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**Draft Prospectus**  
**Dated: July 24, 2024**  
Please read section 26 & 32 of the  
Companies Act, 2013  
This Draft Prospectus will be  
updated upon filing with RoC  
100% Fixed Price Issue

**SHREE BALA JI PIGMENTS LIMITED**  
(Formerly known as Shree Bala Ji Pigments Private Limited)  
**CIN: U27109JK2007PLC002731**

Registered & Corporate Office	Contact Person	Email and Telephone	Website
36-B, Industrial Ext. Area Near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102	<b>Ms. Vasundhra Gupta</b> Company Secretary & Compliance Officer	<b>E-mail:</b> cs@satyamtmt.com <b>Tel No:</b> +91 80621 77519	www.satyamtmt.com

**NAMES OF PROMOTERS OF THE COMPANY**

(i) Mr. Lalit Aggarwal, (ii) Mr. Sunil Kumar Aggarwal, and (iii) Mrs. Neeru Aggarwal

**DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS**

Type	Fresh Issue Size	OFS Size	Total Issue Size	Eligibility – 229(1) / 229(2) & Share Reservation amount QIB, NII & RII
Fresh Issue	42,00,000 Equity Shares aggregating to ₹ 3,402.00 Lakhs	Nil	<b>42,00,000</b> <b>Equity Shares</b> <b>aggregating to</b> <b>₹ 3,402.00 Lakhs</b>	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations, as the Company's post issue Paid-up capital would be more than ₹10.00 Crores (Rupees Ten Crores).  <b>Share Reservation:</b> Minimum 50% to the Retail Individual Investors of “Net Issue” Minimum 5% to the Market Maker of “Issue”

OFS: Offer for Sale

**Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders: - NIL -**

**RISKS IN RELATION TO THE FIRST ISSUE** – The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹81/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 88 of this draft prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in 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 Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 22 of this Draft Prospectus.


**ISSUER’S ABSOLUTE RESPONSIBILITY**

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


**LISTING**

The Equity Shares of our company issued through this Draft Prospectus are proposed to be listed on the SME EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”). In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our company has received “in-principal” approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the NSE EMERGE. For the purposes of the issue, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).

**LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	E-mail & Telephone
 <b>FINSHORE</b> Creating Enterprise Managing Values <b>FINSHORE MANAGEMENT SERVICES LIMITED</b>	S. Ramakrishna Iyengar	<b>Email:</b> info@finshoregroup.com <b>Telephone:</b> +91 33 4603 2561

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	E-mail & Telephone
 <b>KFINTECH</b> EXPERIENCE TRANSFORMATION <b>KFIN TECHNOLOGIES LIMITED</b>	M. Murali Krishna	<b>Email:</b> sbpl ipo@kfintech.com <b>Telephone:</b> +91 40 6716 2222

**ISSUE PROGRAMME**

<b>ISSUE OPENS ON: [●]</b>	<b>ISSUE CLOSES ON: [●]</b>
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Draft Prospectus  
Dated: July 24, 2024  
Please read section 26 & 32 of the  
Companies Act, 2013  
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updated upon filing with RoC  
100% Fixed Price Issue

## SHREE BALA JI PIGMENTS LIMITED

(Formerly known as Shree Bala Ji Pigments Private Limited)

Our Company was originally incorporated as a Private Limited Company under the name 'Shree Bala Ji Pigments Private Limited' on January 25, 2007 under the provision of the Companies Act, 1956 bearing Corporate Identification Number U27109JK2007PTC002731 issued by Registrar of Companies, Jammu and Kashmir. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to "Shree Bala Ji Pigments Limited" vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated January 04, 2024 bearing Corporate Identification Number U27109JK2007PLC002731 issued by Registrar of Companies – Jammu. For further details of change in name and registered office of our company, please refer to section titled "Our History and Certain Corporate Matters" beginning on page no 149 of the Draft Prospectus.

**Registered & Corporate Office:** 36-B, Industrial Ext. Area Near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102  
**Contact Person:** Ms. Vasundhra Gupta, Company Secretary & Compliance Officer; **Tel No:** +91 80621 77519,  
**E-Mail ID:** cs@satyamtmt.com, **Website:** www.satyamtmt.com; **CIN:** U27109JK2007PLC002731

**OUR PROMOTERS: (I) MR. LALIT AGGARWAL; (II) MR. SUNIL KUMAR AGGARWAL; AND (III) MRS. NEERU AGGARWAL**

### THE ISSUE

**INITIAL PUBLIC OFFER OF 42,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF SHREE BALA JI PIGMENTS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹81/- PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹71/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 3,402.00 LAKHS ("THE ISSUE"), OF WHICH 2,11,200 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹81/- PER EQUITY SHARE, AGGREGATING TO ₹ 171.07 LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 39,88,800 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹81/- PER EQUITY SHARE, AGGREGATING TO ₹ 3,230.93 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.16% AND 26.74% RESPECTIVELY OF THE POST ISSUE PAIDUP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹10/- EACH AND THE ISSUE PRICE IS ₹ 81/- EACH i.e., 8.1 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE MINIMUM LOT SIZE IS 1,600 EQUITY SHARES**

THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET OFFER TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253(2) OF THE SEBI (ICDR) REGULATIONS, 2018. (For further details please see "The Issue" beginning on page no. 48 of this Draft Prospectus.) A copy will be delivered for filing to the Registrar of Companies as required under sub-section 4 of Section 26 of the Companies Act, 2013.

In terms of Regulation 256 of SEBI ICDR Regulations read with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and Unified Payments Interface (UPI) introduced vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 all the potential investors shall participate in the issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about 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/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor. (For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 249 of this Draft 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 ₹10/- each and the issue price is 8.1 times of face value of the equity share. The issue price should not be taken 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 of our company or regarding the price at which the equity shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "Risk factors" beginning on page no. 22 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the offer document 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 make this document 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 of our company issued through this Draft Prospectus are proposed to be listed on the **SME EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE")**. In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our company has received "in-principal" approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the NSE EMERGE. For the purposes of the issue, the **Designated Stock Exchange** will be **National Stock Exchange of India Limited ("NSE")**.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



**FINSHORE**

Creating Enterprise Managing Values

**FINSHORE MANAGEMENT SERVICES LIMITED**  
Anandlok Building, Block-A, 2<sup>nd</sup> Floor, Room No. 207,  
227 A.J.C Bose Road, Kolkata-700020, West Bengal, India  
**Telephone:** +91 33 4603 2561  
**Email:** info@finshoregroup.com  
**Contact Person:** Mr. S. Ramakrishna Iyengar  
**Website:** www.finshoregroup.com  
**Investor Grievance Email:** investors@finshoregroup.com  
**SEBI Registration No:** INM000012185  
**CIN No:** U74900WB2011PLC169377



**KFINTECH**

EXPERIENCE TRANSFORMATION

**KFIN TECHNOLOGIES LIMITED**  
Selenium, Tower-B, Plot 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India  
**Telephone:** +91 40 6716 2222  
**Email:** sbpl ipo@kfintech.com  
**Contact Person:** M. Murali Krishna  
**Website:** www.kfintech.com  
**Investor Grievance Email:** einward.ris@kfintech.com  
**SEBI Registration Number:** INR000000221  
**CIN No:** L72400TG2017PLC117649

