacturing unit. Our sales and marketing division functions from the Registered Office of our Company.

## TRANSPORTATION

Our Company engages third party transport providers for transporting raw materials and finished products. Our Company also maintain one vehicle for ensuring timely transport of raw materials to our manufacturing unit and transport of finished products to our customers. The details of the vehicle is provided below:

S. No.	Category	Details of the Vehicle
1.	Eicher Truck	KL 47H - 3960

## LAND AND PROPERTY

We carry out our business operations from the following properties:

### Freehold Property

Sr No.	Details of the Property	Usage
1.	Survey No. 262/3-29 in Poyya Village and Kodungallur Taluk; Building No.2/546 of Poyya Panchayath, Thrissur – 680 732, Kerala, India	Solar Unit

### Leasehold Property

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease Agreement made and executed on June 2, 2017 by and between Varghese V.D. and Molly Varghese (“Lessor”) and our Company.	Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India.	The rent shall be of Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand only) per year.	From June 2, 2017 and shall be in force for a period 15 (fifteen years)	Registered Office and Manufacturing Unit

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

*The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see “Government and Other Approvals” on page 229.*

The following is an overview of some of the important laws and regulations, which are relevant to the business of our Company and Subsidiary.

### **A. INDUSTRY RELATED LAWS AND REGULATIONS**

#### ***National Steel Policy, 2017 (“NSP 2017”)***

The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to create an environment for attaining self-sufficiency in steel production by providing policy support and guidance to private manufacturers. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, *inter alia*, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, waterpower, infrastructure and logistics, and environmental management

#### ***The Legal Metrology Act, 2009 (“Legal Metrology Act”) and Legal Metrology (Packaged Commodities) Rules, 2011***

The LM Act has replaced the Standards of Weights and Measures Act 1976 and the Standards of Weight & Measurement (Enforcement) Act 1985. It seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing with instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

#### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### ***The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)***

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). 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. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated 01st June, 2020 revising definition and criterion and the same came into effect from 01st July, 2020. The notification revised the definitions as “Micro enterprise”, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

### ***Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 (the “*T.P. Act*”) governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

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

The Sale of Goods Act, 1930 (the “*Sale of Goods Act*”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for 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 goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

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

The Registration Act, 1908 (the “*Act*”) was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provide the sub-registrars and other officers, the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

### ***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in

India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

## **B. TAX LAWS**

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income-tax Act 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017 and various state-wise legislations made thereunder;
- The Integrated Goods and Services Tax Act, 2017 and rules thereof;
- Professional tax-related state-wise legislations;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and

## **C. ENVIRONMENTAL LAWS**

### ***The Environment (Protection) Act, 1986 (“EPA”)***

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit the discharge or emission of any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

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

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one central pollution control board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

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

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. Such person also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The central pollution control board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) as amended by the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or

any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

#### ***Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”)***

The Noise Pollution Rules were enacted to regulate and control noise producing and generating sources with the objective of maintaining of ambient air quality standards in respect of noise. Pursuant to the Noise Pollution Rules, different areas / zones shall be classified into industrial, commercial, residential or silence areas/zones, with each area having a permitted ambient air quality standard in respect of noise. The Noise Pollution Rules provide for penalties in case the noise levels in any area / zone exceed the permitted standards.

### **D. LABOUR LAW LEGISLATIONS**

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. A brief summary of the aforementioned laws have been provided below:

#### ***The Code on Wages, 2019***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

#### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

#### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

#### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The Central Government has notified certain provisions of this code.

#### ***Employees State Insurance Act, 1948, as amended (the "ESIC Act")***

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

#### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**SHWW Act**") provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

#### ***The Maternity Benefit Act, 1961 (the "Act")***

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 ten 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***

Gratuity is a lump sum payment made by an employer as the retrial reward for his past service when his employment is terminated. The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed ₹ 3.50 Lakhs. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

#### ***Factories Act, 1948***

The Factories Act, 1948 (the "**Factories Act**") regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all

workers and requires that the ‘Occupier’ (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc.

The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license.

Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively.

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

#### ***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the “Act”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the ‘Scheduled Industries’ which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

In addition to above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees’ (Provident Fund and Miscellaneous Provision) Act, 1952.

#### ***Industrial Employment (Standing Orders) Act, 1946***

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

#### ***Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)***

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen, 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 CLRA Act imposes certain obligations on the contractor in relation to establishment of

canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

***Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)***

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- i. ***The Employees Provident Fund Scheme:*** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- ii. ***The Employees Pension Scheme:*** Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee’s pay shall be remitted by the employer to the Employees’ Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees’ Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees’ Pension Scheme and credit the contribution to the Employees’ Pension Fund.
- iii. ***The Employees Deposit Linked Insurance Scheme:*** As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

**E. FOREIGN INVESTMENT LAWS**

***The Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder (“FTA”)***

The FTA is the main legislation concerning foreign trade in India. The FTA, 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 a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA 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 penalty under the FTA.

**F. INTELLECTUAL PROPERTY LAWS**

***Trade Marks Act, 1999***

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“Trade Mark Act”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March 2017, the Trade Marks Rules, 2017 (“**Trade Mark Rules**”) were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees.

***The Designs Act, 2000 (“Designs Act”)***

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

**G. GENERAL CORPORATE AND OTHER ALLIED LAWS**

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Consumer Protection Act, 1986, Anti-Trust law such as Competition Act, 2002 and corporate Acts namely Companies Act, 2013 are also applicable to the Company.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

Our Company was incorporated on March 31, 2017 as 'NewMalayalam Steel Private Limited', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by Deputy Registrar of Companies, Registrar of Companies, Central Registration Centre. Further, our Company was converted into a public limited company pursuant to a resolution passed by Board of Directors in their meeting held on December 15, 2023 and by our Shareholders in an Extraordinary General Meeting held on December 19, 2023 and consequently the name of our Company was changed to 'NewMalayalam Steel Limited' and a fresh certificate of incorporation dated February 1, 2024 was issued by the Registrar of Companies, Central Processing Centre.

### **Change in registered office of our Company**

The Registered Office of our Company at the time of incorporation was situated at Door No: 2/546/A, Malapallipuram, P O., Mala, Thrissur – 680 722, Kerala, India.

The details of changes made to our Registered Office post incorporation of our Company are provided below:

<b>S. No.</b>	<b>Effective date of change</b>	<b>Details of change</b>	<b>Reason(s) for change</b>
1.	April 2, 2017	The registered office of our Company was changed from Door No: 2/546/A, Malapallipuram, P O, Mala, Thrissur-680 722, Kerala, India to Door No. 2/546/A & 2/546/AB, Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India.	For registering the permanent address of the Company with the RoC

### **Main Objects of our Company**

The main objects of our Company are as follows:

- To take over the entire business, including all the assets and liabilities, of the proprietorship unit under the name and style of DEMAC STEEL and to dissolve the above proprietorship unit immediately after the incorporation of the company.*
- To carry on the business of setting up and run industrial units for manufacture, marketing, dealing, distribution, taking agency, Franchisee, import and export of all types of steel products, metals, raw materials, finished and semi finished products and to provide all value added services to the clients.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

### **Amendments to the Memorandum of Association**

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

<b>Date of shareholder's resolution</b>	<b>Nature of amendments</b>
August 9, 2017	<i>Clause V of the MoA was amended to reflect an increase in the authorised share capital of our Company from ₹ 10,00,000 divided into 1,000 Equity Shares of ₹ 1,000 each to ₹ 11,00,00,000 divided into 1,10,000 Equity Shares of ₹ 1,000 each.</i>
December 9, 2020	<i>Clause V of the MoA was amended to reflect an increase in the authorised share capital of our Company from ₹ 11,00,00,000 divided into 1,10,000 Equity Shares of ₹ 1,000 each to ₹ 13,00,00,000 divided into 1,30,000 Equity Shares of ₹ 1,000 each.</i>
November 4, 2023	<i>The equity shares of our Company were sub-divided into face value of ₹ 10 per equity share from face value of ₹ 1,000 per equity share. Accordingly, Clause V of the MoA was amended to reflect the sub-division of the authorised share capital of our Company from ₹ 13,00,00,000 consisting of 1,30,000 Equity Shares of ₹ 1,000 each to ₹ 13,00,00,000 consisting of 1,30,00,000 equity shares of Rs. 10/-.</i>

<b>Date of shareholder's resolution</b>	<b>Nature of amendments</b>
November 4, 2023	<i>Clause V of the MoA was amended to reflect an increase in the authorised share capital of our Company from ₹ 13,00,00,000 divided into 1,30,00,000 Equity Shares of ₹ 10 each to ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each.</i>
December 19, 2023	<i>Our Company was converted from a private limited company into a public limited company and consequently the name of our Company was changed from 'NewMalayalam Steel Private Limited' to 'NewMalayalam Steel Limited'. Accordingly, Clause I of the MoA was amended to reflect the name of our Company, post its conversion.</i>

### **Corporate profile of our Company**

For details regarding the description of our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key services, entry in new geographies or exit from existing markets, major dealers and customers, segment, marketing and competition, please refer to the chapters titled "Our Business", "Our Management" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 111, 138 and 217 respectively, of this Draft Red Herring Prospectus.

### **Major Events and Milestones**

The table below sets forth some of the key events, milestones in our history since its incorporation.

<b>Year</b>	<b>Events</b>
2017	Pursuant to an agreement to sell business undertaking dated August 7, 2017 executed between our Company and M/s. Demac Steel formerly known as Malayalam Steel Tubes, all the assets and liabilities of M/s. Demac Steel were taken over on a going concern basis.
2018	Our Company installed an electric resistance welding tube mill of an installed capacity of 3,500 MT in our manufacturing unit.
2019	Our Company installed an electric resistance welding tube mill of an installed capacity of 4,000 MT in our manufacturing unit.
2022	Our Company installed a solar plant of an installed capacity of 489.77 kWp at Survey No. 262/3-29 in Poyya Village and Kodungallur Taluk; Building No.2/546 of Poyya Panchayath.

### **Awards and Accreditations**

The table below sets forth some of the key awards received by our Company in its history since its incorporation.

<b>Year</b>	<b>Events</b>
2018	Our Company was recognised as one of the best companies by Kerala Financial Corporation
2018-19	Our Company was recognised for its valued association in Nation Building & Partners in Growth for the year 2018-19 by Steel Authority of India Limited (SAIL)
2019	Our Director, V. D. Varghese was presented with National Award for 'Outstanding Entrepreneur' for our Company, by Council of State Industrial Development and Investment Corporation of India (COSIDICI)

### **Time and Cost Overrun**

Our Company has not experienced any significant time and cost overrun in setting up projects.

### **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks**

As of date of this Draft Red Herring Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### **Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation**

Except as stated below, our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years:

***Agreement to sell business undertaking executed on August 7, 2017 executed between our Company and M/s. Demac Steel formerly known as Malayalam Steel Tubes, hereinafter referred to as the “Business Transfer Agreement”.***

Pursuant to the Business Transfer Agreement, our Company took over the entire business of M/s. Demac Steel along with its assets and liabilities in entirety, on a going concern basis (the “**Transfer**”). Our Company undertook the transfer of the Assets and Liabilities for a total consideration of ₹ 532.39 lakhs. The amount of the consideration was paid by way of issue of 53,238 Equity Shares of face value of ₹ 1,000 each to Vazhappily Davis Varghese, the sole proprietor of M/s. Demac Steel. The balance amount of ₹ 938/- was paid by way of a cheque. Furthermore, pursuant to the Business Transfer Agreement, M/s. Demac Steel agreed to not compete with our Company and subsequent to the transfer would have no rights in the business of our Company.

**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.

**Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

**Associate or Joint ventures of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

**Strategic and Financial Partners**

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

**Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

**Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, 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 dealings in the securities of our Company.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

Except as stated in “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus, our Promoters have not given any guarantees on behalf of our Company.

**Material Agreements**

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

## OUR MANAGEMENT

### Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than two (2) and not more than fifteen (15). As on date of this Draft Red Herring Prospectus, we have nine (9) Directors on our Board, which includes one (1) Chairman, one (1) Managing Director, two (2) Whole-Time Director, one (1) Non-Executive Director Non- Independent Director, and three (3) Independent Directors. Our Board of Directors comprises of two (2) Women Directors of our Company.

Set forth below, are details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p><b>Mahendra Kumar Jain</b></p> <p><b>DIN:</b> 01689078</p> <p><b>Date of Birth:</b> July 10, 1959</p> <p><b>Designation:</b> Chairman and Executive Director</p> <p><b>Address:</b> 56/3074, Jain Kunj, Tripti lane, S.A. Road, Manorama JN, Ernakulam - 682 016, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from December 19, 2023 until December 19, 2028</p> <p><b>Period of Directorship:</b> Director since August 8, 2017</p> <p><b>Nationality:</b> Indian</p>	64	<p style="text-align: center;"><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>1. Demac Roofing Private Limited;</li> <li>2. Vyttila Steel Private Limited;</li> <li>3. Jaihind Steel Private Limited;</li> <li>4. Jaihind Tubes Private Limited;</li> <li>5. Jaihind Steel Tubes Private Limited; and</li> <li>6. Starshine Aluminium Extrusions Private Limited.</li> </ol> <p style="text-align: center;"><i>Foreign Companies</i></p> <p style="text-align: center;">Metal Craft Pte Ltd</p>
<p><b>Vazhappily Davis Varghese</b></p> <p><b>DIN:</b> 07763636</p> <p><b>Date of Birth:</b> May 14, 1958</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Thrissur - 680 722, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from March 31, 2022 until March 30, 2027</p> <p><b>Period of Directorship:</b> Director since incorporation.</p> <p><b>Nationality:</b> Indian</p>	65	Demac Roofing Private Limited
<p><b>Molly Varghese</b></p> <p><b>DIN:</b> 08279078</p>	60	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p><b>Date of Birth:</b> April 5, 1964</p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Address:</b> Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Thrissur - 680 722, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from December 27, 2023 until December 26, 2028</p> <p><b>Period of Directorship:</b> Director since November 14, 2018</p> <p><b>Nationality:</b> Indian</p>		
<p><b>Cyriac Varghese</b></p> <p><b>DIN:</b> 07763663</p> <p><b>Date of Birth:</b> March 25, 1992</p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Address:</b> Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Thrissur - 680 722, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from December 27, 2023 until December 26, 2028</p> <p><b>Period of Directorship:</b> Director since incorporation.</p> <p><b>Nationality:</b> Indian</p>	32	Demac Roofing Private Limited
<p><b>Divyakumar Jain</b></p> <p><b>DIN:</b> 01689124</p> <p><b>Date of Birth:</b> June 7, 1983</p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> 56/3074, Jain Kunju, Thripthi Lane, Kochi SA Road South, M.G. Road, Ernakulam - 682 016, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from December 27, 2023 until December 26, 2028</p> <p><b>Period of Directorship:</b> Director since August 8, 2017</p> <p><b>Nationality:</b> Indian</p>	40	<p><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>1. Starshine Aluminium Extrusions Private Limited;</li> <li>2. Jaihind Tubes Private Limited;</li> <li>3. Vyttila Steel Private Limited;</li> <li>4. Demac Roofing Private Limited;</li> <li>5. Invaccs Software Technologies Private Limited;</li> <li>6. Jaihind Steel Private Limited;</li> <li>7. Jaihind Steel Tubes Private Limited; and</li> <li>8. Young Presidents Organization (Kerala Chapter).</li> </ol> <p><i>Foreign Companies</i></p> <p>Metal Craft Pte Ltd</p>

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
		<p style="text-align: center;"><i>LLPs</i></p> <p style="text-align: center;">Jaihind Manufacturers LLP</p>
<p><b>Suman Jain</b></p> <p><b>DIN:</b> 01689057</p> <p><b>Date of Birth:</b> January 12, 1962</p> <p><b>Designation:</b> Non- Executive Director</p> <p><b>Address:</b> 56/3074, Jain Kunj, Tripti lane, S.A. Road, Manorama JN, Ernakulam - 682 016, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Liable to retire by rotation.</p> <p><b>Period of Directorship:</b> Director since November 1, 2018</p> <p><b>Nationality:</b> Indian</p>	62	Vytila Steel Private Limited
<p><b>Veliyath Antony Davies</b></p> <p><b>DIN:</b> 08329772</p> <p><b>Date of Birth:</b> March 12, 1961</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> Veliyath House, Periyachira Road, Potta P.O., Thrissur - 680 722, Kerala, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from December 19, 2023 until December 18, 2028.</p> <p><b>Period of Directorship:</b> Director since December 15, 2023</p> <p><b>Nationality:</b> Indian</p>	63	Nil
<p><b>Rahul Mamman Abraham</b></p> <p><b>DIN:</b> 03284826</p> <p><b>Date of Birth:</b> September 29, 1984</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 28/1292, Chengezhath House, Vivek Nagar, Padam Kadavanthara, Ernakulam - 682 020, Kerala, India.</p> <p><b>Occupation:</b> Business</p>	39	<ol style="list-style-type: none"> <li>1. VS Enterprises Private Limited;</li> <li>2. Haeal Enterprises Private Limited;</li> <li>3. Anandha Pharmacy Private Limited;</li> <li>4. M.P.C. Pharma Private Limited;</li> <li>5. AMR Medicals Private limited;</li> <li>6. Thodupuzha Drug house Private limited;</li> <li>7. Thodupuzha Medigen Private Limited;</li> <li>8. Nomisma Coins &amp; Collectibles Private Limited;</li> <li>9. PM Sports Management Private Limited;</li> </ol>

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p><b>Term:</b> A period of five (5) years with effect from December 19, 2023 until December 18, 2028.</p> <p><b>Period of Directorship:</b> Director since December 15, 2023</p> <p><b>Nationality:</b> Indian</p>		<p>10. Medigenmed Care Private Limited;</p> <p>11. Greenspecialities Private Limited;</p> <p>12. Cure Genic Hygiene Private Limited; and</p> <p>13. Bio Pharma Cochin Private Limited <i>LLP's</i></p> <p>Senlora International Gold LLP</p>
<p><b>Jijo Maliyakkal</b></p> <p><b>DIN:</b> 10434545</p> <p><b>Date of Birth:</b> May 19, 1969</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> Maliyakkal House, Potta P.O., Thrissur - 680 722, Kerala, India</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> A period of five (5) years with effect from December 27, 2023 until December 26, 2028</p> <p><b>Period of Directorship:</b> Director since December 27, 2023</p> <p><b>Nationality:</b> Indian</p>	54	Nil

### Brief Biographies of our Directors

**Mahendra Kumar Jain**, aged 64 years, is the Chairman and Executive Director of our Company. He passed secondary school from the board of secondary education. He does not hold any formal educational qualification. In the past, he was associated with Navin Trading Company in the capacity of managing partner. He is associated with Vyttila Steel Private Limited, Demac Roofing Private Limited, Jaihind Tubes Private Limited, Jaihind Steel Private Limited and Jaihind Steel Tubes Private Limited, in the capacity of a director. He is also associated with Metal Craft Pte Ltd, in the capacity of director. He has over three decades of experience in steel sector and has been associated with our Company since August 8, 2017 and since December 19, 2023 in the capacity of Chairman.

**Vazhappily Davis Varghese**, aged 65 years, is one of the Promoters and Managing Director of our Company. He holds a bachelor's degree in science from Calicut University. In the past, he was associated with Molikem Alloys, Panthallookaran Granites, M/s. Demac Steel and Vandana Gas Products, each in the capacity of proprietor. He has over three decades of experience in the steel industry. Presently, he is responsible for working capital management, procurement planning and sales & receivables management. He has been associated with our Company since incorporation in the capacity of Promoter and since March 31, 2022 in the capacity of Managing Director.

**Molly Varghese**, aged 60 years, is the Whole- time Director of our Company. She has received a provisional certificate from University of Kerala certifying that she has passed the degree examination held for bachelor's degree in science. She attended University of Calicut to pursue a master's degree in science. In the past, she was associated with Thankam Chemicals in the capacity of proprietor; with Molikem Alloys in the capacity of

accountant; with Panthallookaran Granites in the capacity of accounts manager; with Vandhanam Gas Products in the capacity of accounts manager; and with M/s. Demac Steel in the capacity of accounts manager. She has experience of more than two decades in the area of finance. Presently, she is responsible for internal review & verification of accounts. She has been associated with our Company since November 14, 2018.

**Cyriac Varghese**, aged 32 years, is the Whole- time Director of our Company. He holds a bachelor's degree in mechanical engineering from Mahatma Gandhi University, Kerala. In the past, he was associated with M/s. Demac Steel in the capacity of manager- purchase and production. He has an experience of more than nine years in inventory management and production management. Presently, he heads procurement and production of our Company and has been associated with our Company since incorporation.

**Divyakumar Jain**, aged 40 years, is one of the Promoters an Executive Director of our Company. He holds a bachelor's degree in commerce from Mahatma Gandhi University, Kerala. He was associated with Jaihind Steel Private Limited in the capacity of finance head and has an experience of more than a decade in finance and accounts. Presently, he heads the finance and accounts division of our Company and has been associated with our Company since August 8, 2017 in the capacity of a Director.

**Suman Jain**, aged 62 years, is a Non- Executive Director of our Company. She passed secondary school from the board of secondary education. She does not hold any formal educational qualification. In the past, she was associated with Navin Trading Company in the capacity of partner. She is associated with Vyttila Steel Private Limited, in the capacity of a director and with Jaihind Aluminum Traders, in the capacity of partner. She has more than two decades of experience in the steel sector and has been associated with our Company since November 1, 2018.

**Veliyath Antony Davies**, aged 63 years, is the Independent Director of our Company. He holds a bachelor's degree in commerce from University of Calicut. He attended Christ College to pursue master's in commerce with financial management. Currently, he is associated with Jyothis Food Products, in the capacity of marketing manager. He has an experience of more than seven years in sales and marketing and has been associated with our Company since December 15, 2023.

**Rahul Mamman Abraham**, aged 39 years, is the Independent Director of our Company. He holds a bachelor's degree in commerce from Mahatma Gandhi University. He has also completed a postgraduate diploma in management from The Indian Institute of Management. Currently, he is associated with MPC Pharma Private Limited, in the capacity of its promoter. He has an experience of more than a decade in pharmaceutical industry and has been associated with our Company since December 15, 2023.

**Jijo Maliyakkal**, aged 54 years, is the Independent Director of our Company. He holds a bachelor's degree in science from University of Calicut. He attended University of Calicut to pursue master's degree in science. He has also received a provisional certificate from Annamalai University certifying that he has passed the postgraduate diploma in marketing management. Currently, he is associated with Aston Alvis Life Sciences, in the capacity of managing partner. He has an experience of more than a decade in marketing management and has been associated with our Company since December 27, 2023.

#### **As on the date of the Draft Red Herring Prospectus**

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- B. Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) during his/her tenure.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading

by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

### Relationship between our Directors

Except as disclosed below, none of the Directors are related to each other:

Name of Director	Designation	Relation
Vazhappily Davis Varghese	Managing Director	Spouse of Molly Varghese and Father of Cyriac Varghese
Mahendra Kumar Jain	Executive Director	Spouse of Suman Jain and father of Divyakumar Jain

### Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel, Senior Management or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which any of the directors was selected as a director or member of senior management.

### Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

### Service Contracts

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

### Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an -special resolution passed at the Extra- Ordinary General Meeting held on April 28, 2023, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 500.00 lakhs.

### Terms of appointment and remuneration of our Executive Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on December 15, 2023 the designation of Mahendra Kumar Jain was changed to Executive Director. Further, the terms of appointment of Mahendra Kumar Jain were regularised in the meeting of the Board of Directors held on February 14, 2024 and approved by the Shareholders of our Company at the EGM held on February 15, 2024, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms and conditions approved by the Board of Directors and the Shareholders have been summarised below:

<b>Basic Salary</b>	₹ 24.00 lakhs per annum with effect from February 1, 2024
	The remuneration payable to Mr. Mahendra Kumar Jain, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Mr. Mahendra Kumar Jain, if the Company has no profits or its profits are inadequate, then Mr. Mahendra Kumar Jain will be paid in accordance with the provisions of Schedule V of the Act.

<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Mahendra Kumar Jain shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.
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### Terms of appointment and remuneration of our Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on January 10, 2022 and approved by the Shareholders of our Company at the EGM held on January 25, 2022, Vazhappily Davis Varghese was appointed as the Managing Director of our Company with effect from March 31, 2022 for a period of five years until March 30, 2027. Further, the terms of appointment of the Managing Director were ratified in the meeting of the Board of Directors held on February 14, 2024 and by the Shareholders in the EGM held on February 15, 2024, in accordance with Sections 152, 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

<b>Basic Salary</b>	<p>₹. 24.00 lakhs per annum</p> <p>The remuneration payable to Mr. Vazhappily Davis Varghese, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Mr. Vazhappily Davis Varghese, if the Company has no profits or its profits are inadequate, then Mr. Vazhappily Davis Varghese will be paid in accordance with the provisions of Schedule V of the Act.</p>
<b>Perquisites</b>	<p>In addition to the salary received, a Managing Director of our Company is entitled to the following perquisites and allowances:</p> <ul style="list-style-type: none"> <li>• <i>Medical Reimbursement:</i> Reimbursement of the expenses incurred for self and family or medical insurance for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.</li> <li>• <i>Leave Travel Concession:</i> Leave travel concession for self and family once in a year incurred in accordance with rule of the Company.</li> </ul> <p><b>Explanation:</b> Family means, the Spouse, the dependent children and dependent parents</p> <ul style="list-style-type: none"> <li>• <i>Club Fees:</i> Fees of Club subject to maximum of two clubs. No admission and life membership fee shall be paid.</li> <li>• <i>Personal Accident Insurance:</i> Personal accident insurance of an amount, the annual premium of which does not exceed ₹ 5,00,000/- annum.</li> <li>• <i>Gratuity as per the rules of the Company:</i> a) Company's contribution towards superannuation fund as per the rules of our Company; and b) The aforesaid perquisites stated for the payment of gratuity shall not be included in the computation of aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</li> <li>• <i>Earned Leave:</i> On full pay and allowance and perquisites as per the rules of the company, but no exceeding one-month salary for eleven months service. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.</li> <li>• Provision for car for use on Company's business and telephone at residence shall not be considered as perquisites, personal long-distance call and use of car for private use shall be billed by our Company.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Vazhappily Davis Varghese shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.

### Terms of appointment and remuneration of our Whole-time Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on December 27, 2023 and approved by the Shareholders of our Company at the EGM held on December 27, 2023, the designation of Molly Varghese was changed to Whole-time Director of our Company for a period of five (5) years with effect from December 27, 2023 until December 26, 2028 along with the terms of remuneration, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules

prescribed thereunder. The terms and conditions approved by the Board of Directors and the Shareholders have been summarised below:

<b>Basic Salary</b>	₹ 24.00 lakhs per annum The remuneration payable to Mrs. Molly Varghese, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Mrs. Molly Varghese, if the Company has no profits or its profits are inadequate, Mrs. Molly Varghese will be paid in accordance with the provisions of Schedule V of the Act.
<b>Perquisites</b>	In addition to the salary received, a Whole-time Director of our Company is entitled to the following perquisites and allowances: <ul style="list-style-type: none"> <li>• <i>Medical Reimbursement:</i> Reimbursement of the expenses incurred for self and family or medical insurance for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.</li> <li>• <i>Leave Travel Concession:</i> Leave travel concession for self and family once in a year incurred in accordance with rule of the Company.  <i>Explanation:</i> Family means, the Spouse, the dependent children and dependent parents</li> <li>• <i>Club Fees:</i> Fees of Club subject to maximum of two clubs. No admission and life membership fee shall be paid.</li> <li>• <i>Personal Accident Insurance:</i> Personal accident insurance of an amount, the annual premium of which does not exceed 5,00,000/-annum.</li> <li>• <i>Gratuity as per the rules of the Company:</i> a) Company's contribution towards superannuation fund as per the rules of our Company; and b) The aforesaid perquisites stated for the payment of gratuity shall not be included in the computation of aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</li> <li>• <i>Earned Leave:</i> On full pay and allowance and perquisites as per the rules of the company, but no exceeding one-month salary for eleven months service. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.</li> <li>• Provision for car for use on Company's business and telephone at residence shall not be considered as perquisites, personal long-distance call and use of car for private use shall be billed by our Company.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mrs. Molly Varghese shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.