### ISSUE PROGRAMME

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

<b>SECTION I: DEFINITIONS AND ABBREVIATIONS</b>	2
DEFINITIONS AND ABBREVIATIONS	2
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION	14
FORWARD-LOOKING STATEMENTS	16
<b>SECTION II: SUMMARY OF DRAFT PROSPECTUS</b>	17
SUMMARY OF DRAFT PROSPECTUS	17
<b>SECTION III: RISK FACTORS</b>	22
RISK FACTORS	22
<b>SECTION IV: INTRODUCTION</b>	48
THE ISSUE	48
SUMMARY OF FINANCIAL INFORMATION	49
<b>SECTION V: GENERAL INFORMATION</b>	52
GENERAL INFORMATION	52
<b>SECTION VI: CAPITAL STRUCTURE</b>	60
CAPITAL STRUCTURE	60
<b>SECTION VII: PARTICULARS OF THE ISSUE</b>	73
OBJECT OF THE ISSUE	73
BASIS FOR ISSUE PRICE	88
STATEMENT OF POSSIBLE TAX BENEFITS	94
<b>SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY</b>	98
INDUSTRY OVERVIEW	98
OUR BUSINESS	120
KEY INDUSTRY REGULATIONS AND POLICIES	142
OUR HISTORY AND CERTAIN CORPORATE MATTERS	149
OUR MANAGEMENT	153
OUR PROMOTERS AND PROMOTER GROUP	167
GROUP COMPANIES OF OUR COMPANY	173
RELATED PARTY TRANSACTIONS	174
DIVIDEND POLICY	175
<b>SECTION IX: FINANCIAL INFORMATION</b>	176
FINANCIAL STATEMENTS AS RESTATED	176
FINANCIAL INDEBTEDNESS	210
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	212
<b>SECTION X: LEGAL AND OTHER INFORMATION</b>	220
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	220
GOVERNMENT AND OTHER APPROVALS	225
OTHER REGULATORY AND STATUTORY DISCLOSURES	229
<b>SECTION XI: ISSUE INFORMATION</b>	241
TERMS OF THE ISSUE	241
ISSUE STRUCTURE	247
ISSUE PROCEDURE	249
RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES	269
DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION	270
<b>SECTION XII: OTHER INFORMATION</b>	282
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	282
DECLARATION	284

## SECTION I: DEFINITIONS AND ABBREVIATIONS

### DEFINITIONS AND ABBREVIATIONS

This draft prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this draft prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

#### General Terms

TERMS	DESCRIPTIONS
“Shree Bala Ji Pigments Limited”, “Shree Bala Ji”, “Bala Ji”, “SBL” “The Company”, “Our Company”, “Issuer Company” or “Issuer”	Unless the context otherwise indicates or implies, <b>Shree Bala Ji Pigments Limited</b> a public limited company incorporated under the provision of Companies Act, 2013 and having its Registered Office at 36-B, Industrial Ext. Area, Near Halti Marg, Kathua – 184102, Jammu & Kashmir, India
“we”, “our” or “us”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies.
“You”, “Your”, or “Yours”	Prospective Investors in the Issue
Our Promoters or Promoters of the Company	The promoters of our company being <b>Mr. Lalit Aggarwal, Mr. Sunil Kumar Aggarwal and Mrs. Neeru Aggarwal</b>
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled “Our Promoters and Promoter Group”  <i>Note: Our Company filed an exemption application under Regulation 300(2) read with Regulation 300(1)(c) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“SEBI ICDR Regulation”) for limited disclosure w.r.t Promoter Groups as mentioned under regulation 2(1)(pp) of the SEBI ICDR for (i) Anita Jain (Sister of our Promoter); (ii) Charu Bansal (Sister-in-Law of our Promoter Mr. Lalit Aggarwal); (iii) Anju Goel, (iv) Shakuntala Goel, (v) Manju Agarwal, (Sister-in-Law of our Promoter Mr. Sunil Kumar Aggarwal). SEBI, pursuant to its letter dated April 03, 2024 directed our Company to include immediate relatives and their related entities, as part of the Promoter Group of the Company based on information available in the public domain. Therefore, details of such immediate relative and his entities are limited to the information available in the public domain.</i>

#### Company Related Terms

TERMS	DESCRIPTIONS
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Audit Committee	Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the Section titled “ <b>Our Management</b> ” on page no. 153 of this draft prospectus.
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
Branch Office	WeWork DLF Two Horizon Centre, DLF Phase 5, Sector 43, Golf Course Road, Gurugram - 122002, Haryana, India
“CFO” or Chief Financial Officer	The Chief Financial Officer of our company being “ <b>Mr. Daljeet Singh Rana</b> ”.
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our company being “ <b>Ms. Vasundhara Gupta</b> ”.



TERMS	DESCRIPTIONS
Corporate Social Responsibility committee	Corporate Social Responsibility committee in accordance with the Companies Act, 2013 as disclosed in the Section titled <b>“Our Management”</b> on page no. 153 of this draft prospectus.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
ED	Executive Director
Equity Shares	The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this draft prospectus, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in “Our Group Companies”
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standard
Ind GAAP	Generally Accepted Accounting Principles in India.
Import	Import means bringing goods into India from a place outside India
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
IT Act	The Income Tax Act, 1961 as amended till date
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being <b>“INE0SYU01010”</b>
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled <b>“Our Management”</b> beginning on page no. 153 of this draft prospectus.
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board in accordance with the requirements of the SEBI (ICDR) Regulations
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled <b>“Our Management”</b> on page no. 153 of this draft prospectus.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Promoters	Shall mean promoters of our Company as mentioned in this draft prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled <b>“Our Promoter and Promoter Group”</b> beginning on page no. 167 of this draft prospectus.
Registered Office	36-B, Industrial Ext. Area, Near Halti Marg, Kathua – 184102, Jammu & Kashmir, India
Restated Financial Statement	Audited Financial Statements for the financial years ended on 31 <sup>st</sup> March 2024, 31 <sup>st</sup> March 2023 and 31 <sup>st</sup> March 2022, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.
RoC/Registrar of Companies	The Registrar of Companies, Jammu
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Senior Management	Senior Management means the officers and personnel of the issuer as defined in Regulation 2(1)(bbbbb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. For details, please refer to section titled <b>“Our Management”</b> on page no. 153 of this draft prospectus.
Shareholders	Shareholders of our Company

TERMS	DESCRIPTIONS
Statutory Auditor	The Statutory Auditors of our Company in our case being “ <i>M/s. A. Gupta &amp; Associates, Chartered Accountant</i> ”, 1 <sup>st</sup> Floor, Near PB 35 Showroom, Model Town, Dhangu Road, Pathankot – 145001, Punjab, India
Peer Review Auditor	The Peer Review Auditor of our Company having a valid Peer Review certificate in our case being “ <i>M/s. S S R V &amp; Associates, Chartered Accountant</i> ”, 609, B-Wing, Express Zone, Off. Western Express Highway, Malad East, Mumbai – 400097, Maharashtra
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA
WTD	Whole Time Director
Stakeholders Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “ <i>Our Management</i> ” on page no. 153 of this draft prospectus.
Wilful Defaulter(s) or Fraudulent Borrower(s)	A person or an issuer who or which is categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018.

### Issue Related Terms

TERMS	DESCRIPTIONS
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment of/ Allotted Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Applicant (s) to whom the Equity Shares are being/have been issued/allotted.
Applicant/Investor	Any prospective investor who makes an application pursuant to the terms of the draft prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this draft prospectus.
Application Supported by Blocked Amount/ASBA or UPI	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID.  Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this draft prospectus.
ASBA Forms	An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the draft prospectus.

TERMS	DESCRIPTIONS
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being <b>“ICICI Bank Limited”</b>
Banker to the Issue Agreement	Agreement dated June 18, 2024 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the Section titled, <b>“Issue Procedure, - Basis of Allotment”</b> beginning on page no. 249 of this draft prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the NSE i.e., <a href="http://www.nseindia.com">www.nseindia.com</a> .
Broker to the Issue	All recognized members of the stock exchange of NSE would be eligible to act as the Broker to the Issue.
Business Day	Monday to Saturday (except 2 <sup>nd</sup> & 4 <sup>th</sup> Saturday of a month and public holidays).
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications 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 SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the 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 Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account, as appropriate in terms of the draft prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>

TERMS	DESCRIPTIONS
Designated Stock Exchange	National Stock Exchange of India Limited
Draft prospectus	The Draft prospectus dated July 24, 2024 issued in accordance with Section 26 & 32 of the Companies Act, 2013 filed with National Stock Exchange of India Limited under SEBI (ICDR) Regulations.
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this draft prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the draft prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Shares	Equity Shares of our Company of face value ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII 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
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue/Public Issue/Issue Size Initial Public Issue/IPO	Public issue of <b>42,00,000</b> Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹81/- per Equity Share aggregating to ₹ <b>3,402.00 Lakhs</b> by our Company, in terms of this draft prospectus.
Issue Agreement	The Issue Agreement dated April 20, 2024 between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company being ₹81/- per Equity Share.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about the use of the Issue Proceeds please refer to Section titled <b>"Objects of the Issue"</b> beginning on page no. 73 of this draft prospectus.
Lead Manager/LM	means a merchant banker registered with the SEBI and appointed by the issuer to manage the issue and in case of a book-built issue, the lead manager(s) appointed by the issuer shall act as the book running lead manager(s) for the purposes of book building. Lead Manager to the Issue, in this case being <b>"M/s. Finshore Management Services Limited"</b> .
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being <b>"Black Fox Financial Private Limited"</b> who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.



TERMS	DESCRIPTIONS
Market Making Agreement	The Market Making Agreement dated June 18, 2024 between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	Up to <b>2,11,200</b> Equity Shares of <b>₹10/-</b> each fully paid-up of our Company for cash at a price of <b>₹81/-</b> per Equity Share aggregating to <b>₹ 171.07 Lakhs</b> only.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to <b>39,88,800</b> Equity Shares of face value <b>₹10/-</b> each for cash at an Issue price of <b>₹81/-</b> per Equity Share (the "Issue Price"), aggregating up to <b>₹ 3,230.93 Lakhs</b> Only.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NPCI	National Payments Corporation of India (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)
Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than <b>₹2 Lakh</b> (but not including NRIs other than Eligible NRIs).
NSE	National Stock Exchange of India Limited
NSE EMERGE / EMERGE Platform of NSE	SME Platform of National Stock Exchange of India Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. <b>OCBs are not allowed to invest in this Issue.</b>
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
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.
Prospectus	The prospectus dated [●] registered with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar/Registrar to this Issue/RTI	Registrar to the Issue in our case being <b>"M/s. KFIN Technologies Limited"</b> .
Registrar Agreement	The agreement dated April 15, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.

TERMS	DESCRIPTIONS
Retail Individual Bidder(s) or RIB(s) or Retail Individual Investor(s) or RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
SME Exchange	“SME exchange” means a trading platform of a recognised stock exchange having nationwide trading terminals permitted by the SEBI to list the specified securities issued in accordance with Chapter IX of SEBI ICDR and includes a stock exchange granted recognition for this purpose but does not include the Main Board;
Specified Locations	Collection Centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
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 applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No.

TERMS	DESCRIPTIONS
	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 Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Underwriters	M/s. Finshore Management Services Limited
Underwriting Agreement	The Underwriting Agreement dated June 18, 2024 entered into between our Company and the Underwriters.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	“Working day” means all days on which commercial banks in Mumbai are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the SEBI, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.

#### Conventional and General Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.

TERMS	DESCRIPTIONS
Fugitive economic offender	“Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this draft prospectus.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

#### Technical and Industry related terms

TERMS	DESCRIPTIONS
BPM	Business Process Management
BU	Billion Units
CAGR	Compounding Annual Growth Rate
CPI	Consumer Price Index
CSO	Central Statistics Office's
DGGI	Director General of Goods & Services Tax Intelligence
DIPP	Department of Industrial Policy and Promotion
DPIIT	Department for Promotion Industry and Internal Trade



TERMS	DESCRIPTIONS
DPR	Detailed Project Report
EDP	Electronic Data Processing
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
G-sec	Government Securities
IBEF	India Brand Equity Foundation
IMF	International Monetary Fund
IMP/HRS	Impression per Hour
INR	Indian Rupee Rates
MNC	Multinational Corporation
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MYEA	Mid-Year Economic Analysis
NH	National Highway
NITI Aayog	National Institution for transforming India
NMP	National Manufacturing Policy
OMR	Optical Marking Recognition
OSA	Out Sourcing Agent
PMA	Preferential Market Access
PSUs	Public Sector Undertaking
RIMS	Records and Information Management Services
RBI	Reserve Bank of India
R & D	Research and Development
SED	Strategic Engineering Division
SEZ	Special Economic Zone
SICOP	J&K Small Scale Industries Development Corporation Limited
SMB	Server Message Block
TFA	Trade Facilitation Agreement
UPS	Uninterrupted Power Supply
US	United States
VDP	Variable Data Printing
WPI	Wholesale Price Index

**Abbreviations**

TERMS	DESCRIPTIONS
₹ or ₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CARO	Companies (Auditor's Report) Order, 2016 & 2020, as amended
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
CLB	Company Law Board.
CrPC	Criminal Procedure Code, 1973, as amended.
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.

TERMS	DESCRIPTIONS
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign Direct Investment.
FIPB	Foreign Investment Promotion Board.
GAAR	General anti avoidance rules.
GBP	Great Britain Pound.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MCA	Ministry of Corporate Affairs, Government of India.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this draft prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms defined -

- a) In the section titled ***“Description of Equity Shares and Terms of the Articles of Association”*** beginning on page 270 of this draft prospectus, shall have the meaning given to such terms in that section;
- b) In the chapter titled ***“Financial Statements as Restated”*** beginning on page 176 of this draft prospectus, shall have the meaning given to such terms in that chapter;
- c) In the section titled ***“Risk Factors”*** beginning on page 22 of this draft prospectus, shall have the meaning given to such terms in that section;
- d) In the chapter titled ***“Statement of Possible Tax Benefits”*** beginning on page 94 of this draft prospectus, shall have the meaning given to such terms in that chapter; and
- e) In the chapter titled ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** beginning on page 212 of this draft prospectus, shall have the meaning given to such terms in that chapter.

## CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

### CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” in this draft prospectus are to the Republic of India.

Unless stated otherwise, all references to page numbers in this draft prospectus are to the page numbers of this draft prospectus.

In this draft prospectus, the terms “the Company”, “our Company”, “Issuer”, “Issuer Company”, “Shree Bala Ji”, “Bala Ji”, “SBL”, and “Shree Bala Ji Pigments Limited” unless the context otherwise indicates or implies, refers to **“Shree Bala Ji Pigments Limited”**.

In this draft prospectus, the terms “we”, “us”, “our”, unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies, if any.

In this draft prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”. In this draft prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### FINANCIAL DATA

Unless stated otherwise, the financial information in this draft prospectus are extracted from the restated Financial Statements of our Company for the financial Years ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled **“Financial Statements as Restated”** beginning on page no 176 of this draft prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this draft prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the draft prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the draft prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this draft prospectus, including in the Sections titled **“Risk Factors”**, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** beginning on page no. 22, 120, and 212 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this draft prospectus.

### CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this draft prospectus in “Lakh” units. One lakh represents 1,00,000. In this draft prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.



All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this draft prospectus has been derived from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Press Information Bureau, Department of Industrial Policy & Promotion, Department for Promotion of Industry and Internal Trade, India Brand Equity Foundation (IBEF) and industry publications etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this draft prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this draft prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled **“Risk Factors”** beginning on page no. 22 of this draft prospectus. Accordingly, investment decisions should not be based on such information.

## EXCHANGE RATES

This draft prospectus may contain 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#	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
1 USD	83.37	82.22	75.81

*Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places.*

*# Source: [www.fbil.org.in](http://www.fbil.org.in)*

## FORWARD-LOOKING STATEMENTS

The Company has included statements in this draft prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this draft prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 22, 98, 120 and 212, respectively, of this draft prospectus.

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

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

- Changes in laws and regulations relating to the Sectors in which we operate;
- Emergence of alternate products which may be technologically advanced and our inability to keep pace with the change
- Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
- Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Our ability to retain and hire key employees or maintain good relations with our workforce;
- Impact of any reduction in sales of our products;
- Increased competition in industries/sector in which we operate;
- Our ability to expand our geographical area of operation;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability; and
- COVID-19 pandemic and similar circumstances

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this draft prospectus until the Equity Shares are allotted to the investors.