#### Terms of appointment and remuneration of our Whole-time Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on December 27, 2023 and approved by the Shareholders of our Company at the EGM held on December 29, 2023, the designation of Cyriac Varghese was changed to Whole-time Director of our Company for a period of five (5) years with effect from December 27, 2023 until December 26, 2028 along with the terms of remuneration, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms and conditions approved by the Board of Directors and the Shareholders have been summarised below:

<b>Basic Salary</b>	₹ 12.00 lakhs per annum The remuneration payable to Cyriac Varghese, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Cyriac Varghese, if the Company has no profits or its profits are inadequate, Cyriac Varghese will be paid in accordance with the provisions of Schedule V of the Act.
<b>Perquisites</b>	In addition to the salary received, a Whole-time Director of our Company is entitled to the following perquisites and allowances:

	<ul style="list-style-type: none"> <li>• <i>Medical Reimbursement:</i> Reimbursement of the expenses incurred for self and family or medical insurance for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.</li> <li>• <i>Leave Travel Concession:</i> Leave travel concession for self and family once in a year incurred in accordance with rule of the Company.  <i>Explanation:</i> Family means, the Spouse, the dependent children and dependent parents</li> <li>• <i>Club Fees:</i> Fees of Club subject to maximum of two clubs. No admission and life membership fee shall be paid.</li> <li>• <i>Personal Accident Insurance:</i> Personal accident insurance of an amount, the annual premium of which does not exceed 5,00,000/-annum.</li> <li>• <i>Gratuity as per the rules of the Company:</i> a) Company's contribution towards superannuation fund as per the rules of our Company; and b) The aforesaid perquisites stated for the payment of gratuity shall not be included in the computation of aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</li> <li>• <i>Earned Leave:</i> On full pay and allowance and perquisites as per the rules of the company, but no exceeding one-month salary for eleven months service. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.</li> <li>• Provision for car for use on Company's business and telephone at residence shall not be considered as perquisites, personal long-distance call and use of car for private use shall be billed by our Company.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Cyriac Varghese shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.

### Terms of appointment and remuneration of our Executive Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on December 27, 2023 the designation of Divyakumar Jain was changed to Executive Director. Further, the terms of appointment of Divyakumar Jain were regularised in the meeting of the Board of Directors held on February 14, 2024 and approved by the Shareholders of our Company at the EGM held on February 15, 2024, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms and conditions approved by the Board of Directors and the Shareholders have been summarised below:

<b>Basic Salary</b>	₹ 24.00 lakhs per annum The remuneration payable to Mr. Divyakumar Jain, in any financial year, shall not exceed five (5) per cent of the net profits of the Company and the overall remuneration payable to all Executive Directors including the Whole Time Director, in any financial year, shall not exceed ten (10) per cent of the net profits of the Company. In any financial year, during the tenure of Mr. Divyakumar Jain, if the Company has no profits or its profits are inadequate, then Mr. Divyakumar Jain will be paid in accordance with the provisions of Schedule V of the Act.
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Divyakumar Jain shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits as approved by the Board of Directors and the members, as minimum remuneration.

### Remuneration details of our Directors

#### (i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2024 is as follows:

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Vazhappily Davis Varghese	54.00
2.	Molly Varghese	60.00
3.	Cyriac Varghese	19.71

S. No.	Name of the Director	Remuneration (₹ in lacs)
4.	Divyakumar Jain	54.00
5.	Mahendra Kumar Jain	54.00

Our Executive Directors were not paid sitting fee in Fiscal 2024 for attending meetings of the Board of Directors and its committees.

(ii) *Sitting fee details of our Independent Directors and Non-Executive Directors*

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Suman Jain	Nil
3.	Veliyath Antony Davies	Nil
4.	Rahul Mamman Abraham	Nil
5.	Jijo Maliyakkal	Nil

Our Board of Directors in their meeting held on December 27, 2023 have fixed ₹ 1,000/- as sitting fee for Independent Directors and Non-Executive Directors, for attending meetings of the Board of Directors and its committees.

We confirm that no sitting fee was paid to our Independent Directors, Non-Executive Directors and Executive Directors in the Fiscal 2024.

**Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

**Remuneration paid to our Directors by our Subsidiary**

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

**Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus.

**Shareholding of Directors in our Company**

Except as stated below, none of our Directors holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1)	Vazhappily Davis Varghese	62,91,300	49.74
2)	Mahendra Kumar Jain	5,32,400	4.21
3)	Divyakumar Jain	36,49,400	28.85
4)	Molly Varghese	10,000	0.08
5)	Cyriac Varghese	10,000	0.08

\* *Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.*

**Interest of our Directors**

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Vazhappily Davis Varghese and Divyakumar Jain are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent they have promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also 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 kartas or coparceners 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 this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” beginning on Page Nos. 171 and 162, respectively of this Draft Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

Except as disclosed in “*Financial Statements*” and “*Financial Indebtedness*” on page 171 and 212, respectively in this Draft Red Herring Prospectus, our Directors have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company. Our Directors have also advanced certain unsecured loans to our Company, for further details, please refer to the chapter titled “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.

Our Company has taken our Registered Office and manufacturing unit on lease from our Directors, Vazhappily Davis Varghese and Molly Varghese. Our Promoter and member of our Promoter Group will be interested to the extent of the rent paid by our Company towards such lease.

Except as stated in “*Restated Financial Information –Related Party Disclosures under AS 18*” from the chapter titled “*Restated Financial Information*” on Page No. 196 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

#### **Interest as to property**

Except as mentioned in “*Our Business - Properties*” and “*Restated Financial Information –Related Party Disclosures under AS 18*” from the chapter titled “*Restated Financial Information*” on Page Nos. 126 and 196 of this Draft Red Herring Prospectus our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

#### **Bonus or Profit Sharing Plan for our Directors**

None of our Directors are a party to any bonus or profit sharing plan.

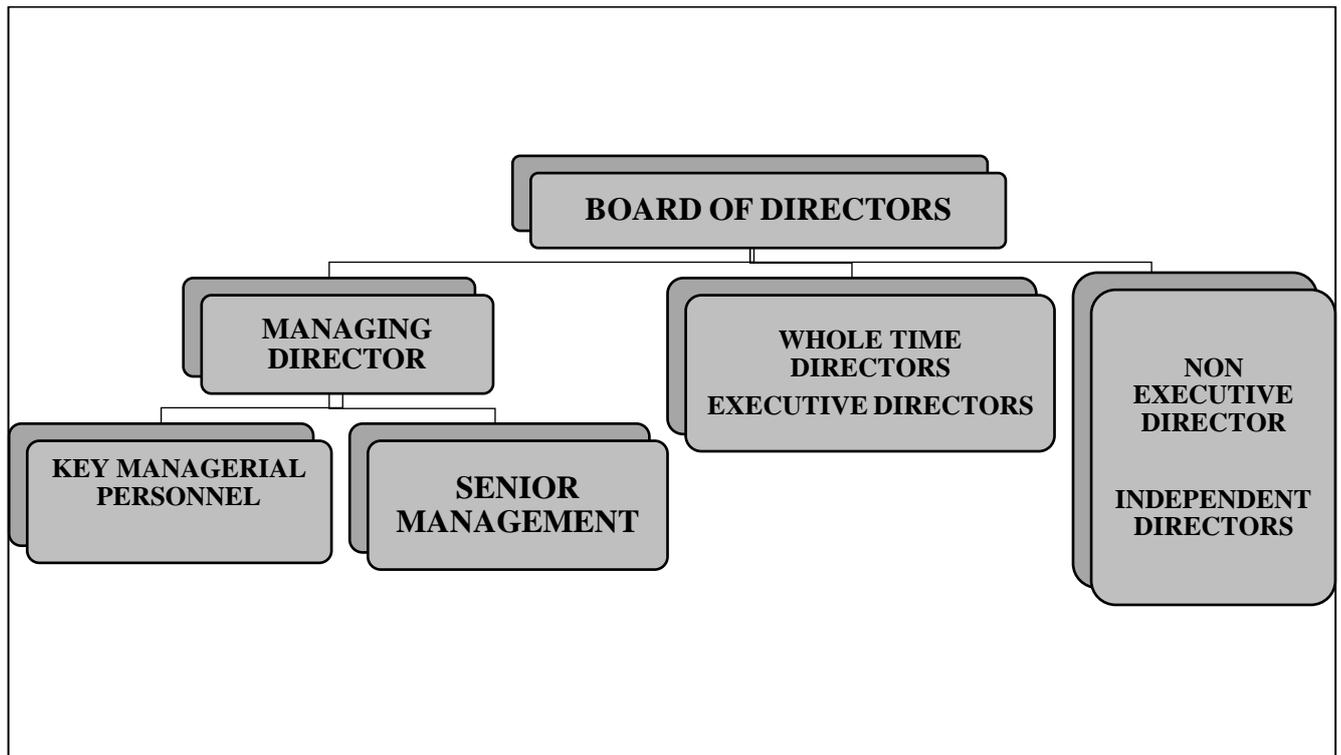
#### **Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

<b>Name of Director</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reasons for Change/ Appointment</b>
Molly Varghese	December 27, 2023	-	Change in designation from Executive Director to Whole-time Director
Cyriac Varghese	December 27, 2023	-	Change in designation from Executive Director to Whole-time Director
Molly Varghese	December 27, 2023	-	Change in designation from Non- Executive Director to Executive Director
Cyriac Varghese	December 27, 2023	-	Change in designation from Non- Executive Director to Executive Director
Divyakumar Jain	December 27, 2023	-	Change in designation from Non- Executive Director to Executive Director
Veliyath Antony Davies	December 19, 2023	-	Appointed as Independent Director
Rahul Mamman Abraham	December 19, 2023	-	Appointed as Independent Director
Jijo Maliyakkal	December 27, 2023	-	Appointed as Independent Director

## Management Organization Structure

Set forth is the management organization structure of our Company:



### Corporate Governance

As our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Draft Red Herring Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee; and
- d) Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

### AUDIT COMMITTEE

The Audit Committee was constituted pursuant to a resolution passed in the meeting of the Board of Directors held on February 14, 2024, pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Veliyath Antony Davies	Chairman	Independent Director
Jijo Maliyakkal	Member	Independent Director
Divyakumar Jain	Member	Executive Director

Our Company Secretary and Compliance officer acts as the secretary of the Committee.

**The scope of Audit Committee shall include but shall not be restricted to the following:**

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange from time to time, the following:

**A. Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

**Role of Audit Committee**

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and

g. Modified opinion(s) in the draft audit report.

- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) to take up steps in this matter;
- (9) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
- (10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

***Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

- (11) scrutiny of inter-corporate loans and investments;
- (12) valuation of undertakings or assets of the Company, wherever it is necessary;
- (13) evaluation of internal financial controls and risk management systems;
- (14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) 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;
- (16) discussion with internal auditors of any significant findings and follow up there on;
- (17) 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
- (18) 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;
- (19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) monitoring the end use of funds raised through public offers and related matters;
- (21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (22) reviewing the functioning of the whistle blower mechanism;
- (23) monitoring the end use of funds raised through public offers and related matters;

- (24) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (25) 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;
- (26) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- (27) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (28) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- (29) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations, Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time.”

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor;
5. Statement of deviations in terms of the SEBI Listing Regulations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
6. review the financial statements, in particular, the investments made by any unlisted subsidiary;
7. Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings, and shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and shall have power to seek information from any employee, obtain external professional advice, and secure attendance of outsiders with relevant expertise if necessary.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee was constituted at a meeting of the Board of Directors held on February 14, 2024. As on the date of this Draft Red Herring Prospectus the Stakeholder's Relationship Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Rahul Mamman Abraham	Chairman	Independent Director
Vazhappily Davis Varghese	Member	Managing Director
Cyriac Varghese	Member	Whole-time Director

The Company Secretary of the Company shall act as the secretary of the committee.

### ***Terms of Reference for the Stakeholders' Relationship Committee:***

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings *etc*;
- (2) Review of measures taken for effective exercise of voting rights by shareholders;
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and
- (4) Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- (5) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (6) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (7) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.
- (9) To approve, register, refuse to register transfer or transmission of shares and other securities;
- (10) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- (11) Allotment and listing of shares;
- (12) To authorise affixation of common seal of the Company;
- (13) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- (14) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- (15) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- (16) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

The Stakeholders Relationship Committee shall meet at least once in a year.

The Chairperson of the Stakeholders Relationship Committee shall be present at general meetings of the Company, or in the absence of the Chairperson, any other member of the Stakeholders Relationship Committee authorised by the Chairperson in this behalf.

### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on February 14, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Jijo Maliyakkal	Chairperson	Independent Director
Veliyath Antony Davies	Member	Independent Director
Rahul Mamman Abraham	Member	Independent Director

The Company Secretary of the Company shall act as the secretary of the committee.

***Terms of Reference for the Nomination and Remuneration Committee:***

The Nomination and Remuneration Committee shall be responsible for, among other things, the following, in supersession of the previous terms of reference of the Nomination and Remuneration Committee:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”).

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

- (2) Formulation of criteria for evaluation of the performance of the independent directors and the Board;
- (3) Devising a policy on Board diversity;
- (4) 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 their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (5) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (6) To recommend, implement, design, execute, approve schemes of ESPS, ESOP, SAR, Sweat Equity and do all other activities.
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- (8) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.”
- (9) Analysing, monitoring and reviewing various human resource and compensation matters;

- (10) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (11) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (12) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- (13) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;
- (14) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (15) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
- (16) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
- (17) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
- (18) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  1. use the services of an external agencies, if required;
  2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  3. consider the time commitments of the candidates.

The quorum for a meeting of the Nomination and Remuneration Committee shall either be two members or one-third of the members of the Nomination and Remuneration Committee, whichever is greater, with at least one independent director present.

The Nomination and Remuneration Committee shall meet at least once in a year.

The Chairperson of the Nomination and Remuneration Committee shall be present at general meetings of the Company to answer the shareholders' queries, however, it shall be up to the chairperson to decide who shall answer the queries. In the absence of the Chairperson, any other member of the Nomination and Remuneration Committee may be authorised by the Chairperson in this behalf.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted pursuant to a resolution passed by our Board of Directors in their meeting held on February 14, 2024. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of Director	Position in the Committee	Designation
Vazhappily Davis Varghese	Chairman	Managing Director
Rahul Mamman Abraham	Member	Independent Director
Mahendra Kumar Jain	Member	Chairman and Executive Director

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. Its terms of reference are as follows:

- (a) formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- (b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- (d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time;
- (g) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
  - (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company;
- (h) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

The Corporate Social Responsibility Committee is required to meet at least once in a year under Section 135 of the Companies Act.

The quorum for a meeting of the Corporate Social Responsibility Committee shall be two members or one third of the members of the committee, whichever is greater.

## IPO COMMITTEE

The IPO committee was constituted by a resolution of our Board of Directors passed in their meeting held on February 14, 2024. The current constitution of the IPO committee is as follows:

Name of Director	Position in the Committee	Designation
Vazhappily Davis Varghese	Chairman	Managing Director
Cyriac Varghese	Member	Whole-time Director
Divyakumar Jain	Member	Executive Director

The terms of reference of the IPO Committee are as follows:

- (1) to decide in consultation with the BRLM the actual size of the Issue and taking on record the number of equity shares, having face value of ₹ 10 per equity share (the “**Equity Shares**”), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, opening and closing dates of the Issue, price band, allocation/allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
- (2) to appoint, instruct and enter into agreements with the BRLM, and in consultation with BRLM appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, monitoring agency, industry expert, legal counsels, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the mandate letters and Issue agreement with the BRLM, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;
- (3) to make any alteration, addition or variation in relation to the Issue, in consultation with the BRLM or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Issue structure and the exact component of issue of Equity Shares;
- (4) to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus, the red herring prospectus, the Prospectus, and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed, the Registrar of Companies, Rajasthan at Jaipur, institutions or bodies;
- (5) To accept and appropriate the proceeds of the Issue in accordance with applicable laws;
- (6) to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Issue in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Companies Act, 2013, as amended and other applicable laws;
- (7) to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;
- (8) to open separate escrow accounts as the escrow account to receive application monies from anchor investors/underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Issue and in respect of which a refund, if any will be made;
- (9) to open account with the bankers to the Issue to receive application monies in relation to the Issue in terms of Section 40(3) of the Companies Act, 2013, as amended;

- (10) To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection, with power to authorise one or more officers of the Company to execute all or any such documents;
- (11) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the Issue agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Issue, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, monitoring agency, legal advisors, auditors, Stock Exchanges, BRLM and other agencies/intermediaries in connection with Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (12) to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India, the Reserve Bank of India, Registrar of Companies and such other statutory and governmental authorities in connection with the Issue, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
- (13) to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (14) to determine and finalise, in consultation with the BRLM, the price band for the Issue and minimum bid lot for the purpose of bidding, any revision to the price band and the final Issue price after bid closure, and to finalise the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Issue, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;
- (15) to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
- (16) to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
- (17) to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue in accordance with the applicable laws;
- (18) to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or allotted to investors in the Issue in accordance with applicable regulations in consultation with the BRLM and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
- (19) to settle all questions, difficulties or doubts that may arise in relation to the Issue, as it may in its absolute discretion deem fit;
- (20) to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;

- (21) to authorise and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Issue;
- (22) to withdraw the DRHP or RHP or to decide not to proceed with the Issue at any stage, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and applicable laws;
- (23) to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and
- (24) to authorise and empower officers of the Company (each, an “**Authorised Officer(s)**”), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorised Officer(s) consider necessary, appropriate or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar’s agreement and memorandum of understanding, the depositories’ agreements, the Issue agreement with the BRLM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLM and syndicate members, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Issue, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the BRLM and to do or cause to be done any and all such acts or things that the Authorised Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Issue; and any such agreements or documents so executed and delivered and acts and things done by any such Authorised Officer(s) shall be conclusive evidence of the authority of the Authorised Officer and the Company in so doing.

Any three directors shall form quorum for a meeting of the IPO Committee. Meetings shall be convened at the discretion of the IPO Committee.

### **Compliance with SME Listing Regulations**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

### **Our Key Managerial Personnel**

In addition to our Chairman, Managing Director, Whole-time Directors and Executive Directors, whose details have been provided under paragraph above titled ‘*Brief Profile of our Directors*’, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

**Shravan Kannan Dev**, aged 33 years, is the Company Secretary of our Company. He holds a bachelor’s degree in commerce from Indira Gandhi National Open University. He is an associate member of the Institute of Company Secretary of India. In the past, he was associated with FRANCIS M.C., Practising Company Secretary in the capacity of an assistant. He has more than six years of experience in secretarial and compliance industry. He has been associated with our Company since December 5, 2020 and received remuneration of ₹ 2.4 lakhs during Fiscal 2024.

**Rahul Jain**, aged 32 years, is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from Pragjyotish College. He has been associated with our Company since April 1, 2018 in the capacity of accounts manager. He has been promoted to the position of Chief Financial Officer with effect from February 23, 2024. He has received remuneration of ₹ 0.81 lakhs during Fiscal 2024.

All our Key Managerial Personnel are permanent employees of our Company.

### **Our Senior Managerial Personnel**

In addition to our Chairman, Managing Director, Whole-time Directors, Executive Directors, Chief Financial Officer and Company Secretary and Compliance Officer, whose details have been provided under paragraph

above titled 'Brief Profile of our Directors' and 'Our Key Managerial Personnel', set forth below are the details of our Senior Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

**Mathew Gervasisthekkkara**, aged 62 years, is the Sales Manager of our Company. He holds a bachelor's degree in arts from University of Kerala. He has attended University of Kerala to pursue master's degree in arts. He also holds a master's degree in business administration from Sikkim Manipal University. In the past, he was associated with MSME Development Institute in the capacity of a trainee; with International Beverages & Filling Industries in the capacity of quality controller; and with Prime Metal Building System in the capacity of general manager. He has experience of more than a decade in sales and administration. He has been associated with our Company since August 1, 2017 and received remuneration of ₹ 8.82 lakhs during Fiscal 2024.

**K T Thomas**, aged 57 years, is the Factory Manager of our Company. He holds a diploma in operations, maintenance and security of signal equipment and communications from Indira Gandhi National Open University. He has been associated with our Company since August 1, 2017 in the capacity of factory manager and has more than six years of experience in management and administration. He has received remuneration of ₹ 5.80 lakhs during Fiscal 2024.

#### **Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoters and / or other Key Managerial Personnel and Senior Management**

Except as disclosed under the heading "Relationship between our Directors" herein above, none of the key managerial personnel and Senior Management are related to each other or to our Promoters or to any of our Directors.

#### **Shareholding of the Key Managerial Personnel and Senior Management**

Except as disclosed below, none of the Key Management Personnel and Senior Management hold shareholding in our Company:

Sr. No.	Name of SMP	Number of Equity Shares	% of Equity Share Capital
1)	Vazhappily Davis Varghese	62,91,300	49.74
2)	Cyriac varghese	10,000	0.08
3)	Molly Varghese	10,000	0.08
4)	Divyakumar Jain	36,49,400	28.85

#### **Bonus or Profit Sharing Plan for our Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit sharing plan.

#### **Payment or benefit to Key Managerial Personnel and Senior Management of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

#### **Interest of Key Managerial Personnel and Senior Management**

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management have any interest in our Company other than to the extent of the remuneration, equity shares held by them 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.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

#### **Changes in Key Managerial Personnel and Senior Management in the Last Three Years**

In addition to the changes specified under "- Changes in our Board during the Last Three Years", set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

Name	Designation	Date of change	Reason
Rahul Jain	Chief Financial Officer	February 23, 2024	Appointment
Divyakumar Jain	Chief Financial Officer	February 21, 2024	Resignation
		February 14, 2024	Appointment

Cyriac Varghese	Chief Financial Officer	February 12, 2024	Resignation
Cyriac Varghese	Chief Financial Officer	December 15, 2023	Appointment

The attrition of the Key Management Personnel and Senior Management is as per the industry standards.

**Employees' Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

**Loans taken by Directors / Key Management Personnel and Senior Management**

Our Company has not granted any loans to the Directors and/or Key Management Personnel and Senior Management as on the date of this Draft Red Herring Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company are Vazhappily Davis Varghese, Divyakumar Jain and Ankur Jain. The details of the shareholding of our Promoters, as on date of this Draft Red Herring Prospectus has been provided below:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vazhappily Davis Varghese	62,91,300	49.74
2.	Divyakumar Jain	36,49,400	28.85
4.	Ankur Jain	21,29,500	16.84
<b>Total</b>		<b>1,20,70,200</b>	<b>95.43</b>

For details, please see “*Capital Structure – Build-up of Promoters’ shareholding, Minimum Promoters’ Contribution and lock-in – Build-up of the Equity Shareholding of our Promoters in our Company*” on page 70. **Details of our Promoters are as follows:**

#### 1. Vazhappily Davis Varghese



Vazhappily Davis Varghese, aged 65 years, is the Managing Director of our Company. He resides at Vazapilly House, Opposite to K.E.C School, Chalakudy, Potta S O, Potta Mukundapuram, Thrissur - 680 722, Kerala, India.

The Permanent Account Number of Vazhappily Davis Varghese is ABNPV6045J.

For complete profile of Vazhappily Davis Varghese, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 138.

#### 2. Divyakumar Jain



Divyakumar Jain, aged 40 years, is the Executive Director of our Company. He resides at 56/3074, Jain Kunj, Thripathi Lane, SA Road South, M.G. Road, Ernakulam - 682 016, Kerala, India.

The Permanent Account Number of Divyakumar Jain is ADLPJ4150G.

For complete profile of Divyakumar Jain, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 138.

#### 3. Ankur Jain



Ankur Jain, born on March 27, 1990 aged 34 years, is the Promoter of our Company. He resides at House Number 56/3074, Jain Kunj, Thripathi Lane, Kochi SA Road South, Manorama Junction, M.G. Road, Ernakulam- 682 016, Kerala, India. Ankur Jain has attended Chinmaya Vidyapeet to pursue a bachelor’s degree in business management. He was awarded the diploma in Outdoor Leadership and Management (Level 5) with distinction from Otago Polytechnic. He has been associated with our Company since 2017 and supervises the sales and marketing division of our Company. He holds an experience of more than eight years in sales and marketing and is also associated with Jaihind Steel Private Limited, where he supervises the sales operations

The Permanent Account Number of Ankur Jain is AMLPJ6767C.

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, aadhaar card numbers and driving license numbers of our Promoters, shall be submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

### Change in control of our Company

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

### Other ventures of our Promoters

Our Promoters are involved in other ventures and business activities in different capacities as listed below:

*Vazhappily Davis Varghese*

S. No.	Name of the entity	Nature of interest / position
1.	Demac Roofing Private Limited	Managing Director and Shareholder

*Divyakumar Jain*

S. No.	Name of the entity	Nature of interest / position
1.	Starshine Aluminium Extrusions Private Limited	Director and Shareholder
2.	Jaihind Tubes Private Limited	Managing Director and Shareholder
3.	Vyttila Steel Private Limited	Director and Shareholder
4.	Demac Roofing Private Limited	Director and Shareholder
5.	Invaccs Software Technologies Private Limited	Director and Shareholder
6.	Jaihind Steel Private Limited	Managing Director and Shareholder
7.	Jaihind Steel Tubes Private Limited	Director and Shareholder
8.	Young Presidents Organisation (Kerala Chapter)	Director
9.	Jaihind Manufacturers LLP	Partner
10.	Jaihind Aluminum Traders	Partner
11.	Prime Metals	Partner
12.	Metal Craft Pte Ltd	Director

*Ankur Jain*

S. No.	Name of the entity	Nature of interest / position
1.	Vyttila Steel Private Limited	Director
2.	Jaihind Steel Private Limited	Director
3.	Jaihind Steel Tubes Private Limited	Director
4.	Starshine Aluminium Extrusions Private Limited	Director
5.	Jaihind Metals Hypermart Private Limited	Director
6.	Prime Metals	Partner
7.	Metal Craft Pte Ltd	Director

Except as stated above and except as disclosed in “– Promoter Group” below and in “Our Management” on pages 165 and 138, our Promoters are not involved in any other ventures.

### Interests of Promoters

- (a) Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their shareholding in our Company; (iii) the dividends payable thereon; and (iv) any other distributions in respect of their shareholding in our Company.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) in which our Promoters are partners or designated partners or directors; or (iii) which are controlled by our Promoters. For further details of interest of our Promoters in our Company, see *Restated Financial Information –Related Party Disclosures under AS 18*” from the chapter titled “*Restated Financial Information*” on Page No. 196.