## SECTION II: SUMMARY OF DRAFT PROSPECTUS

### SUMMARY OF DRAFT PROSPECTUS

#### (A) PRIMARY BUSINESS OF OUR COMPANY AND THE INDUSTRY IN WHICH IT OPERATES:

##### ❖ Primary Business of Our Company:

Shree Bala Ji Pigments Limited is primarily engaged in manufacturing of TMT Bars (Thermo Mechanically Treated Bars) which is used in Construction Purposes. Our TMT Bars are sold under the brand “SATYAM TMT”.

We currently operate from our Manufacturing Plant situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir spreading over an area of approx. 27 kanals (1,46,415 sq. ft). As of March 31, 2024, the aggregate installed capacity of our manufacturing plant of TMT Bar was 75,000 tonnes per annum (TPA). Over the period, after establishing ourselves as a TMT Bars manufacturer in Jammu and Kashmir, we have regularly optimized our machineries in our existing manufacturing facility. Considering the growing demand of TMT Bars in the regional markets, the company is implementing a backward integration project i.e. Implementation of Steel Melting Shop (SMS) which includes installation of Induction Furnace to manufacture MS Billets and TMT Bars from Sponge Iron and MS Scraps.

*(For Detailed information on our business, please refer to chapter titled “Our Business” beginning from page no. 120 of this draft prospectus.)*

##### ❖ Summary of the industry in which our Company operates:

In the past 10–12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.

In FY23, the production of crude steel and finished steel stood at 125.32 MT and 121.29 MT respectively. In FY24 (until November 2023), the production of crude steel and finished steel stood at 94.01 MT and 88.81 MT respectively. In July 2023, crude steel production in India stood at 11.52 MT. In July 2023, finished steel production stood at 10.53 MT. In FY24 (until November 2023), the consumption of finished steel stood at 86.97 MT. The per-capita consumption of steel stood at 86.7 kgs in FY23.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. In FY23, the consumption of finished steel stood at 119.17 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

In FY23, exports and imports of finished steel stood at 6.7 MT and 6.02 MT, respectively. In FY22, India exported 11.14 MT of finished steel. In November 2023 exports of finished steel stood at 2.34 lakh metric tonnes (LMT), while imports stood at 7.82 LMT. In FY24 (until November 2023), the exports and imports of finished steel stood at 4.03 MT and 4.25 MT, respectively.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030-31. By 2030-31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–2031. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

*(For further detailed information, please refer to chapter titled “Industry Overview” beginning from page no. 98 of this draft prospectus.)*

#### (B) NAME OF THE PROMOTERS OF OUR COMPANY:

(i) Mr. Lalit Aggarwal, (ii) Mr. Sunil Kumar Aggarwal and (iii) Mrs. Neeru Aggarwal are the promoters of our company.

*(For further details, please refer chapter “Our Promoters and Promoters Group” beginning from page no. 167 of this draft prospectus.)*

**(C) SIZE OF THE ISSUE:**

Initial Public issue of **42,00,000** equity shares of face value of ₹10/- each ("Equity Shares") of **Shree Bala Ji Pigments Limited** ("The Company" or "The Issuer") for cash at a price of ₹81/- per equity share ("The Issue Price"), aggregating to ₹ **3,402.00** Lakhs ("The Issue"), of which **2,11,200** equity shares of face value of ₹10/- each for cash at a price of ₹81/- per equity share, aggregating to ₹ **171.07** lakhs will be reserved for subscriptions by the Market Maker to the issue (The "**Market Maker Reservation Portion**"). The issue less market maker reservation portion i.e., Issue of **39,88,800** equity shares of face value of ₹10/- each for cash at a price of ₹81/- per equity share, aggregating to ₹ **3,230.93** lakhs is here-in after referred to as the "**Net Issue**". The issue and the net issue will constitute 28.16% and 26.74% respectively of the post issue paid up equity share capital of the company.

**(D) OBJECTS OF THE ISSUE:**

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

*₹ in lakhs*

Sr. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from Issue Proceeds
A	Funding Capital Expenditure towards setting up Backward Integration Unit	1,000.00	29.39%	1,000.00
B	Working Capital Requirements	1,672.39	49.16%	1,672.39
C	Issue Related Expenses	329.61	9.69%	329.61
D	General Corporate Expenses	400.00	11.76%	400.00
	<b>Total IPO Proceeds</b>	<b>3,402.00</b>	<b>100.00%</b>	<b>3,402.00</b>

For further details, please refer chapter "**Objects of the Issue**" beginning from page no. 73 of this draft prospectus.

**(E) PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTERS GROUP AS ON THE DATE OF THIS DRAFT PROSPECTUS:**

Particulars	Pre-Issue Shareholding	
	Number of Shares	Percentage holding
<b>Promoters</b>		
Lalit Aggarwal	54,05,809	50.44%
Sunil Kumar Aggarwal	41,87,514	39.07%
Neeru Aggarwal	-	-
<b>Total Promoters Shareholding (A)</b>	<b>95,93,323</b>	<b>89.52%</b>
<b>Promoter Group</b>		
Sarla Aggarwal	5,000	0.05%
<b>Total Promoters Group Shareholding (B)</b>	<b>5,000</b>	<b>0.05%</b>
<b>Total Promoters &amp; Promoters Group (A+B)</b>	<b>95,98,323</b>	<b>89.56%</b>

**(F) SUMMARY OF RESTATED FINANCIAL STATEMENTS:**

*(₹ in Lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Total Share Capital	1,071.67	959.83	959.83
Total Net Worth	2,161.46	1,304.82	1,067.11
Total Revenue	13,809.35	13,590.15	15,531.95
Profit After Tax	629.75	237.72	(127.35)
Face Value per equity shares	10/-	10/-	10/-
Earnings Per Share (Basic & Diluted)	6.22	2.48	(1.33)
Net Asset Value per equity share	20.17	13.59	11.12
Total Borrowings (Fund based)	5,133.48	2,141.85	2,443.82

(For further details, please refer chapter "**Capital Structure**" and "**Financial Statements as Restated**" beginning from page no. 60 and 176 respectively of this draft prospectus.)



**(G) AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS:**

The auditor report of Restated Financial Information of Shree Bala Ji Pigments Limited, for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 does not contain any qualifications which have not been given effect in the restated financial statements. *(For further details, please refer chapter “Financial Statements as Restated” beginning from page no. 176 of this draft prospectus.)*

**(H) SUMMARY OF OUTSTANDING LITIGATIONS:**

A summary of legal and other proceedings is given below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Other Pending Litigations/ Actions	Aggregate amount involved (₹ in lakhs)
<b>Company</b>							
By the Company	2	-	-	-	-	2	47.60
Against the Company	-	3	-	-	-	-	2,037.79
<b>Directors</b>							
By the Directors	-	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-	-
<b>Promoters</b>							
By the Promoters	3	-	-	-	-	-	50.00
Against the Promoters	4	15	-	-	-	-	10,567.14
<b>Group Companies</b>							
By the Group Companies	-	-	-	-	-	-	-
Against Group Companies	-	-	-	-	-	-	-

For further details, please refer chapter “*Outstanding Litigation and Material Developments*” beginning from page no. 220 of this draft prospectus.

**(I) CROSS REFERENCE TO THE SECTION TITLED RISK FACTORS:**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this draft prospectus.

*(For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “Risk Factors” beginning on page no. 22 of this draft prospectus.)*

**(J) SUMMARY OF CONTINGENT LIABILITIES:**

As per restated financial statements, the company has contingent liabilities and commitments towards Estimated amount of contracts remaining to be executed on capital account to the tune of ₹ 2,453.37 Lakhs as on March 31, 2024.

**(K) SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST 3 YEARS:***(₹ in Lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Remuneration paid to Relative of Directors</b>			
Sudhanshu Aggarwal	18.00	-	-
<b>Total</b>	<b>18.00</b>	<b>-</b>	<b>-</b>
<b>Sale with related parties</b>			
Satyam Cements (Inclusive of GST)	121.90	41.47	5.89
Cemcom Cements (Inclusive of GST)	432.10	608.60	10.17
Shri Ram Industries	-	-	7.83
<b>Total</b>	<b>554.00</b>	<b>650.07</b>	<b>23.89</b>
<b>Purchase</b>			
Satyam Cements - Purchase of Vehicle	-	6.59	-
Satyam Cements - Hire Charges Paid	-	2.34	-
Satyam Cements - Factory Building Work	13.28	-	-
Shri Ram Industries - Purchase of Truck	-	12.97	-
Shri Ram Industries - Hire Charges Paid	-	-	5.30
Cemcom Cements (Inclusive of GST)	18.12	74.27	57.63
Aggarwal Equipments Suppliers (Inclusive of GST)	438.08	498.67	91.01
Aggarwal Equipments Suppliers - Hire Charges Paid	-	-	8.84
Shree Balaji Engineering	16.21	-	-
<b>Total</b>	<b>485.68</b>	<b>594.84</b>	<b>162.78</b>
<b>Unsecured Loans Received/(Paid)</b>			
Sunil Aggarwal	110.50	(2.00)	(316.50)
JBD Steel Corporation	-	-	-
Lalit Aggarwal	352.90	-	95.00
Others	-	-	(66.90)
<b>Total</b>	<b>463.40</b>	<b>(2.00)</b>	<b>(288.40)</b>
<b>Closing Balance of Related Parties</b>			
Sunil Aggarwal	112.96	2.46	4.46
JBD Steel Corporation	-	-	-
Lalit Aggarwal	622.90	270.00	270.00
Sarala Aggarwal	0.50	0.50	0.50
<b>Total</b>	<b>736.36</b>	<b>272.96</b>	<b>274.96</b>

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “Financial Statements as Restated – Related Party Transactions” beginning on page no. 208 of this draft prospectus

**(L) DETAILS OF FINANCING ARRANGEMENT:**

There are no financing arrangements whereby the promoters, member of promoter group, the directors of the company which is a promoter of the issuer, 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 filing of this draft prospectus.

**(M) WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES WAS ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT PROSPECTUS:**

Sl. No.	Name of the Promoter	No. of Shares Acquired during last one Year	Consideration	Weighted Average Price (In ₹ per Equity Share)
1	Lalit Aggarwal	Nil	Nil	Nil
2	Sunil Kumar Aggarwal	Nil	Nil	Nil
3	Neeru Aggarwal	Nil	Nil	Nil

**(N) AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR PROMOTERS:**

Sl. No.	Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
1	Lalit Aggarwal	54,05,809	15.67
2	Sunil Kumar Aggarwal	41,87,514	4.95
3	Neeru Aggarwal	-	-

*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer or bonus issue and shares received as gift etc. less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the draft prospectus.*

**(O) DETAILS OF PRE-IPO PLACEMENT:**

Our Company has not proposed any Pre-IPO placement from the date of this draft prospectus till the listing of the Equity Shares.

**(P) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT PROSPECTUS:**

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
Nil						

*# For further details pertaining to Issue of Equity Shares for consideration other than cash, kindly refer to the chapter titled “Capital Structure” beginning on page no. 60 of this draft prospectus.*

**(Q) DETAILS OF SPLIT/CONSOLIDATION OF OUR EQUITY SHARES IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT PROSPECTUS:**

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year till the date of this draft prospectus.

**(R) EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company filed an exemption application under Regulation 300(2) read with Regulation 300(1)(c) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“SEBI ICDR Regulation”) for limited disclosure w.r.t Promoter Groups as mentioned under regulation 2(1)(pp) of the SEBI ICDR for (i) Anita Jain (Sister of our Promoter); (ii) Charu Bansal (Sister-in-Law of our Promoter Mr. Lalit Aggarwal); (iii) Anju Goel, (iv) Shakuntala Goel, (v) Manju Agarwal, (Sister-in-Law of our Promoter Mr. Sunil Kumar Aggarwal). SEBI, pursuant to its letter dated April 03, 2024 directed our Company to include immediate relatives and their related entities, as part of the Promoter Group of the Company based on information available in the public domain. Therefore, details of such immediate relative and his entities are limited to the information available in the public domain.

## SECTION III: RISK FACTORS

### RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, **Our Business**, and **Management's Discussion and Analysis of Financial Condition and Results of Operations** beginning on page no. 120 and 212 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

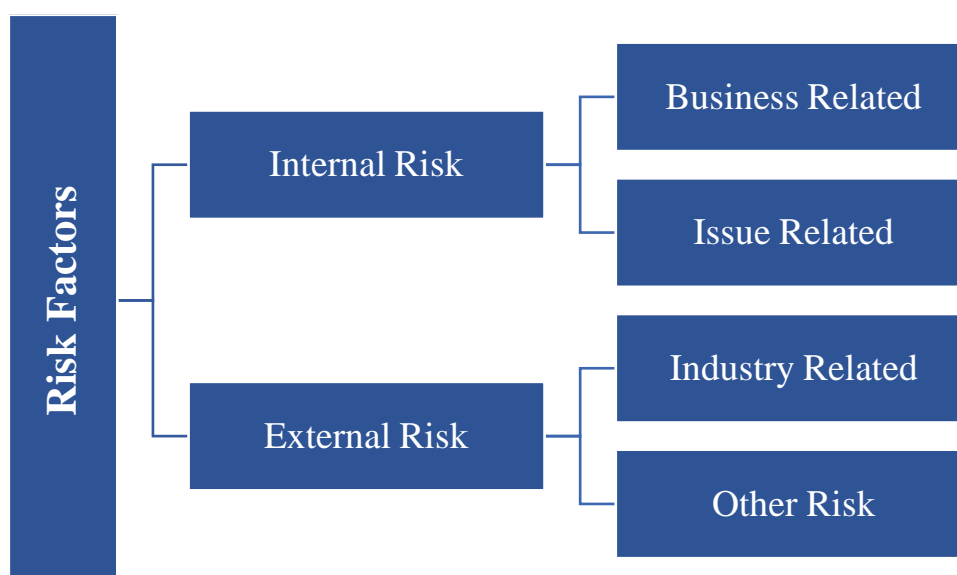
This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian AS, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

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

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.





## **INTERNAL RISK FACTORS**

### **A. Business Related Risks**

- Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, Directors, Promoters and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Directors and Promoters as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Other Pending Litigations/ Actions	Aggregate amount involved (₹ in lakhs)*
<b>Company</b>							
By the Company	2	-	-	-	-	2	47.60
Against the Company	-	3	-	-	-	-	2,037.79
<b>Directors</b>							
By the Directors	-	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-	-
<b>Promoters</b>							
By the Promoters	3	-	-	-	-	-	50.00
Against the Promoters	4	15	-	-	-	-	10,567.14
<b>Group Companies</b>							
By the Group Companies	-	-	-	-	-	-	-
Against the Group Companies	-	-	-	-	-	-	-

\* to the extent quantifiable

*Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.*

For further details, please refer chapter “**Outstanding Litigation and Material Development**” beginning from page no. 220 of this Draft Prospectus. Further, in addition to that, there could be other litigations & claims filed against the Company, Directors & Promoters which the Company may not be aware of as on the date of this Draft Prospectus.

There can be no assurance that these litigations will be decided in favour of our Company, Directors and Promoters respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations. For the details of the cases please refer the chapter titled “**Outstanding Litigations and Material Developments**” on page 220 of this Draft Prospectus.

- Disclosures made in the chapter “Promoter and Promoter Group” are limited to the information available in public domain.***

As per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 we are required to disclose immediate relatives of our promoters and their related entities as a part of Promoter Group. Our Company filed an exemption application under Regulation 300(2) read with Regulation 300(1)(c) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“SEBI ICDR Regulation”) for limited disclosure w.r.t Promoter Groups as mentioned under regulation 2(1)(pp) of the SEBI ICDR for (i) Anita Jain (Sister of our Promoter); (ii) Charu Bansal (Sister-in-Law of our Promoter Mr. Lalit Aggarwal); (iii) Anju Goel, (iv) Shakuntala Goel, (v) Manju Agarwal, (Sister-in-Law of our Promoter Mr. Sunil Kumar Aggarwal). SEBI, pursuant to its letter dated April 03, 2024 directed our Company to include immediate relatives and their related entities, as part of the Promoter Group of the Company based on information available in the public domain. Therefore, details of such immediate relative and his entities are limited to the information available in the public domain.