- (b) Further, Vazhappily Davis Varghese and Divyakumar Jain are also interested in our Company in the capacity of Directors, and may be deemed to be interested in the remuneration payable to them and the reimbursement of expenses incurred by them in the said capacity. For further details, see “*Our Management*” on page 138. For further details of interest of our Promoters in our Company, see “*Restated Financial Information –Related Party Disclosures under AS 18*” from the chapter titled “*Restated Financial Information*” on Page No. 196.
- (c) Except as disclosed in “*Financial Statements*” and “*Financial Indebtedness*” on page 171 and 212, respectively in this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company. Our Promoters have also advanced certain unsecured loans to our Company, for further details, please refer to the chapter titled “*Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.
- (d) Except for Vyttila Steel Private Limited, Jaihind Steel Private Limited, Jaihind Steel Tubes Private Limited, Starshine Aluminium Extrusions Private Limited, Jaihind Tubes Private Limited and Prime Metals, our Promoters do not have any interest in any venture that is involved in activities similar to those conducted by our Company.
- (e) Our Company has taken our Registered Office and manufacturing unit on lease from our Promoter, Vazhappily Davis Varghese and member of our Promoter Group, Molly Varghese. Our Promoter and member of our Promoter Group will be interested to the extent of the rent paid by our Company towards such lease.
- (f) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoter or otherwise for services rendered by the Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

#### **Interest in property, land, construction of building and supply of machinery**

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

#### **Payment or benefits to Promoter or Promoter Group**

Except as disclosed above and as stated in “*Restated Financial Information –Related Party Disclosures under AS 18*” from the chapter titled “*Restated Financial Information*” on Page No. 196, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

#### **Companies or firms with which our Promoters have disassociated in the last three years**

Except as disclosed below, our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus:

<b>S. No.</b>	<b>Name of Promoter</b>	<b>Name of the Entity from which Promoter has disassociated</b>	<b>Date of disassociation</b>	<b>Reason for disassociation</b>
1.	Divyakumar Jain	Prime PEB Private Limited	March 20, 2024	Resignation from the position of a director.

#### **Material guarantees**

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

### Other confirmations

Our Promoters are not Wilful Defaulters or a Fraudulent Borrowers.

Our Promoters are not Fugitive Economic Offenders.

Our Promoters and members of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Our Promoters are not, and have not been in the past, promoters or directors of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

### PROMOTER GROUP

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

*Natural persons who are part of the Promoter Group*

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
<b><i>Vazhappily Davis Varghese</i></b>		
1.	Molly Varghese	Spouse
2.	Late Vazhappily Davis	Father
3.	Mary Davis	Mother
4.	V D Joy	Brother
5.	-	Sister
6.	David Varghese	Son
7.	Cyriac Varghese	Son
8.	Angel Varghese	Daughter
9.	Late Malayil Thekkedath Cyriac	Spouse's father
10.	Late Rosamma Scaria	Spouse's mother
11.	Late Cyriac Jose	Spouse's brother
12.	Abraham Cyriac	Spouse's Brother
13.	Celin	Spouse's sister
<b><i>Divyakumar Jain</i></b>		
1.	Anuja Jain	Spouse
2.	Mahendra Kumar Jain	Father
3.	Suman Jain	Mother
4.	Ankur Jain	Brother
5.	Neha Patni	Sister
6.	-	Son
7.	-	Daughter
8.	Jambu Kumar Jain	Spouse's Father
9.	Rekha Jain	Spouse's Mother
10.	-	Spouse's Brother
11.	Aditi Jain	Spouse's Sister
<b><i>Ankur Jain</i></b>		
1.	Saloni Jain	Spouse
2.	Mahendra Kumar Jain	Father
3.	Suman Jain	Mother
4.	Divyakumar Jain	Brother
5.	Neha Patni	Sister
6.	-	Son
7.	Nitaara Ankur Jain	Daughter

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
8.	Sunil Kumar Jain	Spouse's Father
9.	Rachana Jain	Spouse's Mother
10.	Shubham Jain	Spouse's Brother
11.	-	Spouse's Sister

***Body corporates, partnership firms forming part of the Promoter Group***

S. No.	Name of entities
1.	Jaihind Steel Private Limited
2.	Jaihind Tubes Private Limited
3.	Demac Roofing Private Limited
4.	Jaihind Aluminium Traders
5.	Vyttila Steel Private Limited
6.	Invaccs Software Technologies Private Limited
7.	Metal Craft Pte Ltd
8.	Jaihind Steel Tubes Private Limited
9.	Starshine Aluminium Extrusions Private Limited
10.	Jaihind Manufacturers LLP
11.	Young Presidents Organization (Kerala Chapter)
12.	Jaihind International
13.	Greetamax Estates Private Limited
14.	Pioneer Mutimax Private Limited
15.	Nutech Multimax Private Limited
16.	SKP Infrarealty Private Limited
17.	Marble Arch Properties Private Limited
18.	S K P Merchants Private Limited
19.	NNP Ferro Alloys Private Limited
20.	SKP Realtors LLP
21.	Eastern Plywood and Hardware
22.	Eastern Aluminium and Steel Udyog
23.	Prime Metals
24.	M/s D. S. Sons & D S Enterprises
25.	Navin Trading Company
26.	Jaihind Metals Hypermart Private Limited

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, pursuant to a resolution of our Board dated February 14, 2024, and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 171 of this Draft Red Herring Prospectus.

Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, Demac Roofing Private Limited, Vyttila Steel Private Limited, Jaihind Steel Private Limited and Jaihind Tubes Private Limited have been identified and considered as the Group Companies of our Company.

### A. Details of our Group Companies

#### Demac Roofing Private Limited

##### *Registered Office address*

The registered office of Demac Roofing Private Limited is situated at Plot No. D - 117, & 118, Diamond Road Kinfra IIT Park, Kanjikkode East P O, Palakkad – 678 621, Kerala, India.

##### *Financial Performance*

The Financial Performance of Demac Roofing Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

*(₹ in Lakhs)*

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity capital	110.00	110.00	110.00
Reserves and surplus (excluding revaluation)	29.29	(73.51)	(78.77)
Sales/ Revenue from Operations	2,595.19	1,972.56	874.86
Profit/(Loss) after tax	102.81	5.27	(78.76)
Earnings per share (₹) (Basic)	934.61	47.86	(716.03)
Earnings per share (₹) (Diluted)	934.61	47.86	(716.03)
Net Worth available to equity shareholders	139.29	36.49	31.23
Net asset value per share (₹)	1,266.36	331.74	283.88

#### Vyttila Steel Private Limited

##### *Registered Office address*

The registered office of Vyttila Steel Private Limited is situated at 52/3198, Jain Tower Vyttila, Ernakulam, Kochi - 682 019, Kerala, India.

##### *Financial Performance*

The Financial Performance of Vyttila Steel Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

*(₹ in Lakhs)*

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity capital	94.80	94.78	94.78
Reserves and surplus (excluding revaluation)	1,710.74	1,450.90	1,341.22
Sales/ Revenue from Operations	10,510.82	9,886.22	18,202.88
Profit/(Loss) after tax	261.29	109.70	108.05
Earnings per share (₹) (Basic)	27.57	11.57	11.40
Earnings per share (₹) (Diluted)	27.57	11.57	11.40
Net Worth available to equity shareholders	1,805.54	1,545.68	1,436.00
Net asset value per share (₹)	190.40	162.92	151.50

## Jaihind Steel Private Limited

### Registered Office address

The registered office of Jaihind Steel Private Limited is situated at 29/621K, Jain Tower Vytilla, Ernakulam, Kochi – 682 019, Kerala, India.

### Financial Performance

The Financial Performance of Jaihind Steel Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

	(₹ in Lakhs)		
Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity capital	400.00	400.00	400.00
Reserves and surplus (excluding revaluation)	7,065.83	6,506.75	3,046.58
Sales/ Revenue from Operations	1,06,585.31	1,02,016.28	63,506.21
Profit/(Loss) after tax	559.07	3,460.17	3,046.58
Earnings per share (₹) (Basic)	13.98	86.50	101.83
Earnings per share (₹) (Diluted)	13.98	86.50	101.83
Net Worth available to equity shareholders	7,465.83	6,906.75	3,446.58
Net asset value per share (₹)	186.65	172.67	86.16

## Jaihind Tubes Private Limited

### Registered Office address

The registered office of Jaihind Tubes Private Limited is situated at Door No 15-3-120/2, Violet Complex, Upper Bendor Road, Balmatta, Dakshina Kannada, Mangaluru – 575 002, Karnataka, India.

### Financial Performance

The Financial Performance of Jaihind Tubes Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

	(₹ in Lakhs)		
Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity capital	100.00	100.00	100.00
Reserves and surplus (excluding revaluation)	(311.74)	(48.36)	(4.66)
Sales/ Revenue from Operations	1,404.71	-	-
Profit/(Loss) after tax	(263.37)	(43.57)	(4.66)
Earnings per share (₹) (Basic)	(263.38)	(43.70)	(4.67)
Earnings per share (₹) (Diluted)	(263.38)	(43.70)	(4.67)
Net Worth available to equity shareholders	(211.74)	51.64	95.34
Net asset value per share (₹)	(211.74)	51.64	95.34

## B. Litigation

Our Group Companies are not party to any litigation which may have material impact on our Company.

## C. Common pursuits

Our Group Companies, Vyttila Steel Private Limited, Jaihind Steel Private Limited and Jaihind Tubes Private Limited are engaged in the similar industry segment as that of our Company. As on date of this Draft Red Herring Prospectus, our Company has not entered into non-compete agreements with our Group Companies, for risks relating to the same, please see “Risk Factors- Risk Factor 38 - Our Group Companies may have conflict of interest with us as they are engaged in similar industry segment and may compete with us” on page 41.

**D. Related business transactions within our Group Companies and significance on the financial performance of our Company**

Other than the transactions disclosed in the chapter titled “*Restated Financial Information*” on Page No. 171 of this Draft Red Herring Prospectus, there are no other related business transactions between our Group Companies and our Company.

**E. Business Interest**

Other than the transactions disclosed in the chapter titled “*Restated Financial Information*” on Page No. 171, our Group Companies have no business interests in our Company.

**F. Nature and extent of interest of our Group Companies**

*a) In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

*b) In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are 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) In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

## **DIVIDEND POLICY**

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the seven months period ended October 31, 2023 and the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, please refer section titled “*Risk Factors*” on Page No. 25 of this Draft Red Herring Prospectus.

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**SECTION VI – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Examination Report on Restated Financial Statements for the seven months period ended October 31, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021	172
2.	Restated Financial Statements for the seven months period ended October 31, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021	177

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**KUTTY & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Email : p\_sankarankutty@hotmail.com,  
kutty\_associates@hotmail.com

Report of auditors on the restated standalone summary statements of Assets and Liabilities as at October 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 and Profit and Losses and Cash Flows for the seven month period ended October 31, 2023, each of the years ended March 31, 2023, 2022 and 2021 of NEWMALAYALAM STEEL LIMITED (Collectively, the "Restated Standalone Summary Statements")

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

The Board of Directors  
Newmalayalam Steel Limited  
Malapallipuram, Thrissur

Dear Sirs,

1. We have examined the attached Restated Financial Information of Newmalayalam Steel Limited (Formerly known as Newmalayalam Steel Private Limited) (the "Company" [or the "Issuer"]), comprising the Restated Statement of Assets and Liabilities as at 31<sup>st</sup> October 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, the Restated Statements of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the period ended 31<sup>st</sup> October 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 14<sup>th</sup> February 2024 [for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO")] prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by



9/734, Cherooty Road, Calicut - 673001, Phone : 0495 2366034, 94472760, 9447276077

the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

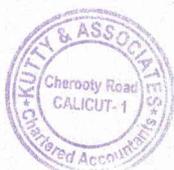
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Prospectus to be filed with Securities and Exchange Board of India, NSE Emerge and Registrar of Companies, Ernakulam in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in notes forming part of the Restated Financial Information.

The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 05 December 2023 in connection with the proposed IPO of equity shares of the Company;
  - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Financial Information have been compiled by the management from:



- a) Audited financial statements of the Company as at and for the year ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 prepared in accordance with the Accounting Standards (referred to as "AS") as prescribed under Section 133 of the Act as amended, 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> February 2024 .
5. For the purpose of our examination, we have relied on:
- The audits for the financial years ended 31<sup>st</sup> March 2023, 2022 and 2021 were conducted by the Company's previous auditors, [Sukumara Menon, Venugopalan & Sathi Chartered Accountants], (the "Previous Auditors"), and accordingly reliance has been placed on financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.
- We have Examined the books of account for the period 1st April 2023 to 31st October 2023 of the company and the financial statements prepared by the management for that period.
6. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the audit report submitted by the Previous Auditors for the respective year, we report that the Restated Financial Information:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 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 period ended 31<sup>st</sup> October, 2023;
- b) Does not contain any qualification requiring adjustments.
- c) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.



7. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
- a) The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as 31<sup>st</sup> October 2023, 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes.
  - b) The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the Company for the seven month period ended 31<sup>st</sup> October 2023, and years ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and year ended 31<sup>st</sup> March 2021, are prepared by the Company, and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - c) The “Restated Statement of Cash Flow “as set out in Annexure III to this report, of the Company for the seven month period ended on 31<sup>st</sup> October 2023, and years ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Cash flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this



report be construed as a new opinion on any of the financial statements referred to herein.

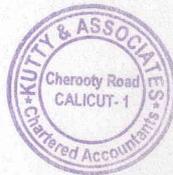
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with stock exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
11. In our opinion, the above financial information contained in these restated financial statement read with the respective significant Accounting policies and notes to accounts as set out are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR regulations, Engagement Letter and guidance note and give a true and fair view in conformity with the account principles generally accepted in India, to the extent applicable.

**For**      **M/S. Kutty and Associates**  
**Chartered Accountants**  
**FRN. 001640S**

*JSJ*

**P. Sankaran Kutty, B.com, FCA, DISA, DIRM**  
**Membership No. 023673**  
**UDIN: 24023673BKEIBD3946**

**Calicut**  
**20.02.2024**

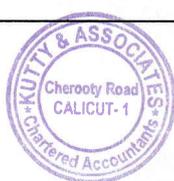


**NEWMALAYALAM STEEL LIMITED**  
Formerly known as Newmalayalam Steel Private Limited  
CIN - U27209KL2017PLC048762  
MALAPALLIPURAM P.O, THRISSUR - 680732  
**RESTATED BALANCE SHEET**

(` in Indian Rupees)

( Amount in Lakhs)

Particulars	Note No.	As at 31.10.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
(a) Share capital	1	1264.76	1264.76	1264.76	1264.76
(b) Reserves and surplus	2	2758.60	2355.52	1755.03	1081.97
(c) Money Received Against Share Warrants					
<b>2 Share Application Money Pending Allotment</b>					
<b>3 Non-Current Liabilities</b>					
(a) Long-Term Borrowings	3	1005.76	1209.22	1706.48	1775.31
(b) Deferred Tax Liabilities (Net)	4	158.68	131.36	115.14	97.79
(c) Other Long Term Liabilities					
(d) Long-Term Provisions					
<b>4 Current Liabilities</b>					
(a) Short-Term Borrowings	5	1714.84	1606.01	3213.58	1865.31
(b) Trade Payables	6	2079.48	1777.67	645.99	18.83
(c) Other Current Liabilities	7	401.67	201.93	86.63	174.81
(d) Short-Term Provisions	8	143.47	188.37	214.06	167.90
<b>TOTAL</b>		<b>9527.25</b>	<b>8734.83</b>	<b>9001.66</b>	<b>6446.68</b>
<b>II. ASSETS</b>					
<b>Non-Current Assets</b>					
<b>1 (a) Property, Plant and Equipment and Intangible assets</b>					
(i) Property, Plant and Equipment	9	2096.27	2152.96	2063.75	1978.77
(ii) Intangible assets	9	.03	.03	.03	0.03
(iii) Capital work-in-progress	9	48.63	29.71	214.06	52.37
(iv) Intangible assets under development					
(b) Non-Current Investments					
(c) Long-Term Loans and Advances	10	40.75	40.75	30.31	31.07
<b>2 Current Assets</b>					
(a) Current Investments					
(b) Inventories	11	4208.14	3664.28	3322.15	1324.29
(c) Trade Receivables	12	1631.92	1066.37	1827.81	1306.62
(d) Cash and Cash Equivalents	13	484.16	679.85	10.58	3.46
(e) Short-Term Loans and Advances	14	422.88	530.00	1053.79	1592.05
(f) Other Current Assets	15	594.47	570.89	479.19	158.02
<b>TOTAL</b>		<b>9527.25</b>	<b>8734.83</b>	<b>9001.66</b>	<b>6446.68</b>



See accompanying notes forming part of the financial statements

As per our report of even date attached

For M/s. Kutty and Associates,

Chartered Accountants

FRN 001640S

**P Sankaran Kutty**

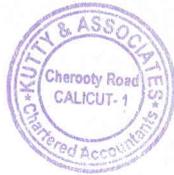
Proprietor

M No 23673

UDIN **24023673BKEIBD3946**

Thrissur

20th February 2024



For and on behalf of the Board of Directors

*Mahendra Kumar Jain*

Mahendra Kumar Jain

(Chairman)

*V.D. Varghese*

V.D. Varghese

(Managing Director)

*CS Shrivani Kannan Dev*

CS Shrivani Kannan Dev

M No 63168

(Company Secretary)

*Divya Kumar Jain*

Divya Kumar Jain

Chief Financial Officer

Malapallipuram

20th February 2024

For KUTTY & ASSOCIATES

*P. Sankaran Kutty*  
P. Sankaran Kutty, B.Com. FCA, DISA, DIRM  
Chartered Accountant  
Membership No: 23673



**NEWMALAYALAM STEEL LIMITED**  
Formerly known as Newmalayalam Steel Private Limited  
CIN - U27209KL2017PLC048762  
MALAPALLIPURAM P.O,THRISSUR - 680732  
**RESTATED PROFIT AND LOSS**

( Amount in Lakhs)

Particulars		Note No.	As at 31.10.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
I.	Revenue from operations	16	17910.52	35479.84	31791.72	30004.83
II.	Other income	17	137.18	515.87	569.20	476.92
III.	<b>Total Income (I + II)</b>		<b>18047.71</b>	<b>35995.71</b>	<b>32360.91</b>	<b>30481.75</b>
IV.	Expenses:					
	Cost of materials consumed	18	17285.57	34000.59	30207.70	28759.06
	Changes in inventories of Stock in Trade	19	-80.78	12.82	466.31	-
	Change in Inventories of finished Goods	20	-291.57	112.32	-197.22	-249.49
	Employee benefits expense	21	212.41	444.19	352.84	335.63
	Finance costs	22	104.97	273.48	266.37	322.06
	Depreciation and amortization expense	9	90.96	145.37	131.80	126.86
	Other expenses	23	152.28	201.88	228.64	233.50
	Total expenses		<b>17473.84</b>	<b>35190.63</b>	<b>31456.44</b>	<b>29527.63</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		573.87	805.07	904.47	954.12
VI.	Exceptional items		-	-	-	-
VII.	<b>Profit before extraordinary items and tax (V + VI)</b>		573.87	805.07	904.47	954.12
VIII.	Extraordinary Items		-	-	-	-
IX.	<b>Profit before tax (VII- VIII)</b>		573.87	805.07	904.47	954.12
X	Tax expense:					
	(1) Current tax		143.47	188.37	214.06	167.90
	(2) Deferred tax		27.32	16.22	17.35	22.55
	(3) Short/Excess of Income Tax of Previous Years					
XI	<b>Profit /(Loss) for the period from continuing operations (VII-VIII)</b>		403.08	600.49	673.06	763.67



Profit/(loss) from discontinuing operations	-	-	-	-
Tax expense of discontinuing operations				
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	-	-	-	
<b>Profit /(Loss) for the period (XI + XIV)</b>	<b>403.08</b>	<b>600.49</b>	<b>673.06</b>	<b>763.67</b>
Earnings per equity share:				
(1) Basic (in Indian Rupees)	318.70	474.78	532.17	603.81
(2) Diluted (in Indian Rupees)	318.70	474.78	532.17	603.81

As per our report of even date attached

For M/s. Kutty and Associates,

Chartered Accountants

FRN 001640S

P Sankaran Kutty

Proprietor

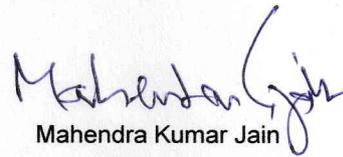
M No 23673

UDIN 24023673 BKEIBD3946

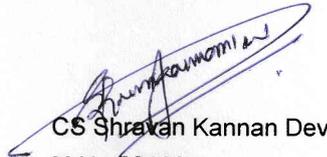
Thrissur

20th February 2024

For and on behalf of the Board of Directors

  
Mahendra Kumar Jain  
(Chairman)

  
V.D.Varghese  
(Managing Director)

  
CS Shreevan Kannan Dev  
M No 63168  
(Company Secretary)

  
Divya Kumar Jain  
Chief Financial Officer

Malapallipuram

20th February 2024



For KUTTY & ASSOCIATES  
  
P. Sankarankutty, B.Com. FCA, DISA, DIRM  
Chartered Accountant  
Membership No: 23673



**NEWMALAYALAM STEEL LIMITED**

Formerly known as New Malayalam Steel Private Limited

**CIN - U27209KL2017PLC048762**

**MALAPALLIPURAM P.O, THRISSUR - 680732**

**CASH FLOW STATEMENT FOR 31/10/2023 (Rs. in Lakhs )**

	As at 31.10.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net surplus/(deficit) for the year (before tax)	573.87	805.07	904.47	954.12
Adjustments for:				
Depreciation & Amortization	90.96	145.37	131.80	126.86
Interest & Finance Charges	104.97	273.48	266.37	322.06
less : Profit on sale of asset		-17		
Add : Loss on sale of asset		1.33		
<b>Operating Profit before Working Capital Changes</b>	<b>767.46</b>	<b>1225.07</b>	<b>1302.64</b>	<b>1403.04</b>
Adjustments for:				
Decrease/(Increase) in Sundry Debtors	-565.56	761.44	-521.19	-550.13
Decrease/(Increase) in Loans & Advances	107.12	523.80	538.25	-1270.67
Decrease/(Increase) in Inventories	-543.87	-342.13	-1997.86	1294.04
Decrease/(Increase) in Other Current Assets	-23.58	-91.71	-462.54	316.31
(Decrease)/Increase in Current Liabilities	199.74	115.30	-88.18	464.43
(Decrease)/Increase in Sundry Creditors	301.80	1131.69	627.15	-274.93
<b>Cash generated from operations</b>	<b>245.47</b>	<b>3323.46</b>	<b>-139.19</b>	<b>1382.07</b>
Income Tax Paid	-188.37	-214.06	-233.42	-179.34
<b>Net Cash flow from Operating activities</b>	<b>57.10</b>	<b>3109.41</b>	<b>-372.61</b>	<b>1202.73</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets & Work -In -Progress	-53.20	-51.39	-378.46	-62.02
Increase in Long term loans and Advances		-10.44	.76	-10.25
(Increase)/Decrease in Other Non Current Assets		-	-	
<b>Net Cash used in Investing activities</b>	<b>-53.20</b>	<b>-61.82</b>	<b>-377.70</b>	<b>-72.27</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares		-	-	200.00
Interest paid	-104.97	-273.48	-266.37	-322.06
Proceeds from Long Term Borrowings		1016.95	1710.47	-508.06
Loans repaid during the year	-203.45	-1514.21	-1761.18	55.56
Proceeds from Short Term Borrowings	108.83	-1607.57	1330.15	-555.20
<b>Net Cash used in financing activities</b>	<b>-199.60</b>	<b>-2378.31</b>	<b>1013.07</b>	<b>-1129.76</b>
<b>Net increase/(decrease) in cash &amp; Cash Equivalents</b>	<b>-195.69</b>	<b>669.27</b>	<b>262.76</b>	<b>.70</b>
<b>Cash and Cash equivalents as at Opening of year</b>	<b>679.85</b>	<b>10.58</b>	<b>3.46</b>	<b>2.76</b>
<b>Cash and Cash equivalents as at Closing of year</b>	<b>484.16</b>	<b>679.85</b>	<b>10.58</b>	<b>3.46</b>

As per our report of even date attached

**For M/s. Kutty and Associates,**

Chartered Accountants

FRN 001640S

**For KUTTY & ASSOCIATES**

P. Sankarankutty, B. Com. FCA, DISA, DIRM  
Chartered Accountant  
Membership No: 23673

**P Sankaran Kutty**

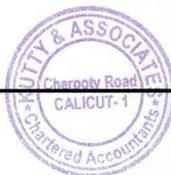
Proprietor

M No 23673

UDIN **24023673BKEIBD3946**

Thrissur

20th February 2024



For and on behalf of the Board of Directors

*Mahendra Kumar Jain*  
Mahendra Kumar Jain  
(Chairman)

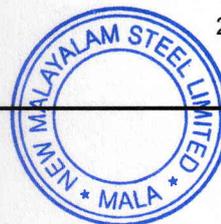
*V.D. Varghese*  
V.D. Varghese  
(Managing Director)

*C.S. Shravan*  
C.S. Shravan  
Kannan Dev  
M No 63168  
(Company Secretary)

*Divya Kumar Jain*  
Divya Kumar  
Jain  
Chief Financial Officer

Malapallipuram

20th February 2024



**NEWMALAYALAM STEELS LIMITED****31.03.2021****Impact in Financial Statements****( Amount in Lakhs)**

<b>Change in Liabilities</b>	<b>Audited Balancesheet</b>	<b>Restated Balancesheet</b>	<b>Net increase in Liabilites</b>
Provision for Income Tax	26.52	167.90	141.38
<b>TOTAL</b>	<b>26.52</b>	<b>167.90</b>	<b>141.38</b>

<b>Change in Asset</b>	<b>Audited Balancesheet</b>	<b>Restated Balancesheet</b>	<b>Net increase in Assets</b>
TDS Receivable	Nil	1.36	1.36
TCS Receivable	Nil	15.02	15.02
Advance Tax	Nil	125.00	125.00
<b>TOTAL</b>	<b>NIL</b>	<b>141.38</b>	<b>141.38</b>

**NEWMALAYALAM STEELS LIMITED****31.03.2022****Impact in Financial Statements****( Amount in Lakhs)**

<b>Change in Liabilities</b>	<b>Audited Balancesheet</b>	<b>Restated Balancesheet</b>	<b>Net increase in Liabilites</b>
Provision for Income Tax	7.15	214.06	206.90
<b>TOTAL</b>	<b>7.15</b>	<b>214.06</b>	<b>206.90</b>

<b>Change in Asset</b>	<b>Audited Balancesheet</b>	<b>Restated Balancesheet</b>	<b>Net increase in Assets</b>
TDS Receivable	Nil	17.06	17.06
TCS Receivable	Nil	9.84	9.84
Advance Tax	Nil	180.00	180.00
<b>TOTAL</b>	<b>NIL</b>	<b>206.90</b>	<b>206.90</b>



**NOTE 1****Share Capital****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Authorised</b>				
130000 Equity shares of Rs.1000 each	1300.00	1300.00	1300.00	1300.00
<b>Issued, Subscribed &amp; fully Paid up</b>				
126476 Equity shares of Rs.1000 each	1264.76	1264.76	1264.76	1264.76
<b>Total</b>	<b>1264.76</b>	<b>1264.76</b>	<b>1264.76</b>	<b>1264.76</b>

**NOTE 1 A**

Particulars	Equity Shares			
	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Shares outstanding at the beginning of the year	126476	126476	126476	106476
Shares issued during the year	-	-	-	20000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	126476	126476	126476	126476

**NOTE 1 B**

Name of the Shareholders holding more than 5% of aggregate shares in the company.