For more details, please refer to chapter titled as ***“Our Promoters and Promoter Group”*** on page 167 of this Draft Prospectus.

**3. *We may face several risks associated with the object of the issue of setting up of Backward Integration Project, which could hamper our growth prospects, cash flows and business and financial condition.***

We intend to utilize a portion of the Net Proceeds of this Issue towards setting up of Backward Integration Project at SICOP Industrial Estate, Kathua, Jammu and Kashmir through carrying out Civil Works and installation of plant & machinery. For further details, please refer to the chapter titled ***“Object of the Issue”*** at page 73 of this Draft Prospectus.

During the process of carrying out Proposed Backward Integration Project, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management, which may in turn delay the utilization of the Net Proceeds which in turn delay the commencement of commercial operation of our proposed Backward Integration Unit.

Any delay in carrying out Backward Integration Project could lead to revenue loss for our Company. Further, our implementation plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all. We cannot assure that we will be able to complete the aforementioned expansion of our manufacturing units in accordance with the proposed schedule of implementation and any delay in setting up such project in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled ***“Objects of the Issue”*** and ***“Our Business”*** on pages 73 and 120, respectively of this Draft Prospectus.

**4. *We cannot assure you that the proposed expansion of our Backward Integration Project will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new facilities in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

We intend to utilise the proceeds of this Issue for setting up of a Backward Integration Project at SICOP Industrial Estate, Kathua, Jammu and Kashmir at a total estimated cost of ₹ 4,960.86 lakhs. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and government approvals and consents. Further, our Company has commenced the civil and construction work in relation to our aforementioned capital expenditure and will apply for all such necessary approvals that it may require at the relevant stages. We cannot assure you that the necessary approvals shall be granted to us or shall be granted to us within the prescribed time period or that there will not be any delay in obtaining such approvals. Additionally, we may face risks in commissioning the proposed facility including but not limited to, delays in the construction or for other unknown reasons, our proposed project does not function as efficiently as intended, or utilisation of the resources is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the plan for proposed backward integration project.

In the event of any delay in the schedule of implementation or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled ***“Objects of the Issue”*** on page 73 of this Draft Prospectus.

5. ***The cost estimates for the proposed Backward Integration Project at SICOP Industrial Estate, Kathua, Jammu and Kashmir have been derived from management estimates and quotations received from third parties and may not be accurate.***

The estimated cost of the proposed Backward Integration Project at SICOP Industrial Estate, Kathua, Jammu and Kashmir will be approximately ₹ 4,960.86 lakhs. For ascertaining this cost reliance has been placed on the estimates and budgets decided based on management estimates and third-party quotations received from machinery manufactures, civil work contractors, and the same has not been appraised by any bank or financial institution. The actual costs of expansion of our facilities may exceed such budgeted amounts due to a variety of factors such as construction delays, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. Our financial condition, results of operations and liquidity would be materially and adversely affected if the cost estimates for the proposed expansion materially exceed the budgeted amounts. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details of the scheduled operational dates of our proposed unit, see ***“Objects of the Issue”*** on page 73 of this Draft Prospectus.

6. ***Our Company is yet to place orders for some of the machineries for the proposed Backward Integration Project. Any delay in placing orders or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations.***

Our Company has received third party quotations for the machinery proposed to be installed at our proposed Backward Integration Project. Although, we have identified the type of machinery proposed to be purchased from the Net Proceeds. However, we have placed orders for most of the machineries and orders for remaining machineries are yet to placed. The cost of the proposed purchase of machinery is based on the quotations received from third party vendors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, please refer to the chapter titled ***“Objects of the Issue”*** beginning on page 73 of this Draft Prospectus.

We cannot assure that we will be able to procure the machinery in a timely manner and at the same price at which the quotations have been received. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in expanding the capacity of the Manufacturing Facility. Further, if we are unable to procure machinery from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the machinery which satisfy our requirements at acceptable prices. Our inability to procure the machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

7. ***The availability of look-alikes, counterfeit products, primarily in our domestic markets, manufactured by other companies and passed off as our products, could adversely affect our goodwill and results of operations.***

We are exposed to the risk that certain entities in India where our products are marketed, could pass off their products as ours to create look alike and counterfeit products. For example, certain entities could create spurious and pirated products. The measures we take to protect our brands and other intellectual property include relying on Indian laws and initiating legal proceedings, may not be adequate to prevent unauthorised use of them by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Detecting and protecting against the unauthorised use of our products, technology and proprietary rights is expensive, difficult and, in some cases, impossible. The proliferation of unauthorised copies of our products, and the time lost in defending claims and complaints about spurious products could decrease the revenue we receive from our products and have a material adverse effect on our reputation, business, financial condition and results of operations.

8. ***Our Restated Financial Statements are prepared and signed by the Peer Review Auditor who is not Statutory Auditors of our Company as required under the provisions of ICDR.***

The Restated Financial Statements of our Company for the financial year ended March 31 2024, 2023 and 2022 respectively are prepared and signed by M/s S S R V and Associates, Chartered Accountants, the Peer Review Auditor of our Company who is not statutory auditor of our Company.

**9. The steel industry is highly cyclical and volatility in steel prices may have an adverse effect on the Company's results of operations and financial condition**

The industry in which we operate is highly cyclical. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates, general levels of infrastructure activities in the region of sale etc. We aim to grow our business in a sustainable manner with a vision to create quality conscious customers and give them value for their money accompanied by technological drive. However, due to the nature of our industry we cannot ascertain the consistency of our profitability and heavy volatility in steel prices may have an adverse effect on the Company's results of operations and financial condition

**10. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years:

<i>₹ in lakhs</i>			
Particulars	31-03-2024	31-03-2023	31-03-2022
Net cash from operating activities	(424.84)	589.49	456.58
Net Cash (used in) / from investing activities	(2,425.12)	(101.64)	(66.95)
Net Cash used in financing activities	2,783.40	(486.25)	(293.96)
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(66.56)</b>	<b>1.60</b>	<b>95.67</b>

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see **"Financial Statements as Restated"** beginning on page 176 of this Draft Prospectus.

**11. We have issued Equity Shares in the last 12 (twelve) months at a price which is lower than the Issue Price.**

During the last 12 (twelve) months, we have issued Equity Shares at a price that is lower than the Issue Price, as set forth below.

Date of Allotment	Number of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Consideration	Reason for Allotment
21-09-2023	4,12,800	10.00	21.00	Cash	Private Placement
16-10-2023	1,92,000	10.00	21.00	Cash	Private Placement
18-10-2023	1,44,000	10.00	21.00	Cash	Private Placement
26-10-2023	90,000	10.00	21.00	Cash	Private Placement
02-11-2023	90,000	10.00	21.00	Cash	Private Placement
03-11-2023	84,000	10.00	21.00	Cash	Private Placement
07-11-2023	1,05,600	10.00	21.00	Cash	Private Placement

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further details regarding such allotments, see **"Capital Structure"** on page 60 of this Draft Prospectus.

**12. The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.**

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this draft prospectus. For Details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the table below:

Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
Lalit Aggarwal	54,05,809	15.67
Sunil Kumar Aggarwal	41,87,514	4.95
Neeru Aggarwal	-	-

**13. Our Company had incurred loss in one of the last three financial year. Any losses in future could adversely impact our business, financial condition and results of operations.**

Our company has suffered loss in Fiscal 2022 as per restated financial statement. The profit/(loss) of the company for last 3 financial years is summarized below.

₹ in lakhs

Particulars	31-03-2024	FY 2022-23	FY 2021-22
Revenue from Operations	13,596.42	13,302.63	15,382.76
Profit before Tax	852.82	480.99	222.79
Profit after Tax	629.75	237.72	(127.35)

Any failure to sustain or increase our net revenue sufficiently to keep pace with our expenses could prevent us from achieving profitability on a consistent basis in future periods.

**14. We have only one manufacturing facility.**

Our manufacturing facility is located at SICOP Industrial Estate, Kathua, Jammu and Kashmir. As a result, any local social unrest, natural disaster, or breakdown of services and utilities in that area could have a material adverse effect on the business, financial position, and results of our operations. Our manufacturing facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, etc. In the event that we are forced to shut down our manufacturing facility for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations, and our financial condition as a whole.

**15. We do not own the premises which we use for the purpose of our business operations.**

Premises used by our Company have been obtained on a lease or rent basis, which includes our Registered Office, Branch Office and Manufacturing facility including Residential Accommodation for workers and workshop for vehicles. We cannot assure you that we will be able to renew our lease or rent agreement or enter into new agreement in the future, on terms favorable to us, or at all. In the event that lease or rent agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or building to set up our operations. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all, and we cannot assure you that a relocated premises will be as commercially viable. If lease or rent agreements are terminated, prior to its tenure or if it is not renewed, or if we are required to cease business operations at a property, for any reason whatsoever, our business, financial condition, and results of operations may be adversely affected. Further, if the vacated property is leased or rented or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share. For further information on our properties, see **“Our Business”** on page 120 of this Draft Prospectus.

**16. The company’s business is dependent on certain suppliers and the loss of one or more of them would have a material adverse effect on the business.**

A substantial portion of the company’s purchases has been dependent upon a few suppliers. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability. We depend on a number of suppliers, for procurement of raw materials required for manufacturing our products. For the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, top ten suppliers accounted for 98.57%, 99.44% and 99.86% of our total purchases respectively. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Inadequate and timely unavailability substandard quality of the raw materials used in the manufacture of our products, could have a material adverse effect our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.



**17. Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customers would have a material effect on our business operations and profitability.**

Substantial portion of the Company's revenues has been dependent upon a few customers. For the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, our top ten customers accounted for approximately 62.54%, 47.83% and 49.47% of our revenue from operations. However, the loss of any significant customer would have a material effect on our financial results.

Our business from customers is dependent on our continuing relationship with such customers, the quality of our products and our ability to deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. However, in case of any change in the buying pattern of our end users or disassociation of major customers can adversely affect our business or if our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Further, loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

**18. An erstwhile director of our Company, Mr. Mahesh Kumar, in his resignation letter has alleged fraud and concealment of facts against our Promoter, Mr. Sunil Kumar Aggarwal. Any action taken by the RoC against our Company or the Promoter may adversely affect our financial position and goodwill.**

The company has found certain irregularities in the working of our former director, Mr. Mahesh Kumar. In response to which, in his resignation letter dated June 29, 2021, he has made some counter allegations against our promoter, Mr. Sunil Kumar Aggarwal and filed a DIR-11 on July 01, 2021 with ROC citing certain allegations. While the resignation tendered by Mr. Mahesh Kumar was not accepted by our Company, he was subsequently removed from his position through an ordinary resolution passed during the extraordinary general meeting held on October 15, 2021. Any potential regulatory action by the RoC or any other authorities including legal proceedings can have adverse bearing on our goodwill as well as financial implications.

**19. Entire revenue is dependent on single business segment i.e. TMT Bar. An inability to anticipate or adapt to evolving upgradation of these products or inability to ensure product quality or reduction in the demand of these products may adversely impact our revenue from operations and growth prospects**

Our entire revenue is dependent on single business segment i.e. TMT Bar. Our continued reliance on single business segment for substantial portion of our revenue exposes us to risks, including but not limited to, reduction in the demand of the products in the particular segment in the future; increased competition from regional and national players; the invention of superior and cost-effective technology; fluctuations in the price and availability of the raw materials; changes in regulations and import duties and the general economic conditions. Any occurrences of such event could significantly reduce our revenues, thereby materially adversely affecting our results of operations and financial condition.

**20. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.**

As on the date of this Draft Prospectus, our manufacturing facilities at SICOP Industrial Estate, Kathua, Jammu and Kashmir which has a production capacity of 75,000 MTPA for manufacturing TMT Bars. For the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, our overall capacity utilization was 32.58%, 29.46% and 37.46% respectively.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

**21. *Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.***

We carry our manufacturing operations from our unit located at SICOP Industrial Estate, Kathua, Jammu and Kashmir. Due to the geographical concentration of our manufacturing operations in these locations, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, we generate major domestic sales in Jammu and Kashmir. For the financial year ended March 31, 2024, we derived major portion of our revenue from the state of Jammu & Kashmir (i.e. 99.23%), followed by Himachal Pradesh (0.55%) and Punjab (0.23%). Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

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

**22. *Our company has received in-principle term loan sanction of ₹ 1,000.00 Lakhs and Bank Guarantee Limit of ₹ 620.00 lakh from Yes Bank Limited for purchase of new machinery and bank guarantee for expansion of the business.***

We have received in-principle term loan sanction of ₹ 1,000.00 Lakhs and Bank Guarantee Limit of ₹ 620.00 lakh from Yes Bank Limited for purchase of new machinery and bank guarantee for expansion of the business and it is not to be construed as a commitment on the part of the Bank to sanction the said loan facility. The Bank reserves its right to decline the proposal after a detailed appraisal. Decline by bank for the said loan facility in future due to any reason may have a material adverse effect on the business and its business strategy for growth.

**23. *Our business is subject to seasonal variations that could result in fluctuations in our results of operations.***

Our Business are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business during first 3 (three) quarters. Our company is majorly selling its products across Jammu & Kashmir state. The geographical condition is unpredictable in Kashmir, particularly during the winter season in the areas of Kashmir Valley. This causes some hurdles in the ability to supply due to poor road connectivity as well as low consumption pattern because of severe weather conditions from approximately December to February every year. As a result, our revenue and profits may vary significantly during different periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. Further, any decrease in sales during the winter season period may adversely affect our business, results of operations and financial condition.

**24. *Our Balance sheet has a significant portion of Property Plant and Equipment. Any destruction, breakdown, theft our major plants or equipment or failures to repair or maintain the same may adversely affect our business, cash flows, financial condition and results of operations.***

One of the objects of Issue is to fund the purchase of capital equipment. We are planning to invest significantly on plant and machinery of latest technology and higher capacity and efficiency for our manufacturing facility. We own a large number of equipment and machinery used in our operations. To maintain our capability to undertake projects, we may have to purchase machines and equipment built with the latest technologies and knowhow. We cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our plants or equipment,

destruction, theft or major equipment breakdowns or failures to repair our major plants or equipment, which may result in their unavailability, project delays, cost overruns and even defaults in our order book.

The latest technologies used in newer models of equipment may improve productivity significantly and render our older equipment obsolete. Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our plants and equipment, as well as change the way our management estimates the useful life of our plants and equipment. We may have to incur high cost when our plants or equipment are not readily available from the market or requires services from original equipment manufacturers. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such replacement, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, cash flows, financial condition and results of operations.

***25. There have been some instances of delayed filing of returns and depositing of statutory dues with regulatory authorities”***

We have delayed in filing of depositing the GST with the concerned offices of the departments in the past. However, we have not faced any adverse material impact on those delays in past but such repeated delay in future, might subject us to imposition of penalty and interest for delayed deposit of tax. In the event of any cognizance being taken by the concerned authorities in respect of delays in filings and payments, actions may be taken against our Company and its directors, which could impact our business and financial performance.”

***26. Name of Company i.e. Shree Bala Ji Pigments Limited may not be directly reflecting the business activities of the Company.***

Our Company is engaged in manufacturing of TMT Bars since incorporation, however the name of the Company i.e. Shree Bala Ji Pigments Limited may not be directly reflecting its business activities due to the word ‘Pigments’ in its name. Any potential customer may not be able to clear understand the business activities of the Company by its name and thus may result in losing of potential business revenue.

***27. Certain relevant copies of educational qualification and experience certificates of our promoters/Directors are not traceable.***

Relevant copies of education qualification and experience certificates of some of our promoters/Directors i.e. Mr. Lalit Aggarwal, Mr. Sunil Kumar Aggarwal and Mrs. Neeru Aggarwal are not traceable. We can’t assure you that back-ups for the relevant copies of educational qualifications and experience certificates will be available in a timely manner or at all. We have relied on personal undertakings provided by them.