Name of Shareholder	As at 31.10.23		As at 31.03.23		As at 31.03.22	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
V.D VARGHESE	63238	50	63238	50	63238	50
DIVYA KUMAR JAIN	36619	29	36619	29	36619	29
ANKUR JAIN	21295	17	21295	17	21295	17
MAHENDRA KUMAR JAIN	5324	4	5324	4	5324	4

Name of Shareholder	As at 31.03.21	
	No. of Shares held	% of Holding
V.D VARGHESE	63238	50
DIVYA KUMAR JAIN	36619	29
ANKUR JAIN	21295	17
MAHENDRA KUMAR JAIN	5324	4

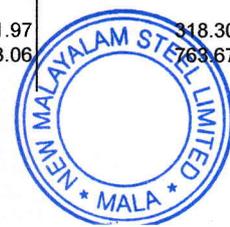
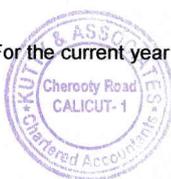
**Shares held by promoters**

Promoter name (as defined in the Companies Act, 2013)	As at 31.10.23			As at 31.03.23		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
V.D VARGHESE	63238	50	-	63238	50	-
DIVYA KUMAR JAIN	36619	29	-	36619	29	-
ANKUR JAIN	21295	17	-	21295	17	-
MAHENDRA KUMAR JAIN	5324	4	-	5324	4	-

Promoter name (as defined in the Companies Act, 2013)	As at 31.03.22			As at 31.03.21		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
V.D VARGHESE	63238	50	-	63238	50	19%
DIVYA KUMAR JAIN	36619	29	-	36619	29	38%
ANKUR JAIN	21295	17	-	21295	17	0%
MAHENDRA KUMAR JAIN	5324	4	-	5324	4	0%

**NOTE 2****Reserves & Surplus****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>a. Statutory Reserve</b>				
Opening Balance				
(+) Current Year Transfer	.00	.00	.00	.00
Closing Balance	.00	.00	.00	.00
<b>b. Surplus</b>				
Opening balance	2355.52	1755.03	1081.97	318.30
(+) Net Profit/(Net Loss) For the current year	403.08	600.49	673.06	763.67
(-) Proposed Dividends				



(-) Transfer to Reserves				
Closing Balance	2758.60	2355.52	1755.03	1081.97
<b>Total</b>	<b>2758.60</b>	<b>2355.52</b>	<b>1755.03</b>	<b>1081.97</b>

**NOTE 3**

**Long Term Borrowings**

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>(A) Secured</b>				
Kotak Mahindra Eicher loan	.00	.00	1.98	7.00
KFC Term loan		NIL	NIL	1285.31
SBI CCECL Loan			.00	0.92
HDFC Bank Car loan	35.93	29.49	41.29	NIL
SBI GECL Loan 2	58.03	156.15	170.04	NIL
SBI GECL Loan	56.17	56.85	169.61	282.08
SBI Term Loans		NIL	980.58	NIL
SBI Solar Loan	.00	91.78	42.97	NIL
SBI Solar Loan (Forex)	77.46	.00	.00	NIL
SBI New term loan (Forex)	331.17	574.95	NIL	NIL
<b>(B) Unsecured loan from directors</b>				
Molly Varghese	256.00	200.00	200.00	100.00
Suman Jain	100.00	100.00	100.00	100.00
Cyriac Varghese	34.00			
V D Varghese	57.00			
<b>Total</b>	<b>1005.76</b>	<b>1209.22</b>	<b>1706.48</b>	<b>1775.31</b>

**Primary Security**

1. GECL Loans - Hypothecation charge over Stocks and Receivables
2. SBI Solar Loan - Hypothecation of Solar Panel and related equipments
3. Vehicle Loans - Hypothecation of Eicher Truck & Car
4. SBI Term Loans -

(i) Hypothecation of Plant & Machinery

(ii) Equitable Mortgage over following immovable properties

- a. 107.85 ares of land in the name of Sri Varghese V D S/o Davis V V in Sy No 262/3-30 at Pallipuram Village, Kodungallur Taluk.
- b. 87.81 ares of land in the name of Smt Molly Varghese W/o Varghese V D in Sy No 262/3-29 at Pallipuram Village, Kodungallur Taluk.

**Collateral Security**

1. SBI solar Loan and GECL Loans -

Equitable Mortgage over following immovable properties

- a. 19.33 Ares of land in the name of Smt Molly Varghese W/o Varghese V D, in SY no 155/2 at Perambra Village in Chalakudy Taluk
- b. 28.34 Ares of land in the name of M/s Newmalayalam Steel P Ltd in Sy no 388/1-2p, 388/4-3p, 388/5-3p, 388/3-3p, 388/3-2p, 388/4-2p, 388/5-2p, situated at Poyya Village, Kodungallur Taluk.
- c. 56.33 Ares of land in the name of Shri Varghese V D S/o Davis V V in Sy No 571/1 situated at Poyya Village, Kodungallur Taluk

All SBI Credit facilities are secured by Personal Guarantee of Shri. V D Varghese, Shri. Cyriac Varghese, Smt. Molly Varghese, Shri. Mahendra Kumar Jain, Shri. Divya Kumar Jain, Smt Suman Jain.

**NOTE 4**

**Deferred tax liabilities(Net)**

(Rs. in Lakhs)

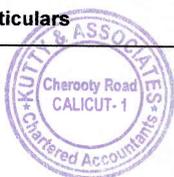
Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Deferred tax liabilities</b>				
Depreciation	158.68	131.36	115.14	97.79
Others	.00	.00	.00	
<b>Deferred tax asset</b>				
Employee benefits / expenses allowable on payment basis	.00	.00	.00	
Provision for doubtful debts	.00	.00	.00	
Unabsorbed depreciation and business losses	.00	.00	.00	
Others	.00	.00	.00	
	<b>158.68</b>	<b>131.36</b>	<b>115.14</b>	<b>97.79</b>

**NOTE 5**

**Short Term Borrowings**

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
SBI Cash Credit Account	1133.92	105.77	2004.60	1379.49
SBI Adhoc Loan		NIL	705.04	



Buyers Credit		960.22	NIL	
Current maturity of long term borrowings (As per Note 5A)	580.92	540.02	503.95	485.83
<b>Total</b>	<b>1714.84</b>	<b>1606.01</b>	<b>3213.58</b>	<b>1865.31</b>

#### NOTE 5 A

##### Current maturity of long term borrowings

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
KFC Loan	.00	.00	.00	280.50
Kotak Mahindra Vehicle loan	.00	1.98	5.27	4.78
SBI CCECL Loan	.00	NIL	10.89	144.44
SBI Solar Loan	.00	27.97	22.50	NIL
SBI Solar Loan (Forex)	25.80	.00	.00	.00
HDFC Car loan	.00	11.80	8.71	NIL
SBI Term Loans	.00	NIL	344.37	NIL
SBI Term Loans - Forex	396.00	372.00	NIL	NIL
SBI GECL Loan	46.92	112.20	112.20	56.10
SBI GECL Loan 2	112.20	14.08	NIL	NIL
<b>Total</b>	<b>580.92</b>	<b>540.02</b>	<b>503.95</b>	<b>485.83</b>

##### Primary Security

- Cash Credit and GECL Loans - Hypothecation charge over Stocks and Receivables
- SBI Solar Loan - Hypothecation of Solar Panel and related equipments
- Vehicle Loans - Hypothecation of Eicher Truck & Car
- SBI Term Loans -

(I) Hypothecation of Plant & Machinery

(II) Equitable Mortgage over following immovable properties

- 107.85 ares of land in the name of Sri Varghese V D S/o Davis V V in Sy No 262/3-30 at Pallipuram Village, Kodungallur Taluk.
- 87.61 ares of land in the name of Smt Molly Varghese W/o Varghese V D in Sy No 262/3-29 at Pallipuram Village, Kodungallur Taluk.

##### Collateral Security

- Cash Credit, SBI solar Loan and GECL Loans -

Equitable Mortgage over following immovable properties

- 19.33 Ares of land in the name of Smt Molly Varghese W/o Varghese V D, in SY no 155/2 at Perambra Village in Chalakudy Taluk
- 28.34 Ares of land in the name of M/s Newmalayalam Steel P Ltd in Sy no 388/1-2p, 388/4-3p, 388/5-3p, 388/3-3p, 388/3-2p, 388/4-2p, 388/5-2p, situated at Poyya Village, Kodungallur Taluk.
- 56.33 Ares of land in the name of Shri Varghese V D S/o Davis V V in Sy No 571/1 situated at Poyya Village, Kodungallur Taluk

All SBI Credit facilities are secured by Personal Guarantee of Shri. V D Varghese, Shri. Cyriac Varghese, Smt. Molly Varghese, Shri. Mahendra Kumar Jain, Shri. Divya Kumar Jain, Smt Suman Jain.

#### NOTE 6

##### Trade Payables

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Undisputed outstanding for a period less than 1 year</b>				
<b>a) Due to Micro Small Medium Enterprises</b>				
(i) For purchases				
(ii) For expenses		13.88	11.61	1.68
<b>b) Due to other than Micro Small Medium Enterprises</b>				
(i) For purchases	2038.35	1758.92	559.83	0.50
(ii) For expenses	41.13	4.87	74.55	16.66
<b>Total</b>	<b>2079.48</b>	<b>1777.67</b>	<b>645.99</b>	<b>18.83</b>

##### Trade Payables Ageing Schedule as at 31.10.2023

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	12.97	.14		.40	13.51
(ii) Others	2065.46	.01		.50	2065.97
(iii) Disputed dues - MSME					.00
(iv) Disputed dues - Others					.00
<b>Total</b>	<b>2078.43</b>		<b>.00</b>		<b>2079.48</b>

##### Trade Payables Ageing Schedule as at 31.03.2023

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.88				13.88
(ii) Others	1763.30		.50		1763.80
(iii) Disputed dues - MSME					.00
(iv) Disputed dues - Others					.00

Total	1777.17	.50	1777.67
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**Trade Payables Ageing Schedule as at 31.03.2022**

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11.61	.00	.00	.00	11.61
(ii) Others	634.38	.00	.00	.00	634.38
(iii) Disputed dues - MSME	.00	.00	.00	.00	.00
(iv) Disputed dues - Others	.00	.00	.00	.00	.00
<b>Total</b>	<b>645.99</b>				<b>645.99</b>

**NOTE 7**

**Other Current Liabilities**

Particulars	(Rs. in Lakhs)			
	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Advances	160.34	69.29	25.56	32.00
Audit Fee Payable	1.75	1.75	1.40	1.15
Cost Audit Fee Payable	.60	.60	.60	1.40
Internal Audit Fee Payable		.80	NIL	0.45
Electricity Payable		12.89	16.95	19.04
Gst payable	.12			
ESIC Payable	.69	.64	.53	0.36
Remuneration payable	12.75			
House Rent Payable	.22	NIL	.41	1.52
IGST Payable		NIL	NIL	80.95
KFC Payable		NIL	NIL	0.09
Incentive on Sales Payable		.35	NIL	0.34
Income Tax Payable FY 2022-23	188.37	.00	.00	.00
Gratuity Payable		62.33	NIL	NIL
Interest on Car Loan Payable		.19	.25	NIL
Interest payable - Buyers credit		3.43	NIL	NIL
Provident Fund Payable	2.70	2.98	2.08	1.37
Professional Fees Payable		NIL	.16	0.16
Reverse Charge payable	.00	.00	NIL	0.07
Salary Payable	25.13	31.53	22.66	16.76
Other Creditors		NIL	NIL	0.72
TCS Payable	.91	1.35	1.59	3.38
TDS Payable	8.09	13.82	14.43	15.04
<b>Total</b>	<b>401.67</b>	<b>201.93</b>	<b>86.63</b>	<b>174.81</b>

**NOTE 8**

**Short Term Provisions**

Particulars	(Rs. in Lakhs)			
	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Provision for Tax	143.47	188.37	214.06	167.90
<b>Total</b>	<b>143.47</b>	<b>188.37</b>	<b>214.06</b>	<b>167.90</b>

**NOTE 10**

**Long Term Loans and Advances**

Particulars	(Rs. in Lakhs)			
	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
KSEB Deposit	27.72	27.72	27.72	27.72
KFC Deposit	11.00	11.00	NIL	
Rent Advance	1.66	1.66	2.22	3.20
GST Security deposit*	.37	.37	.37	
Sales Tax Deposit	NIL	NIL	NIL	0.15
<b>Total</b>	<b>40.75</b>	<b>40.75</b>	<b>30.31</b>	<b>31.07</b>

\*Security Deposit was made to file Appeal (Refer Point 3 of Notes forming part of accounts)

**NOTE 11**

**Inventories**

(Valued at Lower of cost or net realisable value)

Particulars	(Rs. in Lakhs)			
	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Raw Materials	2715.05	2551.90	2138.46	397.84
Finished Goods	1252.16	960.59	1072.91	875.68
Stock in trade	123.69	42.91	55.73	-
Stores & Spares	64.48	59.33	32.70	20.26
Consumables	52.76	49.55	22.35	30.50
<b>Total</b>	<b>4208.14</b>	<b>3664.28</b>	<b>3322.15</b>	<b>1324.29</b>

Inventories are hypothecated with SBI against Working Capital Limits

## NOTE 12

## Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Outstanding for a period less than 6 months</b>				
Undisputed Trade Receivables considered good	1589.06	1025.13	1788.00	1275.13
<b>Outstanding for a period for more than 6 months upto 1 year</b>				
Undisputed Trade Receivables considered good	1.15	.35	10.79	2.22
<b>Outstanding for a period for more than 1 year upto 2 year</b>				
Undisputed Trade Receivables considered good	2.93	11.87		0.25
Disputed Trade Receivables considered doubtful				4.09
<b>Outstanding for a period for more than 2 year upto 3 year</b>				
Disputed Trade Receivables considered doubtful	9.77		4.09	24.93
<b>Outstanding for a period for more than 3 year</b>				
Disputed Trade Receivables considered doubtful	29.02	29.02	24.93	-
<b>Grand Total</b>	<b>1631.92</b>	<b>1066.37</b>	<b>1827.81</b>	<b>1306.62</b>

Trade Receivables are hypothecated with SBI against Working Capital Limits

## NOTE 13

## Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>A. Cash and Cash Equivalents</b>				
<b>1. Balances with banks</b>				
a. State Bank of India				0.51
a. State Bank of India Cash Credit Account	NIL	NIL	.47	-
b. Axis bank OD	.45	2.36	NIL	-
<b>2. Cash on hand</b>				
a. Cash on Hand	4.78	1.91	2.41	2.95
b. GST Cash ledger balance	NIL	NIL	NIL	.00
<b>B. Other Bank Balances</b>				
a. State Bank of India Bank Guarantee Deposits*	8.09	8.07	7.70	-
SBI FD	470.84	396.54	NIL	-
Axis bank FD	.00	270.97	NIL	-
	<b>484.16</b>	<b>679.85</b>	<b>10.58</b>	<b>3.46</b>

## NOTE 14

## Short-Term Loans and Advances

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Advances</b>				
a) For purchase of Raw Material	353.70	468.10	1020.91	1586.19
b) Employee Advance	4.89	1.30	19.47	3.62
c) For Expenses	64.28	60.59	13.41	2.24
<b>Total</b>	<b>422.88</b>	<b>530.00</b>	<b>1053.79</b>	<b>1592.05</b>

## NOTE 15

## Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
GST credit ledger	78.79	358.59	251.11	.00
Advance License Fee	.86	1.38	1.88	2.39
Demac Roofing	155.00	.00	.00	.00
Prepaid Expenses	.00	1.51	2.19	1.78
Advertisement prepaid	.00	5.99	Nil	Nil
Income Tax Refundable AY 2019-20	.00	12.06	12.06	12.06
KFC Loan refundable	.05	.05	.15	NIL
Security containers	1.84	.00	.00	.00
LIC	.04	.00	.00	.00
TDS Receivable 22-23	24.54	.00	.00	.00
SBI CSR fund	14.00	.00	.00	.00
TDS Receivable	12.23	24.54	17.06	01.36
TCS Receivable	.01	NIL	9.84	15.02



Advance Tax FY 2022-23	165.00	.00	.00	0.00
Advance Tax	50.00	165.00	180.00	125.00
Self Assessment Tax FY 2022-23	40.00	.00	.00	.00
Self Assessment Tax FY 2021-22	50.00	.00	.00	.00
CGST 9%	1.05	.80	2.34	0.19
SGST 9%	1.05	.80	2.34	0.19
IGST 18%	.00	.15	.21	0.03
TDS Receivable			-	
<b>Total</b>	<b>594.47</b>	<b>570.89</b>	<b>479.19</b>	<b>158.02</b>



**NOTE 16****Revenue from Operations****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Sales GST	17998.57	35552.93	31828.91	30006.87
Add: Price difference	1.08	2.07	.12	
Less: Discount	77.94	62.41	28.98	2.04
Less: Sales return	11.19	12.75	8.34	
<b>Total</b>	<b>17910.52</b>	<b>35479.84</b>	<b>31791.72</b>	<b>30004.83</b>

**NOTE 17****Other Income****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Miscellaneous Income	NIL	NIL	6.91	0.00
Discount Received	26.33	442.16	546.68	402.98
Dollar Difference	79.53	64.24	NIL	29.88
Interest Received	31.29	8.05	14.37	18.11
Profit on sale of fixed asset	NIL	.17	NIL	
Income tax refund	.03	.07	NIL	
Interest Subvention Received	NIL	NIL	.30	6.00
KSEB Deposit Interest	NIL	1.18	.94	2.77
Flood Rebuild Scheme (DIC)	NIL			16.74
Rental Income	NIL			0.44
<b>Total</b>	<b>137.18</b>	<b>515.87</b>	<b>569.20</b>	<b>476.92</b>

**NOTE 18****Cost of Materials Consumed & Direct Expenses****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Opening Stock of Raw Material	2551.90	2138.46	397.84	1934.62
Purchase of Raw Material & Consumables (Note 18 A)	17051.11	33917.20	31579.74	26833.54
Add : Direct Expenses (Note 18 B)	397.60	496.82	368.58	388.75
Less: Closing stock of Raw material	2715.05	2551.90	2138.46	397.84
<b>Total</b>	<b>17285.57</b>	<b>34000.59</b>	<b>30207.70</b>	<b>28759.06</b>

**NOTE 18 A****Purchase of Raw Material & Consumables****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Purchase of Raw Material	16996.43	33838.48	31444.60	26697.68
<b>Consumables</b>				
Opening Stock	49.55			
Consumable purchase	57.89			
Less: Closing Stock	52.76	54.68	78.71	135.13
<b>Total</b>	<b>17051.11</b>	<b>33917.20</b>	<b>31579.74</b>	<b>26833.54</b>



**NOTE 18 B****Direct Expenses****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Cleaning and Support Charges	10.70	13.40	16.41	1.84
Clearing & forwarding charges	45.28	12.55	NIL	7.49
Transportation and Handling Charge	66.72	23.95	8.42	27.45
Electricity Charges	93.16	175.00	156.08	184.97
DGFT Expense	4.14	1.97	NIL	
Liner charge	21.22	1.69	NIL	
Import Expense		22.18	NIL	0.52
Wages	156.38	246.08	187.67	166.47
<b>Total</b>	<b>397.60</b>	<b>496.82</b>	<b>368.58</b>	<b>388.75</b>

**NOTE 19****Changes in inventories of Stock in Trade****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Inventories at the opening</b>				
Stock in trade	42.91	55.73	522.03	
<b>Inventories at the end of the year</b>				
Stock in trade	123.69	42.91	55.73	
<b>Total</b>	<b>-80.78</b>	<b>12.82</b>	<b>466.31</b>	

**NOTE 20****Changes in Inventories of Finished Goods****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
<b>Inventories at the opening</b>				
Finished goods	960.59	1072.91	875.68	626.20
<b>Inventories at the end of the year</b>				
Finished goods	1252.16	960.59	1072.91	875.68
<b>Total</b>	<b>-291.57</b>	<b>112.32</b>	<b>-197.22</b>	<b>-249.49</b>

**NOTE 21****Employee Benefits Expenses****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Salary and Allowances	182.53	312.11	306.56	295.42
Bonus	.00	23.45	18.18	16.96
Gratuity	.00	62.53	.00	.00
Employees Welfare	16.81	26.84	15.52	11.20
Employee Insurance	.22	.17	NIL	
ESIC	3.96	5.79	4.01	3.89
P.F	8.90	13.32	8.58	8.16
<b>Total</b>	<b>212.41</b>	<b>444.19</b>	<b>352.84</b>	<b>335.63</b>

**NOTE 22****Finance Costs****(Rs. in Lakhs)**

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Interest on Cash Credit Account	20.59	108.24	81.14	98.89
Interest on Eicher loan	.21	.49	.92	1.20
Interest on KFC Loan	.00	NIL	118.95	155.78
Interest on HDFC Car Loan	1.33	3.03	.25	.00
Interest on GECL Loan 2	9.18	14.00	2.72	11.95
Interest on CCECL Loan	NIL	NIL	5.50	12.41
Interest on GECL Loan	7.26	19.50	24.75	
Interest on Adhoc Loan	.00	20.53	12.06	
Interest for SBI Term Loans	.00	83.57	1.78	
Other Interest	.00	19.37	18.29	39.29
Interest on Buyers credit	21.34	3.43	NIL	
Interest of SBI Solar Loan	2.60	.70	NIL	
Interest for Term Loan Forex	42.45	.63	NIL	
Interest on interest loan				2.45
Overdue Interest & Bounce Charges - KOTAK				0.09
<b>Total</b>	<b>104.97</b>	<b>273.48</b>	<b>266.37</b>	<b>322.06</b>

**NOTE 23**

**Other Expenses**

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Audit Fee( Refer note 23 A )	-	1.95	1.64	1.42
Advertisement Charges	19.15	28.97	43.15	29.29
AMC Charges	.00	.50	1.00	
Axis bank expense	.62	3.94	NIL	
Bank Charges	13.37	11.16	.37	0.54
Bad debt written off	.00	NIL	1.44	
Building Tax	.62	NIL	.53	0.61
Building Repair	.00	.32	1.22	
Business promotion expense	.00	.18	NIL	
Commission	.00	12.00	11.90	35.46
Company Listing Charges	1.00			
Cost Audit Fee	.00	.55	.89	0.55
CSR Expenditure	.00	NIL	8.20	
Donation	.89	1.56	1.12	1.96
Discount Allowed	13.90	19.56	33.98	29.38
Factory Land Rent	.00	1.20	1.20	1.20
Fees and Charge	4.57	2.94	4.55	1.83
Filing Fee	.01	.29	.70	1.55
GST Expense	2.68	.30	NIL	9.79
GST Interest	.95	9.93	NIL	
House Rent	2.82	5.38	6.61	15.11
Hoarding Rent	NIL	NIL	.64	0.55
Insurance	6.04	6.16	4.94	4.12
Insurance on Scooter	.06			
Penalty	.00	.01	.01	.00
Internal Audit Fee	.00	.80	.45	0.45



Income tax		.00	1.37	4.08	0.10
Interest on TDS		.10	.00	NIL	
Incentive on sales		1.18	3.41	1.77	2.98
Import xp		13.42			
Loan Processing Fee		8.50	6.97	.74	7.30
Licence Fees & Taxes		1.24	1.92	1.44	1.60
Medical Expense		.29	.80	1.97	0.51
Other Expense(Round off)		.00	.00	.01	0.16
Electricity Bill		.03	.29	.51	0.09
Office Expenses		.69	.94	.75	1.00
Petrol and Diesel		5.97	13.14	12.43	11.05
PF Administration Expense		.64	1.10	.75	0.79
Postage and Courier		.32	.59	.59	0.47
Printing & Stationery		.34	1.13	2.18	0.76
Loss on sale of fixed asset		.00	1.33	NIL	
Professional Charge		2.25	2.17	1.89	2.58
<b>Repairs &amp; Maintenance</b>					
Opening Stock	59.33				
Add:Purchases	44.00				
Less:Closing Stock	64.48	38.84	38.69	62.66	56.83
Solar expense		.31	.07	NIL	
Salary to Security Guards		5.34	8.43	4.53	4.35
Sales tax deposit written off		.00	NIL	.15	-
Transportation		.54	.94	1.10	1.76
Travelling Expenses		.65	3.79	4.00	4.48
Vehicle Repairs		.70	5.15	2.54	2.86
Water charge		4.25	1.96	NIL	
<b>Total</b>		<b>152.28</b>	<b>201.88</b>	<b>228.64</b>	<b>233.50</b>

**NOTE 23 A**

**Audit Fee**

(Rs. in Lakhs)

Particulars	As at 31.10.23	As at 31.03.23	As at 31.03.22	As at 31.03.21
Payments to the auditor as				
a. Statutory Auditor,		1.50	1.20	1.00
b. Tax Audit Fee		.25	.20	0.15
c. Taxation matter		.10	.24	
d. For other services		.04	.00	0.27
e. For reimbursement expenses		.06	.00	
<b>Total</b>	<b>.00</b>	<b>1.95</b>	<b>1.64</b>	<b>1.42</b>



FY 2023-24 (Up to 31.10.2023)

NOTE 9

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 31.03.2023	Additions	Deletions	As at 31.10.2023	As at 31.03.2023	Depreciation for the year	Depreciation for Transfer	As at 31.10.2023	As at 31.03.2023	As at 31.10.2023
<b>A) Tangible Assets</b>										
Land	26.05			26.05	.00	.00		.00	26.05	26.05
Building	807.93			807.93	105.97	14.95		120.91	701.96	687.02
Office Building	15.50			15.50	1.93	.29		2.22	13.57	13.28
Biometric machine	.09			.09	.08	.00		.08	.00	.00
Temporary shed	.34			.34	.32	.00		.32	.02	.02
Electrical Fittings	20.90			20.90	9.74	1.16		10.90	11.16	10.00
Furniture & Fittings	2.08			2.08	1.00	.12		1.11	1.08	.96
Car	11.27			11.27	7.56	.78		8.34	3.71	2.93
Air Conditioner	4.09			4.09	3.20	.45		3.66	.89	.44
Television, CCTV	1.94			1.94	1.84	.00		1.84	.10	.10
Computer	7.89	.96		8.86	7.59	.15		7.73	.31	1.12
TV and Fridge	.62			.62	.57	.02		.59	.05	.03
Machinery	728.20	2.60		730.80	310.96	26.98		337.93	417.24	392.86
New Machinery	749.93			749.93	215.54	27.70		243.24	534.39	506.69
Etcher	.00			.00	.00	.00		.00	.00	.00
Etcher 2	19.76			19.76	10.61	1.37		11.98	9.16	7.79
Phone	1.84	1.02		2.86	1.50	.24		1.74	.34	1.11
Server Machine	90.35			90.35	5.88	3.34		9.21	84.47	81.13
Fire Extinguisher	.24			.24	.23	.00		.23	.01	.01
Wall Fan	.19			.19	.04	.01		.05	.15	.14
Staff Quarters	71.07			71.07	3.75	1.31		5.06	67.32	66.01
Benz car	55.80			55.80	6.43	3.87		10.30	49.37	45.50
Paper Shredder	.09			.09	.03	.00		.03	.06	.06
Well & tank	18.06			18.06	.43	.33		.76	17.63	17.29
RO Plant	15.49			15.49	.98	.57		1.55	14.51	13.93
Solar Plant	172.83		3.92	168.91	.72	6.38	.01	7.09	172.11	161.82
Tile work	28.21			28.21	.89	.52		1.42	27.32	26.79
Weighing machine	.60			.60	.00	.01		.01	.00	.59
Crane	19.21			19.21	.00	.21		.18	.00	19.00
Transformer	12.90			12.90	.00	.18		.18	.00	12.72
TVS Jupiter	.91			.91	.00	.04		.04	.00	.87
<b>Total</b>	<b>2850.74</b>	<b>38.19</b>	<b>3.92</b>	<b>2885.01</b>	<b>697.78</b>	<b>90.98</b>	<b>.01</b>	<b>788.74</b>	<b>2152.96</b>	<b>2096.27</b>
<b>B) Intangible assets</b>										
Software	.54	.00	.00	.54	.51	.00		.51	.03	.03
<b>Total</b>	<b>.54</b>	<b>.00</b>	<b>.00</b>	<b>.54</b>	<b>.51</b>	<b>.00</b>		<b>.51</b>	<b>.03</b>	<b>.03</b>
<b>C) Capital Work in Progress</b>										
Transfer to Fixed Asset										
New Building Construction	29.71	18.92		48.63	.00	.00		.00	29.71	48.63
Well & tank	.00			.00	.00	.00		.00	.00	.00
RO Plant	.00			.00	.00	.00		.00	.00	.00
Solar Plant	.00			.00	.00	.00		.00	.00	.00
Tile work	.00			.00	.00	.00		.00	.00	.00
<b>Total</b>	<b>29.71</b>	<b>18.92</b>	<b>.00</b>	<b>48.63</b>	<b>.00</b>	<b>.00</b>		<b>.00</b>	<b>29.71</b>	<b>48.63</b>



Grand total		2880.99	57.12	3.92	2934.18	698.29	90.98	.01	789.25	2182.69	2144.93
Property, Plant and Equipment and Intangible assets (Rs. in Lakhs)											
Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK				
	As at 01.04.2022	Additions	Deletions	As at 31.03.2023	As at 31.03.2022	Depreciation for the year	Depreciation for Transfer	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	
<b>A) Tangible Assets</b>											
Land	26.05	.00	.00	26.05	.00	.00	.00	.00	26.05	.00	26.05
Building	807.93	.00	.00	807.93	80.35	25.61	.00	105.97	727.57	1.93	701.96
Office Building	15.50	.00	.00	15.50	1.44	.49	.00	.08	14.06	.02	13.57
Biometric machine	.09	.00	.00	.09	.07	.00	.00	.32	.02	.02	.00
Temporary shed	.34	.00	.00	.34	.32	.00	.00	.00	.02	.00	.00
Electrical Fittings	20.54	.36	.00	20.90	7.78	1.97	.00	9.74	12.77	11.16	11.16
Furniture & Fittings	2.08	.00	.00	2.08	.80	.20	.00	1.00	1.28	1.08	1.08
Car	11.27	.00	.00	11.27	6.22	1.34	.00	7.56	5.05	3.71	3.71
Air Conditioner	4.09	.00	.00	4.09	2.43	.78	.00	3.20	1.67	.89	.89
Television, CCTV	1.94	.00	.00	1.94	1.53	.31	.00	1.84	.10	.10	.10
Computer	7.44	.46	.00	7.89	7.07	.51	.00	7.59	.36	.31	.31
TV and Fridge	.62	.00	.00	.62	.45	.12	.00	.57	.17	.05	.05
Machinery	728.20	.00	.00	728.20	264.86	46.09	.00	310.96	463.33	417.24	417.24
New Machinery	745.35	6.50	1.91	749.93	168.35	47.52	.33	215.54	577.00	534.39	534.39
Eicher 1	14.66	.00	14.66	.00	8.09	.24	.00	.00	6.57	.00	.00
Eicher 2	19.76	.00	.00	19.76	8.26	2.35	.00	10.61	11.50	9.16	9.16
Phone	1.84	.00	.00	1.84	1.15	.35	.00	1.50	.69	.34	.34
Server Machine	90.35	.00	.00	90.35	.16	5.72	.00	5.88	90.19	84.47	84.47
Fire Extinguisher	.24	.00	.00	.24	.20	.03	.00	.23	.04	.01	.01
Wall Fan	.19	.00	.00	.19	.02	.02	.00	.17	.17	.15	.15
Staff Quarters	71.07	.00	.00	71.07	1.49	2.25	.00	3.75	69.57	67.32	67.32
Benz car	55.20	.60	.00	55.80	6.43	6.43	.00	6.43	55.20	49.37	49.37
Paper Shredder	.09	.00	.00	.09	.02	.01	.00	.03	.07	.06	.06
Well & tank	18.06	.00	.00	18.06	.43	.43	.00	.43	17.63	17.63	17.63
RO Plant	15.49	.00	.00	15.49	.98	.98	.00	.72	14.51	14.51	14.51
Solar Plant	172.83	.00	.00	172.83	.72	.72	.00	.72	172.11	172.11	172.11
Tile work	28.21	.00	.00	28.21	.89	.89	.00	.89	27.32	27.32	27.32
<b>Total</b>	<b>2624.82</b>	<b>242.49</b>	<b>16.56</b>	<b>2850.74</b>	<b>561.07</b>	<b>145.37</b>	<b>8.66</b>	<b>697.78</b>	<b>2063.75</b>	<b>2152.96</b>	
<b>B) Intangible assets</b>											
Software	.54	.00	.00	.54	.51	.00	.00	.51	.03	.03	.03
<b>Total</b>	<b>.54</b>	<b>.00</b>	<b>.00</b>	<b>.54</b>	<b>.51</b>	<b>.00</b>	<b>.00</b>	<b>.51</b>	<b>.03</b>	<b>.03</b>	
<b>C) Capital Work in Progress</b>											
			<b>Transfer to Fixed Asset</b>								
New Building Construction	.00	29.71	.00	29.71	.00	.00	.00	.00	.00	.00	29.71
Well & tank	11.18	6.88	18.06	.00	.00	.00	.00	.00	11.18	.00	.00
RO Plant	8.20	.00	8.20	.00	.00	.00	.00	.00	8.20	.00	.00
Solar Plant	166.47	6.36	172.83	.00	.00	.00	.00	.00	166.47	.00	.00
Tile work	28.21	.00	28.21	.00	.00	.00	.00	.00	28.21	.00	.00
<b>Total</b>	<b>214.06</b>	<b>42.95</b>	<b>227.30</b>	<b>29.71</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>214.06</b>	<b>29.71</b>	
<b>Grand total</b>	<b>2839.41</b>	<b>285.44</b>	<b>243.86</b>	<b>2880.99</b>	<b>561.58</b>	<b>145.37</b>		<b>698.29</b>	<b>2277.83</b>	<b>2182.69</b>	



FY 2021-22

Particulars	GROSS BLOCK						Property, Plant and Equipment and Intangible assets (Rs. in Lakhs)				NET BLOCK	
	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2021	Depreciation for the year	Depreciation for Transfer	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022
<b>A) Tangible Assets</b>												
Land	26.05	-	-	26.05	-	-	-	-	-	-	26.05	26.05
Building	807.93	-	-	807.93	54.74	25.61	-	80.35	-	80.35	753.18	727.57
Office Building	15.50	-	-	15.50	0.95	0.49	-	1.44	-	1.44	14.55	14.06
Biometric machine	0.09	-	-	0.09	0.05	0.02	-	.07	-	.07	.03	.02
Temporary shed	0.34	-	-	0.34	0.32	0.00	-	.32	-	.32	.02	.02
Electrical Fittings	20.54	-	-	20.54	5.82	1.95	-	7.78	-	7.78	14.72	12.77
Furniture & Fittings	2.08	-	-	2.08	0.60	0.20	-	.80	-	.80	1.47	1.28
Car	11.27	-	-	11.27	4.88	1.34	-	6.22	-	6.22	6.39	5.05
Air Conditioner	4.09	-	-	4.09	1.65	0.78	-	2.43	-	2.43	2.44	1.67
Television, CCTV	1.94	-	-	1.94	1.16	0.37	-	1.53	-	1.53	.78	.41
Computer	7.28	0.16	-	7.44	5.58	1.49	-	7.07	-	7.07	1.70	.36
TV and Fridge	0.62	-	-	.62	0.33	0.12	-	.45	-	.45	.29	.17
Machinery	728.20	-	-	728.20	218.77	46.09	-	264.86	-	264.86	509.43	463.33
New Machinery	745.35	-	-	745.35	121.17	47.18	-	168.35	-	168.35	624.18	577.00
Eicher	14.66	-	-	14.66	6.35	1.74	-	8.09	-	8.09	8.31	6.57
Eicher 2	19.76	-	-	19.76	5.91	2.35	-	8.26	-	8.26	13.85	11.50
Phone	1.84	-	-	1.84	0.80	0.35	-	1.15	-	1.15	1.04	.69
Server Machine	-	90.35	-	90.35	-	0.16	-	.16	-	.16	.00	90.19
Fire Extinguisher	0.24	-	-	.24	0.16	0.05	-	.20	-	.20	.08	.04
Wall Fan	0.19	-	-	.19	0.01	0.02	-	.02	-	.02	.19	.17
Staff Quarters	-	71.07	-	71.07	-	1.49	-	1.49	-	1.49	.00	69.57
Benz car	-	55.20	-	55.20	-	-	-	.00	-	.00	.00	55.20
Paper Shredder	0.09	-	-	.09	0.01	0.01	-	.02	-	.02	.08	.07
<b>Total</b>	<b>2408.04</b>	<b>216.77</b>	<b>-</b>	<b>2624.82</b>	<b>429.27</b>	<b>131.80</b>	<b>-</b>	<b>561.07</b>	<b>-</b>	<b>561.07</b>	<b>1978.77</b>	<b>2063.75</b>
<b>B) Intangible assets</b>												
Software	0.54	-	-	0.54	0.51	-	-	0.51	-	0.51	0.03	0.03
<b>Total</b>	<b>0.54</b>	<b>-</b>	<b>-</b>	<b>0.54</b>	<b>0.51</b>	<b>-</b>	<b>-</b>	<b>0.51</b>	<b>-</b>	<b>0.51</b>	<b>0.03</b>	<b>0.03</b>
<b>C) Capital Work in Progress</b>												
Staff Quarters Construction	52.37	18.70	71.07	-	-	-	-	-	-	-	52.37	-
Well & tank	-	11.18	-	11.18	-	-	-	-	-	-	-	11.18
RO Plant	-	8.20	-	8.20	-	-	-	-	-	-	-	8.20
Solar Plant	-	166.47	-	166.47	-	-	-	-	-	-	-	166.47
Tile work	-	28.21	-	28.21	-	-	-	-	-	-	-	28.21
<b>Total</b>	<b>52.37</b>	<b>232.75</b>	<b>71.07</b>	<b>214.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52.37</b>	<b>214.06</b>
<b>Grand total</b>	<b>2460.95</b>	<b>449.53</b>	<b>71.07</b>	<b>2839.41</b>	<b>429.78</b>	<b>131.80</b>	<b>-</b>	<b>561.58</b>	<b>-</b>	<b>561.58</b>	<b>2031.17</b>	<b>2277.83</b>

FY 2020-21

Particulars	GROSS BLOCK				Property, Plant and Equipment and Intangible assets (Rs. in Lakhs)				Net Block		
	As at 01.04.2020	Additions	As at 31.03.2021	As at 31.03.2020	Depreciation for the year	Depreciation for Transfer	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	
											ACCUMULATED DEPRECIATION
<b>Tangible assets</b>											
Land	26.05	-	26.05	.00	.00	-	.00	.00	.00	.00	26.05





**NEWMALAYALAM STEEL LIMITED**  
**Formerly known as Newmalayalam Steel Private Limited**  
**CIN - U27209KL2017PLC048762**  
**MALAPALLIPURAM P.O THRISSUR- 680732**

**Accounting policies and notes forming part of the accounts**

Accounting policies followed by the company:

**1. Corporate Information**

The New Malayalam Steel Private Limited was incorporated as a Private Limited Company as on 31.03.2017 as per the provisions of Companies Act, 2013. The Registered Office and factory is at Malapallipuram P.O, Chenthurthy, Thrissur. The company converted into Limited Company on 1<sup>st</sup> February 2024. The Company is engaged in the manufacture and trading of Galvanized Steel Pipes, steel Tubes and Galvanized Steel Sheets of various sizes under the Brand Name "DEMAC".

**2. Basis for preparation of financial statements**

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention, on accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

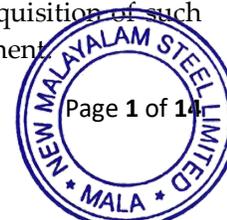
**3. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date on financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

**4. Property, Plant and Equipment/Intangible assets and Capital Work in Progress**

Tangible assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment in value if any. Direct Costs are capitalized until such assets are ready for use.

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the company and cost of the assets can be measured reliably. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.



Capital work in progress comprises the cost of tangible and intangible assets that are yet ready for their intended use at the reporting date.

#### 5. Depreciation

Depreciation is provided on Straight Line Method. The useful lives adopted are as prescribed under Schedule II of the Companies Act 2013.

The company has used the following useful life to provide depreciation on its Property, Plant and Equipment.

Asset	Useful Life
Building	30 yrs
Computer	3 yrs
Software	3 yrs
Plant and Machinery	15 yrs
Electrical Equipments	10 yrs
Electrical Fittings	10 yrs
Furniture & Fittings	10yrs
Fire Extinguisher	5yrs
Biometric Machine	5yrs
Phone	5yrs
Tv ,Fridge,CCTV	5yrs
Air Conditioner	5yrs
Car	8yrs
Temporary Shed	3yrs

#### 6. Inventories

Inventories are valued at lower of cost or net realizable value. Cost includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location. Cost is determined on "First-In-First-Out" basis.

#### 7. Recognition of income and expenditure

Income and expenditure are recognized on accrual basis. Sales, net of taxes, are accounted for on dispatch of goods to customers.

#### 8. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the company.



When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **9. Borrowing Cost**

Borrowing costs that are allocated to the acquisition or construction of qualified assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charges to revenue.

On November 2021, company started installation of a solar project which has been completed during March 2023. Company availed a solar loan from SBI from Feb 2022. Thus Interest till the date of completion Rs 5.86 lacs is capitalized and added to solar plant cost.

#### **10. Prior period and extra ordinary items**

There are no prior period or extra ordinary items of material nature during the year.

#### **11. Foreign exchange transaction**

Transaction in foreign currency is recorded at the exchange rate prevailing on the date of transaction. During the year, there was no transaction in foreign currency.

#### **12. Investments**

Investments are recorded at cost.

#### **13. Retirement benefits**

The Company has Provident fund and Employees State Insurance Scheme and has also provided for Gratuity as per AS 15 issued by the Institute of Chartered Accountants of India.

#### **14. Taxation**

Income tax expense comprises current tax, deferred tax charge or credit, minimum alternative tax (MAT).

##### Current tax

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

##### Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profit/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax liability or asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there



is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

#### Minimum alternative tax

Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

#### 15. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

#### Notes forming part of accounts:

##### 1. Related party disclosure under AS-18:

##### a) Closing Balances of Related parties on respective dates (Rs. in Lakhs)

Sl No	Name	Relation	As on 31-10-2023	As on 31-03-2023	As on 31-03-2022	As on 31-03-2021
1	Demac Roofing Pvt Ltd	Group Company	155.00	0	0	0
2	Jaihind Traders	Group Company	0	0	0	0
3	Vytila Steel Pvt Ltd	Group Company	0	0	0	0
4	Jaihind Steel Pvt Ltd	Group Company	157.12	-1,757.74	-108.90	858.83
5	Jaihind Tubes Pvt Ltd	Group Company	65.60	0	0	0
6	Rent Payable - VD Varghese	Managing Director	0	0	0	0
7	Rent Payable - Molly Varghese	Director	0	0	0	0
8	Salary Payable - V D Varghese	Director	-5	0	0	0
9	Salary Payable - Molly Varghese	Director	-5	-0.59	-0.28	-0.4
10	Salary Payable - Cyriac Varghese	Director	-1.77	-0.31	-0.37	-0.66
11	Salary Payable - Mahendra Kumar Jain	Chairman	-5	0	0	0
12	Salary Payable - Divyakumar Jain	Director	-5	0	0	0
13	Interest on Loan - Molly Varghese	Director	0	0	0	0
14	Bonus Payable - Molly Varghese	Director	0	0	0	0
15	Bonus Payable - Cyriac Varghese	Director	0	0	0	0
16	Commission Payable - Ankur Jain	Shareholder	0	0	0	0



## b) Related Parties Transactions

(Rs. in Lakhs)

Sl No	Particulars	Relation	As on 31-10-2023	As on 31-03-2023	As on 31-03-2022	As on 31-03-2021
1	<b>Rent Paid</b>					
	V D Varghese	Managing Director	-	0.60	0.60	0.60
	Molly Varghese	Director	-	0.60	0.60	0.60
	<b>Total</b>		-	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>
2	<b>Bonus Paid</b>					
	Cyriac Varghese	Director	-	1.61	1.46	1.33
	Molly Varghese	Director	-	0.59	0.54	0.48
	<b>Total</b>		-	<b>2.20</b>	<b>2.00</b>	<b>1.82</b>
3	<b>Salary Paid</b>					
	V.D Varghese	Managing Director	35.00	60.00	60.00	60.00
	Mahendra Kumar Jain	Chairman	35.00	60.00	60.00	60.00
	Divya Kumar Jain	Director	35.00	60.00	60.00	60.00
	Cyriac Varghese	Director	14.40	19.33	17.57	15.49
	Molly Varghese	Director	39.51	67.03	66.39	65.63
	<b>Total</b>		<b>158.91</b>	<b>266.35</b>	<b>263.96</b>	<b>261.12</b>
4	<b>Interest on Loan Paid</b>					
	Molly Varghese	Director	-	19.37	18.29	39.29
	<b>Total</b>		-	<b>19.37</b>	<b>18.29</b>	<b>39.29</b>
5	<b>Commission Paid</b>					
	Ankur Jain	Chairman's Son	-	12.00	11.90	35.46
	<b>Total</b>		-	<b>12.00</b>	<b>11.90</b>	<b>35.46</b>



Sl No	Particulars	Relation	As on 31-10-2023	As on 31-03-2023	As on 31-03-2022	As on 31-03-2021
6	<b>Rental Income</b>					
	Demac Roofing Pvt Ltd	Group Company	-	-	-	0.52
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.52</b>
7	<b>Interest Received</b>					
	Demac Roofing Pvt Ltd	Group Company	12.34	-	14.02	18.11
	<b>Total</b>		<b>12.34</b>	<b>-</b>	<b>14.02</b>	<b>18.11</b>
8	<b>Loan Given</b>					
	Demac Roofing Pvt Ltd	Group Company	455.00	-	-	-
	<b>Total</b>		<b>455.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Loan Repaid</b>					
	Demac Roofing Pvt Ltd	Group Company	300.00	-	-	-
	<b>Total</b>		<b>300.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
10	<b>Purchase of Raw Materials</b>					
	Jaihind Traders	Group Company	-	-	-	1,310.73
	Vytila Steel Pvt Ltd	Group Company	-	-	-	739.75
	Jaihind Steel Pvt Ltd	Group Company	7,262.80	20,793.66	14,729.23	6,410.75
	Jaihind Tubes Pvt Ltd	Group Company	198.92	-	-	-
	<b>Total</b>		<b>7,461.72</b>	<b>20,793.66</b>	<b>14,729.23</b>	<b>8,461.24</b>
11	<b>Discount Allowed</b>					
	Jaihind Traders	Group Company	-	-	-	2.62
	Jaihind Steel Pvt Ltd	Group Company	15.37	22.39	33.15	23.84
	<b>Total</b>		<b>15.37</b>	<b>22.39</b>	<b>33.15</b>	<b>26.47</b>
12	<b>Discount received</b>					
	Jaihind Steel Pvt Ltd	Group Company	-	-	53.63	3.13
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>53.63</b>	<b>3.13</b>



Sl No	Particulars	Relation	As on 31-10-2023	As on 31-03-2023	As on 31-03-2022	As on 31-03-2021
13	<b>Sales</b>					
	Jaihind Traders	Group Company	-	-	-	373.99
	Vytila Steel Pvt Ltd	Group Company	-	-	1.51	868.88
	Jaihind Steel Pvt Ltd	Group Company	6,364.86	15,664.87	10,781.84	5,815.94
	Demac Roofing Pvt Ltd	Group Company	-	291.94	-	-
	Jaihind Tubes Pvt Ltd	Group Company	-	7.51	-	-
	<b>Total</b>		<b>6,364.86</b>	<b>15,964.32</b>	<b>10,783.35</b>	<b>7,058.81</b>
14	<b>Purchase of Building Materials</b>					
	Jaihind Steel Pvt Ltd	Group Company	-	7.92	0.28	-
	<b>Total</b>		<b>-</b>	<b>7.92</b>	<b>0.28</b>	<b>-</b>
15	<b>Price Difference Received</b>					
	Jaihind Steel Pvt Ltd	Group Company	-	20.94	40.87	-
	<b>Total</b>		<b>-</b>	<b>20.94</b>	<b>40.87</b>	<b>-</b>

2. a. The Company filed suit against the following customers for the recovery of dues and pending as on 31.10.2023 are as follows. (Rs. in Lakhs)

Sl.No	Customer Name	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
1	Krishna Pipes and Sheets	18.14	18.14	18.14	17.71
2	Benzer Steels Pvt Ltd	6.79	6.79	6.79	-
3	Kanjiramukal Hardwares	4.09	4.09	-	-

b. The Company has filed suit against Kerala Financial Corporation with respect to the demand of Rs. 11 lakhs as pre-closure charges on the term loans. As per the interim order of High Court of Kerala the above mentioned amount has been transferred to Kerala Financial Corporation as security deposit.



3. Some of the balances in Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation.
4. Since the company is not a listed company, disclosure particulars as per rule 5(1) are not applicable to the company. None of the employees drawing remuneration beyond the monetary ceilings prescribed under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

5. Consumption of Raw materials and Consumables

(Rs. in Lakhs)

Particulars	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
Galvanized Steel Coils				
(a) Imported	1324.87	1498.46	Nil	520.37
(b) Indigenous	15921.67	31926.58	29703.98	27714.08
Consumables	54.67	78.71	135.13	135.86
<b>Total</b>	<b>17301.21</b>	<b>33503.75</b>	<b>29839.11</b>	<b>28370.31</b>

6. Earnings in Foreign Exchange

	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
Earnings in foreign Exchange	NIL	NIL	NIL	NIL

7. Expenditure in Foreign Exchange

(Rs. in Lakhs)

	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
Expenditure in foreign currency	6055.75	3312.94	NIL	

8. Non Resident Shareholders

	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
Number of non-resident shareholders and dividends remitted to them	NIL	NIL	NIL	NIL



9. The company has no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company.
10. The Company has not revalued its Property, Plant and Equipment during the year and Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable during the year.
11. The Company has granted following Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person during the year.

SI No	Name	Relation	Date	Amount
1	Demac Roofing Private Limited	Group Company	05-05-2023	300
2	Demac Roofing Private Limited	Group Company	20-10-2023	130
3	Demac Roofing Private Limited	Group Company	31-10-2023	25

12. a. Capital-Work-in Progress (CWIP) aging Schedule: (Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	Less than 2 Years	Less Than 3 Years	More than 3 years	
CWIP					
Projects in progress	29.71	Nil	Nil	Nil	29.71
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	Less than 2 Years	Less Than 3 Years	More than 3 years	
CWIP					
Projects in progress	29.71	Nil	Nil	Nil	29.71
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil



Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	Less than 2 Years	Less Than 3 Years	More than 3 years	
CWIP					
Projects in progress	29.71	Nil	Nil	Nil	29.71
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	Less than 2 Years	Less Than 3 Years	More than 3 years	
CWIP					
Projects in progress	29.71	Nil	Nil	Nil	29.71
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

b. There is no for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

c. There is no Intangible assets under development by the company during the year.

13. Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: (Rs. in Lakhs)

Particulars	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
(a) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the year:				
i) Principal amount due to micro and small enterprises	13.51	13.87	11.61	1.68
ii) Interest due on above			-	-
Total	13.51	13.87	11.61	1.68



Particulars	As on 31.10.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day			-	-
(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 interest specified under the MSMED Act, 2006			-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year			-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006			-	-



Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

14. 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 during the year.
15. The company is not declared as a willful defaulter by any bank or financial institution or other lender during the year.
16. The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
17. No charges or satisfaction are yet to be registered with Registrar of Companies beyond the statutory period during the financial year.
18. The number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the company during the year.
19. The company has not entered any Scheme of Arrangements during the year and sections 230 to 237 of the Companies Act, 2013 is not applicable to the company.
20. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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 by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
21. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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 by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
22. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
23. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
24. The Company has not recorded any transaction in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the



Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

25. The company is covered under section 135 of the companies act and the following are the disclosures with regard to CSR activities: -

**FY 2022- 2023**

Sl.No	Particulars	(Rs. in Lakhs)
1	Amount required to be spent by the company during the year	13.9
2	Amount of expenditure incurred during the year	-
3	Shortfall of expenditure at the end of the year	13.9
4	Total of previous years shortfall of expenditure	-

The company has not spent the current year CSR fund of Rs 13.9 Lakhs. On 23/01/2023 company received a request letter from Poyya Grama Panchayath with respect to a proposal of drinking water facility which will benefit the people around the company. Company has decided to contribute an amount required for the purchase of land for this project. However, this year's fund will not be sufficient for that. Hence it has been decided to accumulate few years' funds & Rs 14 Lakhs has been deposited with account no. 00000041871051866 in State Bank of India as on 29.04.2023.

**FY 2021-2022**

Sl.No	Particulars	(Rs. in Lakhs)
1	Amount required to be spent by the company during the year	8.01
2	Amount of expenditure incurred during the year	8.20
3	Shortfall of expenditure at the end of the year	Nil
4	Total of previous years shortfall of expenditure	Nil



(a) Nature of CSR activities

Sl.No	Activity	Sector	Amount Spent (In Lakhs)
1	Ambulance to Poyya Panchayath for Govt. Primary Health Centre.	Health Sector	7.50
2	Educational devices to Govt. Schools for supporting children from poor economic Background as recommended by Poyya Panchayth.	Educational Sector	0.70

(b) The company has no related party transactions for CSR activities during the year.

(c) The company has not made any provision with respect to a liability incurred by entering into a contractual obligation for CSR activities during the year.

For M/s. Kutty and Associates,  
Chartered Accountants  
FRN 001640S

For KUTTY & ASSOCIATES

P. Sankarankutty, B.Com. FCA, DISA, DIRM  
Chartered Accountant  
Membership No: 23673

P Sankaran Kutty  
Proprietor  
M No 23673  
UDIN 24023673 BK EIBD3946

Dated: 20<sup>th</sup> February 2024

V.D.Varghese  
(Managing Director)

Mahendra Kumar Jain  
(Chairman)

CS Shrayan Kannan Dev  
(Company Secretary)  
M No 63168

Divya Kumar Jain

Chief Financial Officer



## OTHER FINANCIAL INFORMATION

### Accounting ratios

The accounting ratios derived from Restated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	(₹ in lakhs)			
	Seven months period ended October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth (A)	4,023.36	3,620.28	,3019.79	2,346.73
EBITDA	769.80	1,223.92	1,302.64	1,403.04
Restated PAT as per Profit and Loss Account (₹ In lakhs)	403.08	600.49	673.06	763.67
Adjusted Profit After Tax (PAT) [B]	403.08	600.49	673.06	763.67
Actual Number of outstanding equity shares at the end of the period (C)	1,26,476	1,26,476	1,26,476	1,26,476
Weighted average no of equity shares at the time of end of the year (D) (Pre Bonus/Right issue)	1,26,476	1,26,476	1,26,476	1,26,476
Weighted Number of outstanding equity shares at the end of the period (E) (Post Bonus issue)	1,26,476	1,26,476	1,26,476	1,26,476
Current Assets (F)	7,341.57	6,511.39	6,693.52	4,384.44
Current Liabilities (G)	4,339.45	3,773.98	4,160.25	2,226.86
Face value per share (₹)	1,000	1,000	1,000	1,000
Number of shares	1,26,476	1,26,476	1,26,476	1,26,476
<b>Earnings per share</b>				
Restated basic and diluted earning per share (Pre Bonus INR) (B/D)	0.00	0.00	0.01	0.01
Restated basic and diluted earning per share (Post Bonus INR) (B/E)	0.00	0.00	0.01	0.01
Return on Net Worth (%) (B/A)	10.02	16.59	22.29	32.54
Net asset value per share - Pre Bonus (A/C) (Face value of ₹ 10 each)	0.03	0.03	0.02	0.02
Current Ratio (F/G)	1.69	1.73	1.61	1.97

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 217.

### Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for the seven months period ended October 31, 2023 and for the Fiscals 2023, 2022 and 2021 (“**Audited Financial Statements**”), respectively, are available on our website at [www.demacsteel.com](http://www.demacsteel.com). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements of our Company and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

## FINANCIAL INDEBTEDNESS

Our Company avail loans in the ordinary course of its business for the purposes of capital expenditure, working capital, vehicle loan and other business requirements.

Our Company has obtained the necessary consent required under the loan agreements entered into in connection with and for undertaking activities in relation to the Issue, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents including amending the Memorandum of Association and Articles of Association of our Company, change in the management or board composition, as applicable.

Set out below are brief details of the term loan facilities availed by our Company from its lenders:

Sr. No.	Purpose	Amount Sanctioned (in ₹ lakhs)	Amount Outstanding (as on October 31, 2023) (in ₹ lakhs)	Rate of Interest/ Commission	Tenure / Tenor	Security
<b>Axis Bank Limited</b>						
1.	Credit facility	1,400	0.45 (Debit Balance)	9.25% per annum	12 months	First and exclusive charge over goods procured under Letter of Credit and fixed deposit of the Company. Post-dated cheques from the Cash Credit account of State Bank of India to be obtained.
<b>State Bank of India</b>						
2.	Facility	6,170	4,196.45	8.40% per annum for Cash Credit. 9.25% per annum for GECL loan 6.57% per annum for Term Loan 6.48% per annum for Term Loan Solar	12 months	<b>Cash Credit, GECL, Import Letter of Credit and Credit Exposure Limit –</b>  Primary Security over entire Current Assets of the Company (both present and future) mainly Stocks & Receivables.  Collateral Security over –  1) 56.33 Ares of land in the name of Shri Varghese V D S/o Davis V V in SY no 571/1 situated at Poyya Village, Kodungallur Taluk 2) 19.33 Ares of land in the name of Smt Molly Varghese W/o Varghese V D, in SY no 155/2 at Perambra Village in Chalakudy Taluk 3) 28.34 Ares of land in the name of Newmalayalam Steel Private Limited in SY No: 388/3-3p, 388/4-

Sr. No.	Purpose	Amount Sanctioned (in ₹ lakhs)	Amount Outstanding (as on October 31, 2023) (in ₹ lakhs)	Rate of Interest/ Commission	Tenure / Tenor	Security
						<p>3p,388/5-3p,388/1-2p,388/3-2p.388/4-2p,388/5-2p at Poyya Village,Kodungallur Taluk</p> <p><b>Term Loan Solar –</b></p> <p>Primary Security over assets created by bank finance i.e., Solar Panel and related equipment.</p> <p>Collateral Security – same as above.</p> <p><b>Term Loan 1, 2 and 3 –</b></p> <p>Primary Security over Plant &amp; Machinery and Equitable Mortgage over 107.85 Ares of landed property in Sy No 262/3-30 at Pallipuram village, Mala SRO,Kodungalloor Taluk standing in the name of Sri Varghese V D, S/o Davis V V; and 87.61 Ares of landed property in Sy No:262/3-29 at Pallipuram Village, Mala SRO, Kodungalloor Taluk standing in the name of Smt Molly Varghese W/o Varghese V D.</p> <p><b>Additional security for CC, Import Letter of Credit, CEL –</b></p> <p>Second charge over - Hypothecation of plant &amp; machinery, hypothecation of assets created out of bank finance I.e., solar panel and related equipment, and Equitable mortgage over immovable properties – 107.85 acres of land in the name of Shri Varghese V D S/o Davis V V in Sy No 262/3-30 situated at Pallipuram Village,</p>

Sr. No.	Purpose	Amount Sanctioned (in ₹ lakhs)	Amount Outstanding (as on October 31, 2023) (in ₹ lakhs)	Rate of Interest/ Commission	Tenure / Tenor	Security
						Kodungalloor Taluk; and 87.61 Acres of land in the name of Smt Molly Varghese W/o Varghese V D, in SY no 262/3-29 at Pallipuram Village in Kodungalloor Taluk.
<b>HDFC Bank Limited</b>						
3.	Auto Loan	50	35.93	6.7% per annum	60 months	First and exclusive charge of the Vehicle namely Mercedes BENZ GLA.
4.	Letter of Credit	3,000	0.00	8.50% per annum	12 months	First and exclusive charge for facility by way of Hypothecation on the sum of Rs. 75,000,000/- deposited by the security provider with the bank at its any branch; all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and any other goods, movable assets or merchandise whatsoever now or at any time hereafter belonging to the security provider, and all the book debts, amount outstanding, monies receivables, claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the security provider.

Principal terms of the financial arrangements entered into by our Company are disclosed below:

**Penal Interest:** The terms of certain financing facilities availed by our Company prescribes penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, delay in payment of or non-payment of instalments or interest, irregularity in cash credit, non-submission / delay in stock statement, non-submission of renewal data, non-compliance with covenants, use of funds for anything other than the purpose for which the loan was availed, non-payment / non acceptance of demand / usance bills of exchange on presenting at due dates etc.

**Pre-payment:** Some of the terms of facilities availed by our Company have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties as laid down in the facility agreements.

**Events of Default:** The financing arrangements entered into by our Company contain standard events of default, including:

- Default in performance of covenants, conditions or agreements in respect of the loan;
- Default in payment of EMIs or any other amounts due to the lender;
- Any unauthorized modification in the shareholding pattern of our Company including issuance of new shares in the share capital of our Company;
- Any action taken or legal proceedings initiated for winding up, dissolution, or reorganisation or for appointment of receiver, trustee or similar officer of any of Company's assets;
- Any information provided by our Company for financial assistance found to be misleading or incorrect in any material respect;
- For the period of overdue interest/instalment in respect of Term Loans and over drawings above the drawing power/limit in Fund Based Working Capital accounts on account of interest/devolvement of letters of credit/bank guarantee, insufficient stocks and receivables etc.;
- Breach of any of the provisions of any agreements with any other person or lender;
- Non-renewal of insurance policies in a timely manner or inadequate insurance cover; and
- Opening new current or other accounts, with banks outside the lending arrangement without obtaining Bank's NOC, or maintaining any current with any bank would amount to an event of default.

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company. Our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company, are not triggered.

**Consequences of Events of Default:** The financing arrangements entered into by our Company set out the consequences of occurrence of events of default, including:

- Obligation on part of the lender to make or continue to make the loan available, stands terminated;
- The lender may demand all or any part of the amount due together with accrued interest and all other amounts accrued shall become due and payable immediately;
- The lender may, without any prior notice to our Company, enforce any and/or all security created in its favour;
- The lender may levy additional/ default interest;
- The lender may seize, recover, collect, withdraw, receive the Hypothecated Assets and/or any income, profits and benefits thereof without interruption or hindrance by the Borrower and/or by any person;
- The lender may enter into and upon the premises of the Borrower and/or any other person who then has possession of the Hypothecated Assets;
- The lender may invoke guarantees of the guarantors or any other contractual comfort that may have been provided;
- The lender may cancel the undrawn commitment and suspend withdrawals under the facility; or
- The lender will have the right to appoint a nominee and/or observer on the Board.
- In case of default on his part to deliver possession, it shall be lawful for the Bank and its officers to take possession of the Hypothecated Vehicle from him and sell the same by private contract or otherwise as pledgee/hypothecate/mortgagee for adjustment of the Loan account.
- In the event of default on our part in honoring the guarantee hereby provided for repayment of the Bank's dues, despite having sufficient means, the Bank shall be entitled to proceed against us to declare us as 'Willful defaulter' in accordance with guidelines/instructions issued by RBI from time to time".

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.

**Restrictive Covenants:** Certain financing arrangements entered into by us contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below. Our Company shall not without the prior approval of the lenders:

- Enter into borrowing arrangements either secured or unsecured with any other bank/financial institutions, or otherwise or accept deposits apart from the existing arrangement;
- The Borrower agrees not to induct any person in its board of director who has been identified as willful defaulter as per directions/guidelines of RBI or Bank
- Invest by way of share capital in or lend or advance funds to or place deposits with any concern: normal trade

- credit or security deposits in the normal course of business or advances to employees can, however, be extended;
- Transfer of the controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel);
- Make any alteration or modifications to the Hypothecated Assets;
- Mortgage, lease, surrender or alienation of property or any part thereof;
- Enter into any agreement or arrangement with any person, institution or local or government body for the use, occupation or disposal of the property or any part thereof during the pendency of the loan;
- Enter into any scheme of merger, demerger, acquisition, reorganisation, scheme of arrangement or reconstruction;
- Declare any dividend if it fails to meet its interest payment obligations, make any investments by way of share capital or debentures and/ or advance funds to any party other than in the normal course of business;
- Recognize or register any transfer of shares in our Company's shareholding pattern/capital made or to be made by the promoters and their associates;
- Change or cause to change its shareholding pattern/ extent and nature of holding of the body corporate and/ or its directors/ partners/ designated partner and/or its constituent documents in the nature of Memorandum of Association etc.;
- Permit any significant change in the nature of business of our Company, ownership or control of our Company;
- Repay/ prepay or service any unsecured/ secured loans from the Promoter Group/ Directors and such loans from the Promoter Group/ Directors shall, during the tenor of the credit facility availed;

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.

Our Company has availed the following unsecured loans, as on October 31, 2023:

*(₹ in lakhs)*

S. No.	Name of lender	Amount outstanding as at October 31, 2023
1	GECL Loan from State Bank of India	273.32
2	Loan from Molly Varghese	256.00
3	Loan from Suman Jain	100.00
4	Loan from Cyriac Varghese	34.00
5	Loan from Vazhappily Davis Varghese	57.00

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial years ended March 31, 2023, 2022 and 2021 and ended October 31, 2023. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Statement, as Restated" on page 171 of the Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 25 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 17 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Newmalayalam Steel Limited, our Company on Standalone Basis. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements the financial years ended March 31, 2023, 2022, 2021 and on October 31, 2023 is on a standalone basis included in this Draft Red Herring Prospectus beginning on page 171 of this Draft Red Herring Prospectus*

### **BUSINESS OVERVIEW**

Our Company was incorporated in 2017, for taking over the entire business of M/s. Demac Steel along with its assets and liabilities in entirety, on a going concern basis (the "Transfer"). Our Company entered into an agreement to sell business undertaking executed dated August 7, 2017 with M/s. Demac Steel and undertook the transfer of the Assets and Liabilities for a total consideration of ₹ 532.39 lakhs. The amount of the consideration was paid by way of issue of 53,238 Equity Shares of face value of ₹ 1,000 each to Varghese Vazhappily Davis, the sole proprietor of M/s. Demac Steel. The balance amount of ₹ 938/- was paid by way of a cheque. Furthermore, pursuant to the Business Transfer Agreement, M/s. Demac Steel agreed to not compete with our Company and subsequent to the transfer would have no rights in the business of our Company.

Our Company operates under the guidance of our Promoters, Vazhappily Davis Varghese, Divyakumar Jain and Ankur Jain. Our Promoter, Vazhappily Davis Varghese with the intention of expanding the business operations of M/s. Demac Steel, incorporated our Company for expanding our portfolio and reach. Our Company is engaged in the business of manufacturing galvanised pipes, tubes, and sheets. Owing to the consistent efforts of our Promoters, we have been able to create a brand presence in Kerala, under the name of 'Demac Steel'.

In 2018, our Company commenced manufacturing of galvanised pipes, tubes, and sheets by installing another electric resistance welding tube mill of an installed capacity of 3,500 MT in our manufacturing unit situated at Door No. 2/546/A & 2/546/B Mala, Pallipuram P O, Mala, Thrissur - 680 732, Kerala, India. . Our products find extensive application in the general households of Kerala. Galvanised pipes and tubes are used for building the roofs to reduce heat and avoid leakage, further the galvanisation process offers an added advantage of increasing the life of the product and enhancing its quality by making it rust-free. Our products are therefore manufactured to provide an effective solution to the continuous damage caused to houses in Kerala on account of inclement weather condition. Accordingly, our products experience a constant demand on account of being an indispensable raw material in the construction industry in Kerala. In order to capture the market and cater to the growing demand, in the year 2019, we increased our manufacturing capacity by installing another electric resistance welding tube mill of an installed capacity of 4,000 MT in our manufacturing unit.

### **Key Performance Indicators**

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Financial Information included in this Draft Red Herring Prospectus. We present these key performance indicators because they are used by our management to evaluate our operating performance. Further, these key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to AS measures of performance or as

an indicator of our operating performance, liquidity, profitability or results of operation. A list of our KPIs for the seven months ended October 31, 2023 and Financial Years ended March 31, 2023, 2022 and 2021 is set out below

(₹ in lakhs)

Key Performance Indicators#	October 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	17,910.52	35,479.84	31,791.72	30,004.83
Total Revenue <sup>(2)</sup>	18,047.71	35,995.71	32,360.91	30,481.75
Gross Profit <sup>(1)</sup>	997.31	1,354.12	1,314.93	1,495.26
Gross Margin <sup>(2)</sup>	5.57%	3.82%	4.14%	4.98%
EBITDA <sup>(3)</sup>	769.80	1,223.92	1,302.64	1,403.04
EBITDA Margin <sup>(5)</sup>	4.27%	3.40%	4.03%	4.60%
Profit After Tax for the Year ("PAT")	403.08	600.49	673.06	763.67
PAT Margin <sup>(6)</sup>	2.23%	1.67%	2.08%	2.51%
ROE <sup>(7)*</sup>	10.02%	16.59%	22.29%	32.54%
ROCE <sup>(4)(8)*</sup>	31.06%	48.51%	50.73%	61.88%
Net Debt/ EBITDA <sup>(9)</sup>	2.91	1.74	3.77	2.59

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIALS

After the date of last Audited accounts i.e. October 31, 2023, the Directors of our Company confirm that, there have been no significant material developments.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

**Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page 25 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:**

**Fluctuating Raw Material Prices:** The cost of steel, a key raw material for galvanized pipes, can be subject to volatility due to factors like global demand, trade policies, and geopolitical events. Fluctuations in raw material prices can affect the profitability of businesses in this sector.

**Infrastructure and Economic Conditions:** The demand for galvanized pipes is closely tied to infrastructure development and economic conditions. Economic downturns, delays in infrastructure projects, or changes in government spending priorities can impact the overall demand for construction-related materials.

**Global Economic Factors:** The global economic environment, including trade tensions and economic downturns, can affect the export and import dynamics of steel and related products, potentially impacting the galvanized pipes business in India.

**Seasonal Impact:** Rainy season will have an impact on sales as the sale of GV pipes are dependent on the construction sector.

## PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Set forth below are the principal components of statement of profit and loss from our continuing operations:

### Income

Our total income comprises of (i) revenue from operations and (ii) other income.

### Revenue from Operations

Revenue from operations comprises of sale of goods

### Other Income

Other income includes miscellaneous income, discount received, dollar difference, interest received etc

### Expenses

Our expenses comprises of cost of materials consumed, changes in inventories of stock in trade, change in inventory of finished goods, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

### Cost of Materials Consumed

Cost of materials consumed denote the sum of opening stock and purchases of opening stock of raw materials less closing stock of raw materials.

### Changes in inventories of stock in trade

Changes in inventories denote the difference between opening and closing balance of stock in trade.

### Change in inventory of finished goods

Changes in inventories denote the difference between opening and closing balance of finished goods.

### Employee benefits expense

Employee benefits expenses include Salaries and Allowances, Bonus, Contributions to Provident and Other Fund, Employee welfare, Employee insurance, ESIC and gratuity

### Finance Cost

Finance cost includes (i) interest on borrowings; (ii) bank charges and (iii) processing fees & other charges.

### Depreciation and Amortization expenses

Depreciation and amortisation expenses primarily include depreciation expenses on our buildings, plant and machinery, furniture and fixtures and vehicles

## RESULTS OF OUR OPERATION

Particulars	31-Oct-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Incomes:</b>				
Revenue from Operations	17,910.52	35,479.84	31,791.72	30,004.83
% of total revenue	99.24%	98.57%	98.24%	98.44%
% Increase/(Decrease)	0.00%	11.60%	5.96%	0.00%
Other income	137.18	515.87	569.20	476.92
% of total revenue	0.76%	1.43%	1.76%	1.56%
% Increase/(Decrease)	0.00%	(9.37%)	19.35%	0.00%
<b>Total Revenue</b>	<b>18047.70</b>	<b>35995.70</b>	<b>32360.91</b>	<b>30481.75</b>
% Increase/(Decrease)	(49.86%)	11.23%	6.16%	-
<b>Expenses:</b>				
Changes in inventories of finished goods	(372.35)	125.13	269.08	(249.48)
% of total revenue	(2.06%)	0.35%	0.83%	(0.82%)
% Increase/(Decrease)	-	(53.50%)	(207.85%)	-
Cost of material consumed	17,285.56	34,000.58	30,207.70	28,759.06
% of total revenue	95.78%	94.46%	93.35%	94.35%
% Increase/(Decrease)	-	12.56%	5.04%	-
Employee Benefit expenses	212.41	444.19	352.84	335.63
% of total revenue	1.18%	1.23%	1.09%	1.10%
% Increase/(Decrease)	-	25.89%	5.13%	-
Other Expenses	152.28	201.87	228.64	233.50
% of total revenue	0.84%	0.56%	0.71%	0.77%
% Increase/(Decrease)	-	(11.71%)	(2.08%)	-
<b>Total Expense</b>	<b>17,277.90</b>	<b>34,771.79</b>	<b>31,058.27</b>	<b>29,078.71</b>
% of total revenue	95.73%	96.60%	95.97%	95.40%
% Increase/(Decrease)	-	11.96%	6.81%	-
<b>Profit before Interest, Depreciation and Tax</b>	<b>769.79</b>	<b>1,223.91</b>	<b>1,302.63</b>	<b>1,403.03</b>
% of total revenue	4.27%	3.40%	4.03%	4.60%
Depreciation and amortization Expenses	90.96	145.36	131.80	126.86
% of total revenue	0.50%	0.40%	0.41%	0.42%

Particulars	31-Oct-23	31-Mar-23	31-Mar-22	31-Mar-21
% Increase/(Decrease)	-	10.29%	3.89%	-
<b>Profit before Interest and Tax</b>	678.83	1,078.54	1,170.83	1,276.17
% of total revenue	3.76%	3.00%	3.62%	4.19%
Financial Charges	104.97	273.47	266.36	322.05
% of total revenue	0.58%	0.76%	0.82%	1.06%
% Increase/(Decrease)	-	2.67%	(17.29%)	-
<b>Profit before Tax and Extraordinary Expenses</b>	573.86	805.07	904.46	954.11
% of total revenue	3.18%	2.24%	2.79%	3.13%
Extraordinary Expenses	-	-	-	-
% of total revenue	-	-	-	-
% Increase/(Decrease)	-	-	-	-
<b>Restated Profit/(Loss) before tax</b>	573.86	805.07	904.46	954.11
% of total revenue	3.18%	2.24%	2.79%	3.13%
% Increase/(Decrease)	-	(10.99%)	(5.20%)	-
<b>Tax expenses/(income)</b>				
Current and prior year's Tax (net)	143.46	188.36	214.05	167.90
Provisions for Deferred Tax	27.32	16.22	17.35	22.54
<b>Total tax expenses</b>	170.78	204.58	231.40	190.44
% of total revenue	0.95%	0.57%	0.72%	0.62%
<b>Restated profit/(loss) after Tax</b>	403.07	600.48	673.06	763.66
% of total revenue	2.23%	1.67%	2.08%	2.51%
% Increase/(Decrease)	-	(10.78%)	(11.86%)	-
<b>Income from Minority and Associate</b>				
Profit/(Loss) attributable to owners of the company				

## FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

### **Income:**

Total Income has increased by Rs.3,634.79 Lakhs and by 11.23% , from Rs.32,360.91 in Fiscal Year 2022 to Rs. 35,995.71 Lakhs for the Fiscal Year Ended 2023. The Increase in the revenue is due to increase in sales

### **Expenditure:**

Total expense has increased by Rs.3,713.51 Lakhs and by11.96% from Rs.31,058.27 Lakhs in Fiscal Year 2022 to Rs.34,771.79 Lakhs for the Fiscal Year 2023. The increase in the other expenses is due to increase in the manufacturing cost and employee benefit expense

### **Cost of Material Consumed:**

Cost of Material Consumed has been increased by Rs.3,792.88 Lakhs and by 12.56% from Rs. 30,207.70 Lakhs in Fiscal Year 2022 to Rs.34,000.59 Lakhs in Fiscal year 2023. The Increase in cost of material consumption is due to increase in price of raw material.

### **Employee Benefit Expenses:**

Employee Benefit Expenses in terms of Percentage has increased by 25.89% from Rs.352.84 Lakhs at Fiscal Year 2022 to Rs.444.19 Lakhs for the Fiscal year 2023. The Increase was due to increase in percentage of salaries

### **Other Expenses**

Other expenses has decreased by 11.71% from Rs.228.64 Lakhs for the Fiscal Year 2022 to Rs.201.88 Lakhs for the Fiscal year 2023, due to decrease in the advertising cost and discount allowed.

### **Net Profit after Tax and Extraordinary items**

Net Profit after tax, extraordinary items and Minority interest has decreased by 10.78% from Rs.673.06 Lakhs for the fiscal Year 2022 to Rs.600.49 Lakhs for the Fiscal year 2023, due to increase in employee benefit cost and increase in consumption of raw material.

**FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021**

***Income:***

Total Income has increased by 6.16% from Rs.30,481.75 Lakhs in Fiscal Year 2021 to Rs.32,360.91 Lakhs for the Fiscal Year Ended 2022. The Increase in the revenue is due to increase in sales.

***Total Expenses:***

Total expense has increased by 6.81% from Rs.29,078.71 Lakhs in Fiscal Year 2021 to Rs.31,058.27 Lakhs for the Fiscal Year 2022. The increase in the total expenses is due to increase in employees' benefits costs, cost of material consumed and change in inventories of finished goods.

***Cost of Material Consumed:***

Cost of Material Consumed has been increased by 5.04% from Rs.28,759.06 Lakhs in Fiscal Year 2021 to Rs.30,207.70 Lakhs in Fiscal year 2022. The Increase in cost of material consumption is due to increase in sales.

***Employee Benefit Expenses:***

Employee Benefit Expenses in terms of Percentage has increased by 5.13% from Rs.335.63 Lakhs at Fiscal Year 2021 to Rs.352.84 Lakhs for the Fiscal year 2022. The Increase was due to increase in revenue and Minimum wages.

***Other Expenses***

Other expenses has decreased by 2.08% from Rs.233.50 Lakhs for the Fiscal Year 2021 to Rs.228.64 Lakhs for the Fiscal year 2022, due to increase in the revenue and other operating cost.

***Net Profit after Tax and Extraordinary items***

Net Profit after tax, extraordinary items and Minority interest has decreased by 11.86% from Rs.763.66 Lakhs for the fiscal Year 2021 to Rs.673.06 Lakhs for the Fiscal year 2022, due to increase in the cost of material consumed and other operational cost.

**Cash Flows**

**(Rs. in Lakh)**

Particulars	For The Period or Year Ended			
	Period Ended October 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Cash from Operating Activities	57.10	3,109.41	(372.61)	1,202.73
Net Cash from Investing Activities	(53.20)	(61.82)	(377.70)	(72.27)
Net Cash used in Financing Activities	(199.60)	(2,378.31)	1,013.07	(1,129.76)

***Cash Flows from Operating Activities***

Net cash from operating activities for the seven months ended October 31, 2023 was at Rs.57.10 Lakh as compared to Profit After Tax, Depreciation and Interest Rs.403.07 Lakh, while for fiscal 2023 was at Rs.3,109.41 lakh as compared to Profit After Tax, Depreciation and Interest Rs.600.49 lakh, while for fiscal 2022, net cash from operating activities was at Rs. (372.61) lakh as compared to Profit After Tax, Depreciation and Interest Rs.673.06 lakh. For fiscal 2021, the net cash from operating activities was Rs. 1,202.73 lakh compared to Profit After Tax, Depreciation and Interest Rs.763.67 Lakh

***Cash Flows from Investment Activities***

Net cash from investing activities for the seven months Ended October 31, 2023 was at Rs.(53.20), fiscal 2023 was at Rs.(61.82) lakh, while for fiscal 2022, net cash from investing activities was at Rs. (377.70) lakh. For fiscal 2021, the net cash from investing activities was Rs.(72.27) lakh.

### ***Cash Flows from Financing Activities***

Net cash from financing activities for the seven months ended October 31, 2023 was at Rs.(199.60) Lakh due to interest and repayment of borrowing, for fiscal 2023 was at Rs.(2,378.31) lakh due to higher amount of borrowing, while for fiscal 2022, net cash from financing activities was at Rs.1,013.07 lakh. For fiscal 2021, the net cash from financing activities was Rs (1,129.76) lakh due to repayment of borrowing.

## **OTHER MATTERS**

### ***1. Unusual or infrequent events or transactions***

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### ***2. Significant economic changes that materially affected or are likely to affect income from continuing Operations***

Other than as described in the Section titled “***Financial Information***” and chapter titled “***Management’s Discussion and Analysis of Financial Conditions and Results of Operations***”, beginning on Page 171 and 217 respectively of this Draft Red Herring Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.***

Other than as described in the chapter titled “***Risk Factors***” and “***Management’s Discussion and Analysis of Financial Conditions and Result of Operations***”, beginning on Page 25 and 217 respectively of this Draft Red Herring Prospectus, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### ***4. Future relationship between Costs and Income***

Other than as described in the chapter titled “***Risk Factors***” beginning on Page 25 of this Draft Red Herring Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **CAPITALISATION STATEMENT**

The following table sets forth our capitalisation derived from our Restated Financial Statements for the seven month period ended October 31, 2023, and as adjusted for the Issue. This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Statements” and “Risk Factors” on pages 217, 171 and 25, respectively.

(in ₹ lakhs)

Particulars	Pre-Issue as at October 31, 2023 (A)	Adjusted for the Proposed Issue* (B)
<b>Total borrowings</b>		
Current borrowings (A)	1133.92	[●]
Non-current borrowings (B)	1586.68	[●]
<b>Total Borrowings (C)</b>	<b>2720.60</b>	<b>[●]</b>
<b>Total equity</b>		
Equity share capital	1264.76	[●]
Other equity	0.00	[●]
<b>Total equity (D)</b>	<b>1264.76</b>	<b>[●]</b>
<b>Total Capitalization (D+C)</b>	<b>3985.36</b>	<b>[●]</b>
<b>Total non-current borrowings (including current maturities of long-term borrowings)/ Total equity (B)/(D)</b>	1.25	[●]
<b>Total borrowings/ total equity (C) / (D)</b>	<b>2.15</b>	<b>[●]</b>

**Notes:**

- As per Restated Financial Statements of the Company.
- The corresponding post capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of Book building process and hence the same have not been provided in the above statement.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoter and Subsidiaries.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated February 14, 2024, any pending litigation / arbitration proceedings involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- a.) The aggregate monetary claim/ dispute amount/ liability made by or against our Company in any such pending litigation (individually or in aggregate), is equivalent to or above 5% of the restated profit after tax of our Company, as per the latest completed fiscal year of the Restated Financial Statements (amounting to ₹ 40.02 lakhs);
- b.) Any such pending litigation / arbitration proceeding involving the Directors or Promoter of our Company or our Group Companies, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation our Company; and
- c.) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.

Our Board of Directors considers dues owed by our Company to the small-scale undertakings and other creditors exceeding 5% of restated trade payables for the most recent period for which financial statements have been included in the Draft Red Herring Prospectus (being October 31, 2023), aggregating to ₹ 103.97 lakhs as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on February 14, 2024. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation are for that particular litigation only.

#### **1. LITIGATION INVOLVING OUR COMPANY**

##### **i. Litigation against our Company**

###### *1. Criminal Proceedings*

Nil

###### *2. Actions taken by Statutory/Regulatory Authorities*

Nil

###### *3. Tax Proceedings*

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

Particulars	(₹ in lacs)	
	Number of cases	Amount involved*
<i>Indirect Tax</i>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil

<b>Particulars</b>	<b>Number of cases</b>	<b>Amount involved*</b>
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<i>Direct Tax</i>		
Cases filed against our Company	Nil	Nil
Cases filed by our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

*\*To the extent quantifiable*

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

Nil

**ii. Litigation by our Company**

1. *Criminal Proceedings*

Nil

2. *Civil and other Material Litigations*

Nil

**2. LITIGATION INVOLVING OUR PROMOTER**

*Cases filed against our Promoter*

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

<b>Particulars</b>	<b>Number of cases</b>	<b>Amount involved*</b>
<i>(₹ in lacs)</i>		
<i>Indirect Tax</i>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<i>Direct Tax</i>		
Cases filed against our Promoter	Nil	Nil
Cases filed by our Promoter	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

*\*To the extent quantifiable*

4. *Other Material Litigations*

Nil

### ***Cases filed by our Promoter***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

### ***Disciplinary action against our Promoter by SEBI or any stock exchange in the last five Fiscals***

As on date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoter in the last five Fiscals including any outstanding action.

### **3. LITIGATION INVOLVING OUR DIRECTORS**

#### ***Cases filed against our Directors***

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Directors, specifying the number of cases pending and the total amount involved:

<i>(₹ in lacs)</i>		
<b>Particulars</b>	<b>Number of cases</b>	<b>Amount involved*</b>
<b><i>Indirect Tax</i></b>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b><i>Direct Tax</i></b>		
Cases filed against our Directors	Nil	Nil
Cases filed by our Directors	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable

3. *Disciplinary action by SEBI or any stock exchange in the last five Fiscals*

Nil

4. *Other Material Litigations*

Nil

#### ***Cases filed by our Directors***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

#### 4. LITIGATION INVOLVING OUR SUBSIDIARY

As on date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

#### 5. LITIGATION INVOLVING OUR GROUP COMPANIES

##### *Cases filed against our Group Companies*

##### 1. Criminal Proceedings

Nil

##### 2. Actions taken by Statutory/Regulatory Authorities

Nil

##### 3. Tax Proceedings

Below are the details of pending tax cases involving our Directors, specifying the number of cases pending and the total amount involved:

Particulars	Number of cases	Amount involved*
<i>(₹ in lacs)</i>		
<b>Indirect Tax</b>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Direct Tax</b>		
Cases filed against our Directors	Nil	Nil
Cases filed by our Directors	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable

##### 4. Disciplinary action by SEBI or any stock exchange in the last five Fiscals

Nil

##### 4. Other Material Litigations

Nil

##### *Cases filed by our Group Companies*

##### 1. Criminal Proceedings

Nil

##### 2. Other Material Litigations

Nil

#### 6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated February 14, 2024, our Company has two (02) material creditor, as on date of this Draft Red Herring Prospectus.

Details of amounts outstanding to material and other creditors is as follows:

<b>Particulars</b>	<b>No. of Creditors</b>	<i>(₹ in lacs)</i>
		<b>Amount</b>
Outstanding dues to material creditors	2	1,972.24
Outstanding dues to micro, small and medium enterprises	18	13.51
Outstanding dues to other creditors	19	93.73
<b>Total outstanding dues</b>	<b>39</b>	<b>2,079.48</b>

Complete details of outstanding dues to our creditors as on October 31, 2023 are available at the website of our Company, [www.demacsteel.com](http://www.demacsteel.com). Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.demacsteel.com](http://www.demacsteel.com), would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 171 of this Draft Red Herring Prospectus.

## **7. MATERIAL DEVELOPMENT SINCE OCTOBER 31, 2023**

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 217 of this Draft Red Herring Prospectus.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer to the chapter “Key Industrial Regulations and Policies” on page 127 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.*

*The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:*

### ***I. Issue related Approvals***

For the approvals and authorizations obtained by our Company in relation to the Issue, see “***Other Regulatory and Statutory Disclosures – Authority for the Issue***” on page 232 of this Draft Red Herring Prospectus.

### ***II. Approvals from the Stock Exchanges***

- a) Our Company has received an in-principle approval from Emerge Platform of National Stock Exchange of India Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is INE0TP801012.

### ***III. General Approvals***

- a) Certificate of incorporation dated March 31, 2017 issued under the Companies Act, 2013 by Registrar of Companies, Central Registration Centre.
- b) Fresh certificate of incorporation dated February 1, 2024 issued under the Companies Act, 2013 by Registrar of Companies, Central Processing Centre, pursuant to conversion of our Company into a public limited company.
- c) Letter dated June 30, 2017 bearing number 10000008829KCH issued by the Employees’ Provident Fund Organisation under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 for allotting code number KRKCH1615465000 to our Company.
- d) Letter dated July 4, 2017 issued by the Employees’ State Insurance Corporation under the Employees’ State Insurance Act, 1948 for allotting code number 54000238720001002 to our Company.
- e) Certificate of Importer-Exporter Code bearing file number KOCIECPAMEND00009474AM24 issued on May 5, 2017 and last modified on September 30, 2023 by the Office of the Joint Director General of Foreign Trade, Kochi, Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, for the purpose of allotting 1017502269 as the IEC code number to our Company.
- f) Udyog Aadhaar registration certificate dated December 16, 2020 bearing udyam registration number UDYAM-KL-13-0003459 issued by the Ministry of Micro, Small & Medium Enterprises, Government of India.
- g) Certificate issued on September 14, 2022 by Legal Entity Identifier India Limited for the purpose of allotting 335800VCE571JL7RQO17 as the Legal entity identifier code number to our Company.

### ***IV. Tax Related Approvals***

- a) Our Company’s permanent account number issued by the Income Tax Department is AAFCN5722N.
- b) Our Company’s Tax Deduction and Collection Number dated April 3, 2017 issued by the Income Tax Department is CHNN02410C.

- c) Registration certificate dated July 23, 2017 bearing registration number 32AAFCN5722N1ZB (Kerala) issued under the Central Goods and Service Tax Act, 2017.
- d) Certificate of Registration issued by the Panchayat Secretary, Poyya Gram Panchayat Office, Government of Kerala, under the Kerala State Tax on Professions, Traders, Callings and Employments Act, 1996 for the purpose of allotting profession tax registration certificate number 110200102 to our Company.

#### V. Business and Project Related Approvals

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India and for executing business projects awarded to our Company. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory issued under Factories Act, 1948	Department of Factories and Boilers, Government of India	D11/IJK/12/688/2016	<b>Date of registration:</b> April 18, 2016 <b>Date of renewal:</b> March 10, 2021	December 31, 2025
2.	Consent to establish issued under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 & the Environment (Protection) Act, 1986	Kerala State Pollution Control Board	PCB/DO/fSR/F/ICE/1177/2014	April 25, 2014	Valid until cancelled
3.	Certificate of verification issued under Legal Metrology Act, 2019	Deputy Controller, Office of the controller of Legal Metrology, Kerala	199/2020	May 18, 2023	May 17, 2024
4.	Certificate of registration issued to certify that the management systems of our Company have been assessed and registered with the requirements of the standard prescribed under ISO 9001:2015	Jas Global Certifications	JASP110601	September 13, 2022	September 12, 2025
5.	Agreement executed between Deputy Chief Engineer, Electrical Circle, Irinjalakuda on behalf of Kerala State Electricity Board Limited and our Company for supply of energy required for operating the consumer's equipment and lighting the premises	Deputy Chief Engineer, Electrical Circle, Irinjalakuda on behalf of Kerala State Electricity Board Limited	Agreement No. 20/ 2020-21/ 30.12.2020	December 30, 2020	Valid until cancelled
6.	Agreement executed between Deputy Chief Engineer, Electrical Circle, Irinjalakuda on behalf of Kerala State Electricity Board Limited and our Company for connectivity	Deputy Chief Engineer, Electrical Circle, Irinjalakuda on behalf of Kerala State Electricity Board Limited	Agreement No. HT/S-03/22-23/dt. 27.09.2022	September 27, 2022	Valid until cancelled

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
	and to provide a Solar Plant Identification Number (SPIN) 565900073 for the electricity generated by the Solar Plant having capacity 489.77 kWp				
7.	Scheme for the installation of 489.77kW grid Connected Solar power plant	Office of the Electrical Inspector, Department of Electrical Inspectorate, Government of Kerala	<b>Application No.:</b> 0920060032022 <b>File No:</b> B1-03773/22/22/EIR	April 13, 2022	Valid until cancelled
8.	Sanction for energisation of installation at the premises situated at Mala, Thrissur, Mala-Puthenvelikkara, Thrissur, 680732	Deputy Electrical inspector, Thrissur, Office of the Electrical Inspector, Department of Electrical Inspectorate, Government of Kerala	B1-03773/22/22/EIR	May 26, 2022	Valid until cancelled

#### VI. Intellectual Property Related Approvals

Sr. No.	Particulars	Application No.	Class	Date of Application	Current Status
1.		5655953	35^	October 20, 2022	Objected

^The Trademark is applied as "DEMAC" logo under category "Trademark" for advertising, sales and marketing of DEMAC branded products under class 35.

#### VII. Licenses/ Approvals for which applications have been made by our Company and are pending:

- 1) Our Company has applied for changing its name on its licenses and approvals post its conversion from a private limited company into a public limited company.
- 2) Our Company has made an application dated January 30, 2024 bearing number 10049965 before the Kerala State Pollution Control Board seeking renewal of our consent to operate.
- 3) Our Company has made an application dated February 13, 2024 bearing number 400743/RPTL20/General/2024/716 before the Poyya Gram Panchayat seeking renewal of License issued to Factories, Commercial Ventures, Trades & Service Providers under Kerala Panchayatraj Act, 1994.
- 4) Our Company has made an application dated March 22, 2024 before the Station Officer, Fire & Rescue Services, Mala, Department of Treasuries, Government of Kerala seeking renewal of no objection certificate for the firefighting arrangements installed in the manufacturing unit.

#### VIII. Licenses / approvals which have expired and for which renewal applications have not been made by our Company.

Nil

#### IX. Licenses / Approvals which are required but not yet applied for by our Company:

Nil

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Board of Directors has, pursuant to a resolution passed at its meeting held on February 14, 2024 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in EGM held on February 15, 2024 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this Draft Red Herring Prospectus for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

### **PROHIBITION BY SECURITIES MARKET REGULATORS**

Our Company, our Promoter, our Directors and our Promoter's Group, person(s) in control of the promoter or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

### **CONFIRMATIONS**

1. Our Company, our Promoter, Promoter's Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI in the past five years.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors.

### **PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY**

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter, nor Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

### **ELIGIBILITY FOR THE ISSUE**

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our Company, nor any of its Promoters, Promoter Group or Directors are debarred from accessing the capital market by the Board.
- Neither our Promoters, nor any Directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters nor our directors, are Wilful Defaulters or a fraudulent borrower.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital shall be upto ₹ [●] lakhs can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder:

**1. *The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.***

Our Company is incorporated under the Companies Act, 2013.

**2. *The post issue paid up capital of the company shall not be more than ₹ 25.00 Crore.***

The present paid-up capital of our Company is ₹ 1,264.76 lakhs and we are proposing issue upto 46,40,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share,

aggregating up to ₹ [●] lakhs. Hence, our Post Issue Paid up Capital will be upto ₹ 17,28.76 lakhs. So, the company has fulfilled the criteria of post issue paid up capital prescribed under Regulation 229(2) of the SEBI ICDR Regulations.

### 3. Track Record

#### A. *The company should have a track record of at least 3 years.*

Our Company was incorporated on March 31, 2017 as 'NewMalayalam Steel Private Limited', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by Deputy Registrar of Companies, Registrar of Companies, Central Registration Centre. Further, our Company was converted into a public limited company pursuant to a resolution passed by Board of Directors in their meeting held on December 15, 2023 and by our Shareholders in an Extraordinary General Meeting held on December 19, 2023 and consequently the name of our Company was changed to 'NewMalayalam Steel Limited' and a fresh certificate of incorporation dated February 1, 2024 was issued by the Registrar of Companies, Central Processing Centre.

#### B. *The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.*

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

Particulars	For the seven month period ended October 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating profit (earnings before interest, depreciation and tax and other income) from operations	632.62	708.05	733.44	926.12
Net Worth as per Restated Financial Statement	4,023.36	3,620.28	3,019.79	2,346.73

#### 4. Other Requirements

We confirm that:

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- iii. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

5. The Company has a website: [www.demacsteel.com](http://www.demacsteel.com)

#### 6. Disclosures

We confirm that:

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoter/promoting company(ies), companies promoted by the Promoter/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, Fis by the Company, Promoter/promoting company(ies), companies promoted by the Promoter/promoting Company(ies) during the past three years.
- iii. There are no litigations record against the applicant, Promoter/promoting company(ies), companies & promoted by the Promoter/promoting company(ies).
- iv. There are no criminal cases/investigation/offences filed against the director of the Company.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

1. In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting, please

refer to Section titled “**General Information**” beginning on page no. 54 of this Draft Red Herring Prospectus.

2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled “**General Information**” beginning on page no. 54 of this Draft Red herring Prospectus.
3. 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 refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of the Red Herring Prospectus through the BRLM immediately upon registration of the Red Herring Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on the Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KHANDWALA SECURITIES LIMITED SHALL FURNISH TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS 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 BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, KERALA AT ERNAKULAM, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

## **DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE BOOK RUNNING LEAD MANAGER**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.demacsteel.com, or the websites of the members of our Promoter Group, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Khandwala Securities Limited) and our Company on April 15, 2024, and the Underwriting Agreement dated [•] entered into between the Underwriters and our Company and the Market Making Agreement dated [•] entered into among the Market Maker, BRLM and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entity, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entity, and our affiliates or associates, for which they have received and may in future receive compensation.

Note:

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not Issue, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriter and BRLM 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 Equity Shares of our company.

## **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 authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring 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 Kerala only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "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 of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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 OF DRAFT RED HERRING PROSPECTUS/RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts, documents and the Prospectus will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

#### **LISTING**

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within 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 four day after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within three Working Days from the Issue Closing Date.

#### **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.”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower

shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **CONSENTS**

The written consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the BRLM to the Issue, Registrar to the Issue, Market Maker\*, Banker to the Issue\*, Syndicate Member\* and Underwriter\* to act in their respective capacities have been obtained.

*\*To be obtained at the RHP stage*

Above consents will be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, our Company has received written consent dated April 20, 2024 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as a Statutory Auditor and in respect of its (i) examination report dated February 20, 2024 on our Restated Financial Information; and (ii) its report dated April 15, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

## **EXPERT OPINION**

Except for the reports in the sections “*Statement of Special Tax Benefits*” and “*Financial Information*” on pages 93 and 171, respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name in this Draft Red Herring Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Our Company has not made public issue or rights issue under SEBI ICDR Regulations, in the past. For details of rights issues please refer chapter titled “*Capital Structure*” beginning on page no. 65 of this Draft Red Herring Prospectus.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

## **CAPITAL ISSUE DURING THE LAST THREE YEARS**

For details of the capital issued of our Company in past three years, please refer chapter titled “*Capital Structure*” beginning on page no. 65 of this Draft Red Herring Prospectus. Our group company have not listed their securities on any stock exchange in India or abroad. Our Company does not have any subsidiary or associates, as of the date of this Draft Red Herring Prospectus.

## **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM**

### **SME:**

Price Information of past issues handled by the Book Running Lead Manager

## Price Information of past issues handled by the Book Running Lead Manager

Price Information of past issues handled by the Book Running Lead Manager

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing*	
1.	Vishnusurya Projects And Infra Limited	49.98	68.00	October,10, 2023	73.00	141.94	(1.25)	478.34	10.26	271.36	14.34
2.	Kaushalya Logistics Limited	36.60	75.00	January 8, 2024	100.00	(13.67)	1.94	(17.19)	4.65	N/A	N/A
3.	Euphoria Infotech India Limited	9.60	100.00	January30, 2024	190.00	(59.92)	1.64	N/A	N/A	N/A	N/A

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium – 180 <sup>th</sup> calendar day from listing day*		
			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 %
2022-2023	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2023-24	3	96.2	Nil	1	Nil	1	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil
2024-25	0	0	Nil	N.A	N.A	N.A	Nil	1	Nil	Nil	Nil	1	Nil	Nil

Break -up of past issues handled by Khandwala Securities Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2023-24	3	Nil

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

2. Source: www.bseindia.com and www.nseindia.com

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1	Khandwala Securities Limited	www.kslindia.com

### Main Board:

Khandwala Securities Limited have not managed any Public Issue on Main Board.

## **PERFORMANCE VIS-A-VIS OBJECTS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 65 of this Draft Red Herring Prospectus, our Company has not undertaken any previous public or rights issue. None of the Entities or associates of our Company are listed on any stock exchange.

## **PERFORMANCE VIS-À-VIS OBJECTS –PUBLIC/ RIGHTS ISSUE OF SUBSIDIARIES/ LISTED PROMOTERS**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries. Further, we do not have a corporate promoter.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 date April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced 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. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timeline prescribed under the SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and complied with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Rahul Mamman Abraham	Chairman	Independent Director
Vazhappily Davis Varghese	Member	Managing Director
Cyriac Varghese	Member	Whole-time Director

Our Company has appointed Shravan Kannan Dev, the Company Secretary and Compliance Officer, who may be contacted in case of any pre-issue or post-issue related problems at the following address:

Door No. 2/546/A & 2/546/B Mala,  
Pallipuram P O, Mala, Thrissur - 680 732,  
Kerala, India.

**Telephone:** +91 984 705 8378

**Facsimile:** N.A.

**E-mail:** cs@demaacsteel.com

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

## **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled "*Capital Structure*" beginning on page no. 65 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **LISTED VENTURES OF PROMOTERS**

There are no listed ventures of our Company or of our Promoters as on date of filing of this Draft Red Herring Prospectus.

## **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

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

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

## **SECTION VIII – ISSUE INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, 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 the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI 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 has 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 Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of upto 46,40,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 14, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on February 15, 2024 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **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 of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled **“Description of Equity Shares and terms of the Articles of Association”** beginning on Page No. 281 of the Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion 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 chapter titled **“Dividend Policy”** beginning on Page No. 170 of the Draft Red Herring Prospectus.

#### **Face Value, Issue Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (**“Floor Price”**) and at the higher end of the Price Band is ₹ [●] per Equity Share (**“Cap Price”**).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis of Issue Price*” beginning on page 86 of this Draft Red Herring Prospectus.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

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 will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 23, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 2, 2024.

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 an issuer shall 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares 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.

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share 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 issued or sold within the United States or to, or for the account or benefit of, —U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 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.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in 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 a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 65 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 281 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the 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 Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

## ISSUE PROGRAM

Events	Indicative Dates
<b>Bid/Issue Opening Date</b> *	[●]
<b>Bid/Issue Closing Date</b> **^	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or before [●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before [●]

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

#In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While 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 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced 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. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timelines provided under the aforementioned circular.

Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

### Submission of Bids

#### Bid/Issue Period (except the Bid/Issue Closing Date)

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))

#### Bid/Issue Closing Date

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

#### On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM 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 Bid closure time from the Bid/ Issue Opening Date till the Bid/ 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 BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids 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 Bids 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 Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In 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 Red Herring 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 ₹ 1,00,000 (Rupees One Lac only) per application.

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.

### Migration to Main Board

Parameter	Migration policy from NSE SME Platform to NSE Main Board
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	<ul style="list-style-type: none"> <li>The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>The company has not received any winding up petition admitted by a NCLT.</li> <li>The net worth* of the company should be at least 50 crores</li> </ul> <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p>
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:	<ul style="list-style-type: none"> <li>The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</li> <li>Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li> <li>Redressal mechanism of Investor grievance</li> <li>PAN and DIN no. of Director(s) of the Company</li> <li>Change in Control of a Company/Utilization of funds raised from public</li> </ul>

### Market Making

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 54 of this Draft Red Herring Prospectus.

### Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

### Restrictions, if any, 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 Promoter’s minimum contribution in the Issue as detailed in the chapter “*Capital Structure*” beginning on page 65 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits

applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital will be upto ₹ [●] lakhs, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of Issue*” and “*Issue Procedure*” on page no. 241 and 251 respectively of this Draft Red Herring Prospectus.

This public issue comprises of upto 46,40,000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating up to ₹ [●] lakhs (“the issue”) by our Company. The Issue and the Net Issue will constitute [●]% and [●]% respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process (1):

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than Equity Shares [●]
Percentage of Issue size available for allocation	[●]% of the issue size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion  Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment <sup>(3)</sup>	Firm Allotment	Proportionate as follows:  a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate
Mode of Bid	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares that Bid size exceeds ₹ 200,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCBSs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process (excluding the UPI Mechanism).	Only through the ASBA process (excluding the UPI Mechanism).	Only through the ASBA process (including the UPI Mechanism for a Bid size of up to ₹ 500,000)	Only through the ASBA process (including the UPI Mechanism)

- (1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (4) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled “*Issue Procedure*” beginning on page 251 of the Draft Red Herring Prospectus

### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located), each with wide circulation.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCBSs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in

the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus with RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Kerala.

## BID/ ISSUE PROGRAMME:

Events	Indicative Dates
<b>Bid/Issue Opening Date</b> *	[●]
<b>Bid/Issue Closing Date</b> **^	[●]
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or before [●]
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before [●]

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

#In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

Bids 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 Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids 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 form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced 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. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular.

## **ISSUE PROCEDURE**

All Bidders shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Bidders; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”) and this phase was to continue till March 31, 2020 and post which reduced timeline from T+6 days to T+3 days was to be made effective using the UPI Mechanism for applications by RIBs. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 (“T+3 SEBI Circular”). The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus. SEBI, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application size are up to ₹5 lakhs shall use the UPI Mechanism. 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). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process.*

#### **BOOK BUILDING PROCEDURE:**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.**

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **Phased implementation of Unified Payments Interface**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI 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 RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the 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.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure

to listing continues to be six Working Days during this phase. 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.

- c) Phase III/T+3: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide T+3 Press Release. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Press Release as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form*</b>
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White

Category	Colour of Application Form*
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).*

*\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.**

**The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA 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.**

**An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)**

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary 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.*

**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, 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:</b>	After accepting the Bid Cum 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 Bid Cum 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 Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, 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 to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.
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**Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.**

**Stock exchange 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 bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("Cut- Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers 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 BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

#### **WHO CAN BID?**

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, 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. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) 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);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) 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;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;

- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**APPLICATIONS NOT TO BE MADE BY:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. 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 Issue 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 Bidders**

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 Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

**2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of

Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single 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 Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located) each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located) each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until

withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum 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 SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders 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.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located) each with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running 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 Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.

5. Bidders 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. Bidders 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 Bidders, or in the case of application in joint names, the first Bidder (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 Bidders 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 Bidders.
10. The Bidders 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.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% 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 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through

the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% 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, on a repatriation or non- repatriation basis, 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 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “**Restrictions on Foreign Ownership of Indian Securities**” beginning on page 279. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

#### **BIDS BY FPIS**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

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. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **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.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which finalized the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI

FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that finalized the multi- investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFS and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF 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. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFS, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank’s own 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, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company’s interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company’s paid up share capital engaged in non-financial services. However, this cap doesn’t apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in

financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see "**Key Regulations and Policies**" beginning on page 127.

#### **BIDS BY SCSBS**

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue 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 ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, 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 BRLM, reserves the right to reject any Bid without assigning any reason thereof.

## **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The

parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.

12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, 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 BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves 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 BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders 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 Bidder.

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] 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 to unblock the excess amount paid on Application to the Bidders.

SCSBs 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.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar 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 Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB 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 Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum 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 Bidder, 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 Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of: a. In case of resident Anchor Investors: — “[●] – Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “[●] – Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
- Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the 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 as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock

Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, 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 by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue, it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.**

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%

1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

**The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.**

*Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.*

## GENERAL INSTRUCTIONS

### *Do's:*

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB 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;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
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 Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs 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;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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 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 Bid. In case of RIBs 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 Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying

their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Issue using UPI, 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;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to 269inalized blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB 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;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) 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 [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
1. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
2. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
3. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
4. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
5. Do not submit the Bid for an amount more than funds available in your ASBA account.
6. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
7. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
8. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
10. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not submit the General Index Register (GIR) number instead of the PAN;
12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not submit a Bid using UPI ID, if you are not a RIB;
17. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
18. Do not Bid for Equity Shares in excess of what is specified for each category;
19. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
21. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
23. Do not Bid if you are an OCB; and
24. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “**General Information**” and “**Our Management**” beginning on pages 54 and 138, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “**General Information**” beginning on page 54.

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “**General Information**” beginning on page 54.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular, 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 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced 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. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

Names of entities responsible for finalized the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the BID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING 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.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. 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. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.**

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

##### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

##### **c. Allotment To Anchor Investor (If Applicable)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following

requirements:

- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.
- iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the National Stock Exchange of India Limited Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) 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 oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the oversubscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment

will be made as follows:

- Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by 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 (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public 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.**

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

**On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.**

**The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.**

#### **Instructions for Completing the Bid Cum Application Form**

**The Applications 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 Bid Cum 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 Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, 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 National Stock Exchange of India Limited i.e. 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 Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited i.e. www.nseindia.com

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, 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.

Bidders should note that on the basis of name of the Bidders, 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, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders 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 Bidder 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.

#### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer 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 shares in the respective beneficiary accounts, etc.

#### **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 2 (two) working days of date of Allotment of Equity Shares.

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 Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) 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. 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.

**SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced 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. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular.**

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation National Stock Exchange of India Limited (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:
  - i. Each successful applicant shall be allotted [●] equity shares; and
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl 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.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running 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, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 23, 2024.
- b) Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 2, 2024.
- c) The Company's Equity shares bear an ISIN No. INE0TP801012.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: ([●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Malayalam editions of [●] (a Malayalam language newspaper with wide circulation, Malayalam being the regional language of Kerala, where our Registered Office is located) each with wide circulation).

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The 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.

### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or before the filing of Red Herring Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*"Any person who:*

- I. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- II. 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*
- III. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the 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 days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

## **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, 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 2017 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company. The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, , FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, , 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India)

Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap. Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

***i. Investment by FPIs under Portfolio Investment Scheme (PIS):***

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

***ii. Investment by NRI or OCI on repatriation basis:***

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 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 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference 373 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.

***iii. Investment by NRI or OCI on non-repatriation basis:***

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

**SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION**

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

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SCHEDULE I  
(Sections 4 and 5)  
TABLE-F

**THE COMPANIES ACT, 2013  
ARTICLES OF ASSOCIATION  
OF**

**[1] NEWMALAYALAM STEEL LIMITED  
Company Limited by Shares  
Indian Non-Government Company  
Having Share Capital**

*Interpretation*

I. (1) In these regulations-

- (a) "Company" means <sup>[1]</sup> NEWMALAYALAM STEEL LIMITED.
- (b) "Office" means the Registered Office of the Company.
- (c) "Act" means the Companies Act, 2013, and any statutory modification thereof.
- (d) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

(3) Subject as hereinafter the Regulations contained in Table F in Schedule I to the Companies Act, 2013 shall apply to the Company and constitutes its Regulations, except in so far they are hereafter expressly or impliedly excluded, modified or varied.

(4). The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013, and accordingly: -

- (i) it is not a Private Company
- (ii) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

*Share Capital and Variation of Rights*

- II. 1) The share capital of the Company shall be such amount divided into such number of shares as mentioned in Clause V of Memorandum of Association of the Company with the power to increase and to reduce the capital of the Company and to divide or consolidate the shares in the capital for the time being divided into several classes and to attach thereto respectively such preferential deferred qualified or special rights privileges or conditions as may be determined by or in accordance with the Regulations of the Company. Subject to the provisions of the Act and these Articles the shares in the 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 and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid shares.

- (2) Every member shall be entitled without payment to one or more certificates in marketable lots for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment unless the conditions of issue thereof otherwise provide or within one month of the receipt of application for registration of transfer transmission sub-division consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. 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 letter 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 of it at least one of the aforesaid two Directors shall be a person other than a Managing or 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. Any two or more joint allottees of shares shall for the purpose of this Article be treated as a single member and the certificate of any shares 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 Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act. 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.
- 3) (i) If any certificate be worn out defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer then upon production and surrender thereof to the Company a new Certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate being given a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide or on payment of such fees (not exceeding Rs.50- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- (ii) Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act 1956 or any other Act or rules applicable in this behalf.
- (iii) The provisions of this Article shall mutatis mutandis apply to debentures of the Company)
- (a) If any share stands in the names of two or more persons the person first named in the Register shall as regard receipts of dividends or 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 sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.
- (b) The Company shall not be bound to register more than three persons as the joint holders of any share. Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognise any equitable contingent future or partial interest in any share or (except only as is by these Articles 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 its

sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

- 4) Except as required by law no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under subsection (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6) If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 48 and whether or not the company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.
- 7) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 8) Subject to the provisions of the Act and these Articles the Board of Directors may issue redeemable preference shares to such persons on such terms and conditions and at such times as Directors think fit either at premium or at par and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par such option being exercisable at such times and for such consideration as the Board thinks fit. The holder of Preference Shares shall have a right to vote only on Resolutions which directly affect the rights attached to his Preference Shares. On the issue of redeemable preference shares under the provisions of Article hereof the following provisions shall take effect no such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption No such Shares shall be redeemed unless they are fully paid Subject to section 55 (2)(d)(i) the premium if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account before the Shares are redeemed where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund to be called the Capital Redemption Reserve Account a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid up share capital of the Company and Subject to the provisions of Section 55 of the Act the redemption of

preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital. 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 conditions as to redemption surrender drawing allotment of shares attending (but not voting) at the General Meeting 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 Company in the General Meeting by a Special Resolution. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow under Employee Stock Option Scheme (ESOP) or any other scheme if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act the Rules and applicable guidelines made there under by whatever name called. Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country. Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder. The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of subsection (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder. The shares in the 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. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash and if so issued shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. 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 become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly. Every Member or his heirs executors administrators or legal representatives shall pay to the Company the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Companys regulations require on date fixed for the payment thereof. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm an insolvent person or a person of unsound mind. The Board shall observe the restrictions as regards allotment of shares to the public and as regards return on allotments contained in Sections 39 of the Act.

#### *Lien*

- 9) The Company shall have a first and paramount lien upon all the shares debentures (other than fully paid-up shares debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money's (whether presently payable or not) called or payable at a fixed time in respect of such shares debentures and no equitable interest in any share

hall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares debentures. Unless otherwise agreed the registration of a transfer of shares debentures shall operate as a waiver of the Company's lien if any on such shares debentures. The Directors may at any time declare any shares debentures wholly or in part to be exempt from the provisions of this clause.

- 10) The company may sell in such manner as the Board thinks fit any shares on which the company has a lien. Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable or b until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently Payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 11) For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment fulfilment of discharge of such debts liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
- 12) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue if any shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.

#### *Calls on Shares*

- 13) i) 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 a circular resolution make such calls as it thinks fit upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.  
  
ii) A call may be revoked or postponed at the discretion of the Board.  
  
iii) A call may be made payable by installments. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
- 14) A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
- 15) Whenever any calls for further share capital are made on shares such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class. 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 on account of the residence at a distance or other cause which the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

- 16) If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21 per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or byway of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.
- 17) 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 if 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 on the Register of Members as the holder at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of 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 forfeiture of such shares as hereinafter provided.
- 18) (i) (a) The Board may if it thinks fit 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 may 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 shares may carry interest but shall not confer a right to dividend (b) or to participate in profits.  
  
(ii) 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. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

#### *Transfer of Shares*

- 19) (i) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.  
  
(ii) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.

The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange. The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name address and occupation if any of the transferee has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost the Company may register the transfer on such terms as to indemnity as the Board may think fit provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

- 20) Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act 1956 the Directors may decline to register(a)any transfer of shares on which the company has a lien. That registration of transfer shall however 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.
- 21) If the Company refuses to register the transfer of any share or transmission of any right there in the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. No fee shall be charged for registration of transfer transmission Probate Succession Certificate and letter of administration Certificate of Death or Marriage Power of Attorney or similar other document with the Company.
- 22) The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and or the Register of debentures holders and 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 at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine. Where an application of transfer relates to partly paid shares the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post speed post courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
  - i) On the death of a Member the survivor or survivors where the Member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder shall be the only person recognized by the Company as having any title to his interest in the shares.

*ii)* Before recognising any executor or administrator or legal representative the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board in its absolute discretion may consider adequate(iii) Nothing in clause (i) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons 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 Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act. Where in 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. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of Persons having or claiming any equitable right title or interest to or in the same 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 entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them 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 regard and attend to any such notice and give effect thereto if the Directors shall so think fit. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit. No transfer shall be made to any minor insolvent or person of unsound mind.

#### *Transmission of shares*

23) Subject to the provisions of the Act and these Articles any person becoming entitled to any share in consequence of the death lunacy bankruptcy insolvency of any member or by any lawful means other than by a transfer in accordance with these presents may with the consent of the Directors (which they 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 this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the Transmission Clause.

- 24) Subject to the provisions of the Act and these Articles the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
- 25) Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
- 26) A person becoming entitled to a share by reason of the death or insolvency 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 share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.
- 27) In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.

#### *Forfeiture of shares*

- 28) If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the shares by transmission requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India for the time being in force.
- 29) The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment 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 or places appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment 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 or places appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

- 30) If the requirements of any such notice as aforesaid shall not be complied with every or any share in respect of which such notice has been given may at any time thereafter but before payment of all calls or installments interest and expenses due in respect thereof be forfeited by 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.
- 31) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.
- 32) When any shares have been 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. Any shares 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 in their absolute discretion shall think fit. Any Member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls installments interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so. The forfeiture shares 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 by these Articles are expressly saved.
- 33) A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have 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 claiming to be entitled to the shares. The Company may receive the consideration if any given for the share on any sale re-allotment or other disposition thereof and the person to whom such share is sold re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration if any nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture sale re-allotment or other disposal of the shares. Upon any sale re-allotment or other disposal under the provisions of the preceding Article the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- 34) In the meantime and until any share so forfeited shall be sold re allotted or otherwise dealt with as aforesaid the forfeiture thereof may at the discretion and by a resolution of the Directors be remitted as a matter of grace and favour and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same or on any other terms which the Director may deem reasonable. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchasers name to be entered in the Register of Members in respect of the Shares sold and the purchasers shall not be bound to see to the regularity of the proceedings or to the application 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 shall 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. The Directors may subject to the provisions of the Act accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

#### *Alteration of capital*

- 35) The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. Except so far as otherwise provided by the conditions of issue or by these Presents any capital raised by the creation of new Shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments forfeiture lien surrender transfer and transmission voting and otherwise. The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia dividends eligibility volume quantum proportion and other terms and conditions as they deem fit subject however to provisions of law rules regulations notifications and enforceable guidelines for the time being in force.
- 36) Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
- 37) Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. The holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
- 38) The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital any capital redemption reserve account or any share premium account.

#### *Capitalisation of profits*

- 39) (i) The company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause.
- (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause.
- (iii) either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively paying up in full unissued shares of the company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid partly in the way specified in sub-clause.

(A) and partly in that specified in sub-clause

(B) A securities premium account and a capital redemption reserve account may for the purposes of this regulation be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

- 40) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares Any agreement made under such authority shall be effective and binding on such members That for the purpose of giving effect to any resolution under the preceding paragraph of this Article the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

- (i) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.
- (ii) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.

#### ***Buy-back of shares***

- 41) 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.

#### ***General meetings***

- 42) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 43) (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time there are not within India sufficient Directors capable of acting to form a quorum or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

#### ***Proceedings at general meetings***

- 44) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.
- 45) The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company. No General Meeting Annual or Extraordinary shall be competent to enter upon discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
- 46) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Vice Chairman of the Company so shall take the chair and preside the meeting. In the absence of the Vice Chairman as well the Directors present may choose one of the Directors among themselves to preside the meeting.
- 47) In the case of an equality of votes the Chairman shall both on a show of hands on a poll (if any) and e-voting have casting vote in addition to the vote or votes to which he may be entitled as a Member. Any poll duly demanded on the election of Chairman or Vice Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. The demand for a poll except on the question of the election of the Chairman or Vice Chairman and of an adjournment 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.

#### ***Adjournment of meeting***

- 48) The Chairperson may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in section 103 of the Act it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### ***Voting rights***

- 49) 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 upon a poll or electronically or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right or lien. Subject to the provision 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 capital of the company every Member not disqualified by the last preceding Article shall be entitled to be present and to speak and to 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 is 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 resolution placed before the meeting which directly affect the rights attached to his preference shares. 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 in the same way all the votes he uses. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy or a minor may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy. Notwithstanding anything contained in the provisions of the Companies Act 2013 and the Rules made there under the Company may and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time declare to be conducted only by postal ballot shall get any such business resolutions passed by means of postal ballot instead of transacting the business in the General Meeting of the Company.
- 50) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 51) (i) In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior 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 share stands shall for the purpose of these Articles be deemed joints holders thereof.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 52) Votes may be given either personally or by attorney or by proxy or in case of a company by a representative duly Authorised as mentioned in Articles A body corporate (whether a company within the meaning of the Act or not) may if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors as it thinks fit in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member creditor or holder of debentures of the Company.
- 53) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys paid until the same would but for this payment become presently payable. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. Any person

entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

- 54) No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
- 55) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

#### *Proxy*

- 56) The instrument appointing a proxy and the power-of-attorney or other authority if any under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
- 57) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 58) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### *Board of Directors*

- 59) (i) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen.  
Provided that a company may appoint more than fifteen directors after passing a special resolution. The following shall be the First Directors of the Company.
- (a) Varghese Vazhappily Davis  
(b) Cyriac Vazhappilly Varghese
- (ii) The first directors shall continue to hold office until their office becomes vacant by resignation removal and death or otherwise in accordance with the provision of the articles. The Board shall have the power to determine the Directors whose period of Office is or is not liable to

determination by retirement of Directors by rotation. A retiring Director shall be eligible for reappointment.

- 60) The remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the company. The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting such sum as the Board may consider fair compensation for travelling hotel and other incidental expenses properly incurred by him in addition to his fee for attending such meeting as above specified.
- 61) The Board may pay all expenses incurred in getting up and registering the company.
- 62) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 63) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 64) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 65) A Director of the Company shall not be bound to hold any Qualification Shares in the Company. Subject to the provisions of the Companies Act 2013 and notwithstanding anything to the contrary contained in these Articles the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. The Nominee Directors so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Directors so appointed. The said Nominee Directors shall be entitled to the same rights and privileges including receiving of notices copies of the minutes sitting fees etc. as any other Director of the Company is entitled. If the Nominee Directors is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. The Nominee Directors shall notwithstanding anything to the contrary contained in these Articles be at liberty to disclose any information obtained by him to the Financial Institution appointing him as such Directors. The Board may appoint an Alternate Director to act for a Director (hereinafter called The Original Director) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose 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 provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. Subject to the provisions of the Act the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting. Subject to the provisions of the Act the Board shall have power at any time and from time to time to appoint a Director if the office of any director appointed by the company in general meeting is vacated before his

term of office expires in the normal course who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

*Proceedings of the Board*

- 66) (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 67) (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 68) 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.
- 69) a) The Directors may from time to time elect from among their members a Chairperson of the Board as well as a Vice Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same to the Vice Chairman shall preside at the meeting and in the absence of the Vice Chairman as well the Directors present may choose one of the Directors among themselves to preside the meeting.  
b) Subject to Section 203 of the Act and rules made there under one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.
- 70) Subject to the provisions of the Act the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes but every Committee 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 in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. The Meetings and proceedings of any such Committee of the Board consisting of two or more members 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.
- 71) A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 72) A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 73) Subject to the provisions of the Act all acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons 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 a Director.

- 74) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

75) Subject to the provisions of the Act, --

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

- 76) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***The Seal***

- 77) a) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act for use in any territory district or place outside India. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

***Dividends and Reserve***

- 78) The Company in General Meeting may declare dividends to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act but no dividends shall exceed the amount recommended by the Board of Directors but the Company may declare a smaller dividend in general meeting.

- 79) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

- 80) The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board be applicable for

any purpose to which the profits of the company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may from time to time think fit. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

- 81) Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. 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.
- 82) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 83) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts liabilities or engagements in respect of which the lien exists. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. 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 dividends as from a particular date such share shall rank for dividend accordingly. The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member or any person under that Article is entitled to transfer until such person becomes a member in respect of such shares or shall duly transfer the same.

No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

- 84) a) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.  
b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 85) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

- 86) No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.

*Accounts*

- 87) 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. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

*Winding up*

- 88) Subject to the provisions of Chapter XX of the Act and rules made thereunder If the company shall be wound up the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the members in specie or kind the whole or any part of the assets of the company whether they shall consist of property of the same kind or not. For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

*Indemnity*

- 89) Subject to provisions of the Act every Director or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor shall be indemnified by the Company against and it shall be the duty of the Directors to pay out of the funds of the Company all costs charges losses and damages which any such person may incur or become liable to by reason of any contract entered into or act or thing done concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court. Subject to the provisions of the Act no Director Managing Director or other officer of the Company shall be liable for the acts receipts neglects or defaults of any other Directors or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortuous act of any person company or corporation with whom any moneys securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

*Others*

**90) Underwriting and Brokerage**

Subject to the provisions of Section 40 (6) 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 absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard.

Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

### **Nomination**

- i. Notwithstanding anything contained in the articles every holder of securities of the Company may at any time nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act 2013 shall apply in respect of such nomination.
- ii. No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014
- iii. The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.
- iv. If the holder(s) of the securities survive(s) nominee then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect either-

- (i) to be registered himself as holder of the security as the case may be or
- (ii) to make such transfer of the security as the case may be as the deceased security holder could have made
- (iii) if the nominee elects to be registered as holder of the security himself as the case may be he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to 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.

Provided further that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other moneys payable or rights accruing in respect of the share or debenture until the requirements of the notice have been complied with.

### **Dematerialisation of Shares**

Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.

### **Joint Holder**

where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.

- (i) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- (ii) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person
- (iii) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share and
- (iv) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

### **Share Warrants**

The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder 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 persons 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.

- (i) The bearer of a share warrant may at any 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 for call in 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 deposit warrant.
- (ii) Not more than one person shall be recognized as depositor of the Share warrant.
- (iv) The Company shall on two days written notice return the deposited share warrant to the depositor.
  - (i) Subject as herein otherwise expressly provided no person being a bearer of a share warrant shall 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.
  - (ii) 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.
  - (iii) The Board may from time to time make bye-laws as to 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.

### **Borrowing Powers**

Subject to the provisions of the Act and these Articles the Board may from time to time at its discretion by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits loans overdrafts cash creditor by issue of bonds debentures or debenture-stock (perpetual or otherwise) or in any other manner or from any person firm company co-operative society anybody corporate bank institution whether incorporated in India or abroad Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received raised or borrowed provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General

Meeting 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 specified purpose.

Subject to the provisions of the Act and these Articles any bonds debentures debenture-stock or any other securities may be issued at a discount premium or otherwise and with any special privileges and conditions as to redemption surrender allotment of shares appointment of Directors or otherwise provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

The payment and or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by mortgage charge lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being or by a guarantee by any Director Government or third party and the bonds debentures and debenture stocks and other securities may be made assignable free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

Any bonds debentures debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

#### **Retirement and Rotation of Directors.**

Subject to the provisions of Section 161 of the Act if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director 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 had not been vacated as aforesaid.

#### **Powers of the Board**

The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary unless otherwise restricted by the Act or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, 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.

Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the Articles it is hereby declared that the Directors shall have the following powers that is to say

- (1) Subject to the provisions of the Act to purchase or otherwise acquire any lands buildings machinery premises property effects assets rights creditors royalties' business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on in any part of India.
- (2) Subject to the provisions of the Act to purchase take on lease for any term or terms of years or otherwise acquire any land or lands with or without buildings and out-houses thereon situate in any part of India at such conditions as the Directors may think fit and in any such purchase lease or acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfy.
- (3) To erect and construct on the said land or lands buildings houses warehouses and sheds and to alter extend and improve the same to let or lease the property of the company in part or in whole for such rent and subject to such conditions as may be thought advisable to sell such portions of the land or buildings of the Company as may not be required for the company to mortgage the whole or any portion of the property of the company for the purposes of the Company to sell all or any portion of the machinery or stores belonging to the Company.
- (4) At their discretion and subject to the provisions of the Act the Directors may pay property rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares bonds debentures or other securities of the Company and any such share 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 or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other moveable property of the Company either separately or co-jointly also to insure all or any portion of the goods produce machinery and other articles imported or exported by the Company and to sell assign surrender or discontinue any policies of assurance effected in pursuance of this power.
- (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.
- (7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.
- (8) To accept from any member so far as may be permissible by law a surrender of the shares or any part thereof on such terms and conditions as shall be agreed upon.
- (9) To appoint any person to accept and hold in trust for the Company property belonging to the Company or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- (10) To institute conduct defend compound or abandon any legal proceeding by or against the Company or its Officer or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer any difference to arbitration either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.
- (11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.
- (12) To make and give receipts release and give discharge for moneys payable to the Company and for the claims and demands of the Company.

- (13) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act all investments shall be made and held in the Company's own name.
- (14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgage of the Company's property (present or future) as they think fit and any such mortgage may contain a power of sale and other powers provisions covenants and agreements as shall be agreed upon.
- (15) To determine from time to time persons who shall be entitled to sign on Company's behalf bills notes receipts acceptances endorsements cheques dividend warrants releases contracts and documents and to give the necessary authority for such purpose whether by way of a resolution of the Board or by way of a power of attorney or otherwise.
- (16) To give to any Director Officer or other persons employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the company and such commission or share of profits shall be treated as part of the working expenses of the Company.
- (17) To give award or allow any bonus pension gratuity or compensation to any employee of the Company or his widow children dependents that may appear just or proper whether such employee his widow children or dependents have or have not a legal claim on the Company.
- (18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund or to a Reserve Fund or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing improving extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may in the absolute discretion think conducive to the interests of the Company and subject to Section 179 of the Act to invest the several sums so set aside or so much thereof as may be required to be invested upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds including the deprecation fund in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power 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.
- (19) To appoint and at their discretion remove or suspend such general manager manager secretaries assistants supervisors scientists technicians engineers consultants legal medical or economic advisers research workers labourers 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 to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may

think fit and also from time to time to 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 next following clauses shall be without prejudice to the general powers conferred by this clause.(20)At any time and from time to time by power of attorney under the 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 such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company or the shareholders directors nominees or manager 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 powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretion for the time being vested in them.

(21) Subject to Sections 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts deeds and things in the name and on behalf of the Company as they may consider expedient.

(22) From time to time to make vary and repeal rules for the regulations of the business of the Company its Officers and employees.

(23) To effect make and enter into on behalf of the Company all transactions agreements and other contracts within the scope of the business of the Company.

(24) To apply for promote and obtain any act charter privilege concession license authorization if any Government State or municipality provisional order or license of any authority for enabling the Company to carry any of this objects into effect or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.

(26) To redeem preference shares.

(27) To subscribe incur expenditure or otherwise to assist or to guarantee money to charitable benevolent religious scientific national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.

(28) To pay the cost charges and expenses preliminary and incidental to the promotion formation establishment and registration of the Company.

(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.

(30) To provide for the welfare of Directors or ex-Directors or employees or 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 houses dwelling or chawls or by grants of moneys pension gratuities allowances bonus or other payments or by creating and from time to time subscribing or contributing to provide other associations institutions funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation hospitals and dispensaries medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent religious scientific national or other institutions or object which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of the public and general utility or otherwise.

(31) To purchase or otherwise acquire or obtain license for the use of and to sell exchange or grant license for the use of any trade mark patent invention or technical know-how.

(32) To sell from time to time any Articles materials machinery plants stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture prepare and sell waste and by-products.

(33) From time to time to extend the business and undertaking of the Company by adding altering or enlarging all or any of the buildings factories workshops premises plant and machinery for the time being the property of or in the possession of the Company or by erecting new or additional buildings and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.

(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.

(35) To improve manage develop exchange lease sell resell and repurchase dispose off deal or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.

(36) To let sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.

(37) Generally subject to the provisions of the Act and these Articles to delegate the powers authorities and discretions vested in the Directors to any person(s) firm company or fluctuating body of persons as aforesaid.

(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

### **Managing and Whole-Time Directors**

a) Subject to the provisions of the Act and of these Articles the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company

and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such reappointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director. The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors and may be by way of fixed salary or commission on profits of the Company or by participation in any such profits or by any or all of these modes.

(1) Subject to control direction and supervision of the Board of Directors the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.

(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act such of the powers exercisable under these presents by the Directors as they may think fit and may confer such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any such powers.

(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.

(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

(5) Notwithstanding anything contained in these Articles the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

#### **Foreign Register.**

The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders and the Board may subject to the provisions of the Act make and vary such regulations as it may think fit in regard to the keeping of any such Registers.

#### **Documents and Service of Notices.**

Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.

Save as otherwise expressly provided in the Act a document or proceeding requiring authentication by the company may be signed by a Director the Manager or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.

### **Secrecy**

Every Director Manager Auditor Treasurer Trustee Member of a Committee Officer Servant Agent Accountant or other person employed in the business of the company shall if so required by the Directors before entering upon his duties sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

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**\*The Members of the Company passed Special Resolution in the Extra-Ordinary General Meeting held on 19<sup>th</sup> December, 2023 for Alteration of Article of Association of the Company by Converting Company into Public Limited Company.**

**\*The Members of the Company passed Special Resolution in the Extra-Ordinary General Meeting held on 15<sup>th</sup> February, 2024 for alteration of Article of Association of the Company in accordance with Public Limited Company.**

## **SECTION X - 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 two (2) years before the date of filing of this Draft Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the ROC for registration/submission of the Red Herring Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company and on our website at [www.demacsteel.com](http://www.demacsteel.com), from date of filing of Red Herring Prospectus with ROC on all Working Days until the Bid/Issue Closing Date.

#### **1. Material Contracts for the Issue**

- (i). Issue Agreement dated April 15, 2024 entered into between our Company and the Book Running Lead Manager.
- (ii). Registrar Agreement dated April 20, 2024 entered into amongst our Company and the Registrar to the Issue.
- (iii). Tripartite Agreement dated February 23, 2024 between our Company, NSDL and the Registrar to the Issue.
- (iv). Tripartite Agreement dated February 2, 2024 between our Company, CDSL and the Registrar to the Issue.
- (v). Syndicate Agreement dated [●] executed between our Company, Book Running Lead Manager and Syndicate Member.
- (vi). Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
- (vii). Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
- (viii). Underwriting Agreement dated [●] amongst our Company and the Underwriters.

#### **2. Material Documents**

- (i) Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- (ii) Certificate of Incorporation dated March 31, 2017 under the Companies Act, 2013 issued by Deputy Registrar of Companies, Registrar of Companies, Central Registration Centre.
- (iii) Certificate of incorporation dated February 1, 2024 issued under the Companies Act, 2013 by the Registrar of Companies, Central Processing Centre, pursuant to conversion of our Company into a public limited company.
- (iv) The resolution passed by the Board of Directors at its meeting held on February 14, 2024 and the resolution passed by the Shareholders of the Company in EGM held on February 15, 2024, authorizing the Issue.
- (v) Resolution of the Board of Directors of the Company dated April 23, 2024, taking on record and approving this Draft Red Herring Prospectus.
- (vi) The examination reports dated February 20, 2024 issued by the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
- (vii) Copies of the Audited Financial Statements of our Company for the Fiscals 2023 and 2022 and 2021.
- (viii) Consent of the Promoter, Directors, the Book Running lead Manager, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- (ix) Consent letter dated April 20, 2024 of the Statutory Auditor to include their names as experts in relation to their report dated February 20, 2024 on the Restated Financial Information and the Statement of Tax Benefits dated April 15, 2024 included in this Draft Red Herring Prospectus.
- (x) Certificate on Key Performance Indicators (KPI's) issued by Statutory Auditor dated April 20, 2024.
- (xi) In principle listing approval dated [●] issued by National Stock Exchange of India Limited.
- (xii) Due Diligence Certificate dated [●], issued by the BRLM.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

### **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

\_\_\_\_\_  
**Mahendra Kumar Jain**

Chairman and Executive Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

\_\_\_\_\_  
**Vazhappily Davis Varghese**  
Managing Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Molly Varghese**  
Whole-time Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Cyriac Varghese**  
Whole-time Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Divyakumar Jain**  
Executive Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Suman Jain**

Non- Executive Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Veliyath Antony Davies**  
Independent Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Rahul Mamman Abraham**  
Independent Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Jijo Maliyakkal**  
Independent Director

**Place:** Kerala

**Date:** April 23, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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**Rahul Jain**  
Chief Financial Officer

**Place:** Kerala

**Date:** April 23, 2024