***28. Our Company has entered into certain related party transactions and may continue to do so in the future.***

Our Company has entered into related party transactions with our Promoters, Directors and Group Entities. While our Company believes that all such transactions have been conducted on the arm’s length basis and are in compliance with the applicable provisions of Companies, 2013 and other applicable law, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to **“Related Party Transactions”** under section titled **“Financial Statements as Restated”** on page no. 176 of this Draft Prospectus.

***29. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

We maintain several insurance policies, including Sookshma Udyam Suraksha, Laghu Udyam Suraksha, Marine Open Inland Declaration Policy, Machinery Breakdown Insurance Policy, Vehicle Policy. While it is believed that the insurance coverage maintained by the company would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by the company will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. If we were to suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

**30. *Our Promoters have provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter.***

Our Promoters and Directors have provided personal guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Directors may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters and Directors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Also, if our Promoters and Directors revoke their personal guarantees and we may not be successful in procuring alternate guarantees and property satisfactory to the lenders, as a result we may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “**Financial Indebtedness**” on page no. 210 of this Draft Prospectus.

**31. *Our lenders have charge over our movable properties, book debts, stocks in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable properties, plant & machineries and current assets in respect of loans / facilities availed by us from banks. The total amounts outstanding and payable by us as secured loans were ₹ 4,288.43 Lakhs as on March 31, 2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the “**Financial Indebtedness**” please refer to page 210 of this Draft Prospectus.

**32. *Information in relation to our installed capacity and capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates, and future production and capacity utilization may vary.***

Information relating to our installed capacities and the capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, actual product mix vis-à-vis the products mix envisaged for computation of our installed capacity and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated July 04, 2024, from S. C. Thukral and Associates, Independent Chartered Engineer, the actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus.

**33. *An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may adversely affect our business prospects and financial performance.***

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

**34. *Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our results of operations.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our Trade Receivables for the period ended March 31, 2024, March 31, 2023, March 31, 2022 were ₹ 1,894.27 lakhs, ₹ 1,594.32 lakhs and ₹ 1,549.09 lakhs respectively and our inventories for the period ended March 31, 2024, March 31, 2023, March 31, 2022 were ₹ 1,612.56 lakhs, ₹ 826.60 lakhs and ₹ 808.38 lakhs respectively.



The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to write-offs bad debts and/ or delay in recoveries which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

For further details of working capital requirements, please refer to the chapter titled *"Objects of the Issue"* on page 73 of the Draft Prospectus.

**35. *We may face significant competition in our business. An inability to compete effectively may lead to a lower market share or reduced operating margins.***

We operate in the competitive industry. There are no entry barriers in our industry which puts us to the threat of competition from new entrants. We may face tough competition in our business from a large number of unorganized and organized players. Our aim is to provide the branded, standardized and uniform quality products at competitive prices to our consumers. We compete with our competitors on a regional or product line basis. Some of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the products. We believe that our ability to compete effectively is primarily dependent on ensuring consistent product quality and timely delivery at competitive prices, thereby strengthening our brand over the years. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides competitive advantage in our business. We believe that our technical capabilities, experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players. However, there can be no assurance that we will be able to compete successfully with the competitors and implement our future strategies in a way that will mitigate the effects of increased competition from our competitors.

**36. *We have not made any alternate arrangements for meeting our regular working capital requirements. If our operations do not generate the necessary cash flow, our working capital requirements may negatively affect our operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our working capital requirements, other than the existing sanctioned limits. We meet our additional working capital requirements through internal accruals. Any shortfall in internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

**37. *Delays or defaults in payment by our Clients could affect our cash flows and may adversely affect our financial condition and operations.***

As of March 31, 2024, we had trade receivables of ₹1,894.27 lakhs, which represented 23.33% of our total assets as of such date. We extend credit to our clients for a certain tenure and at times for a long period of time and for reason concerning the financial health of our customer we may not be able to realize or recover outstanding amounts in part or in full within a pre-determined timeframe. We have and may continue to have high levels of outstanding receivables. Our average outstanding receivable tenure is in the range of 1 to 2 months in the past three financial years. Hence, if delays or defaults in client payments continue or increase in proportion to our total revenues, it could negatively affect our cash flows and consequently affect our financial condition and operations. Further, while we may take appropriate action in the event of a non-payment of receivables, there can be no assurance that we will be able to successfully recover outstanding amounts owed to us in part or in full, which in turn could affect our cash flows and may adversely affect our financial condition and operations.



- 38. *In addition to our existing indebtedness for our operations, we may be required to obtain further loan during the course of business. There can be no assurance that we would be able to service our existing and/or additional indebtedness.***

In addition to our existing indebtedness for our existing operations we may be required to raise further debt in the form of term loans and working capital loans in the course of business. Increased borrowings, if any, would adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, please refer to the chapter titled “*Financial Indebtedness*” on page 210 of this Draft Prospectus.

- 39. *Our debt financing agreements contain certain restrictive covenants that may adversely affect our Company’s business, credit ratings, prospects, results of operations and financial condition.***

Certain debt financing agreements that our Company has entered into contain restrictive covenants that limit our ability to undertake certain types of transactions. Under our debt financing agreements our Company is required to maintain certain financial covenants.

There can be no assurance that our Company has complied with all such restrictive covenants in a timely manner or at all or that we will be able to observe compliance with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements may result in termination of our financing agreements, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may trigger cross-default or cross-acceleration provisions under other debt financing agreements, which may compel us to dedicate a substantial portion of our cash flow from operations or sell certain assets to make such payments thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, in the event of any of the circumstances coming into effect our business, prospects, results of operations and financial condition may be adversely affected.

- 40. *Shortage or non-availability of essential utilities such as electricity could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operation is heavily dependent on continuous supply of electricity which is critical to our operations. While our power requirements are met through local state power grid, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, any shortage or non-availability of electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition.

- 41. *Underutilization of capacity of our facility may adversely affect our business, results of operations and financial conditions.***

We cannot assure that we shall be able to utilize our facility to their full capacity or up to an optimum capacity, and non-utilization of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition. Even use of the proposed production capacity is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, supply/demand, manpower, etc.

- 42. *Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel may have an adverse effect on our business prospects.***

Our experienced senior management and Directors have had a significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. An inability to retain any key management personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We continue to face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In particular, we may be unable to compete with other larger companies for suitably skilled personnel due to their ability to provide more competitive compensation and benefits. The loss of any of the members of our senior management team, our whole-time directors, or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, results of operations,

financial condition, and growth prospects.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel, including designers, and corporate management professionals who have the required experience and expertise. We also place extensive reliance on our design and production department which is critical to our business as they design the products which are reviewed by our customers. From time to time, it may be difficult to attract and retain qualified individuals with the expertise and in the timeframe demanded by our clients, and we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. We may be unable to compete with our competitors for such qualified personnel because of more competitive salaries and benefits provided by them.

For every new product we expand into, we require suitably skilled personnel. Such skilled personnel may not be available in the market or we may not be able to compete with competitors for such qualified personnel because of more competitive salaries and benefits packages provided by them. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and the results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

**43. *Our ability to anticipate changes in consumer preference, and industry trends and to meet customers' demands is a significant factor to remain competitive, any failure to identify and understand the trends may materially adversely affect our business.***

Changes in consumer preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor to remain competitive. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and our results of operations may be adversely affected. We are also subject to the risks generally associated with new products and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. To compete effectively in the industry, we must be able to produce new products to meet our customers' demands in a timely manner. Our failure to successfully produce new products could materially and adversely affect our results of operations.

**44. *If we are unable to manage/arrange funds (including at short notice) to meet our working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires a significant amount of working capital to finance the purchase of raw materials before payments are received from customers. 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 for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements, which may delay the execution of projects leading to loss of reputation, levy of liquidated damages, and an adverse effect on the cash flows. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet the working capital requirements, there may be an adverse effect on our results of operations. We may also be subject to fluctuations of interest rates for our financing. If we are unable to secure financing at favourable rates for this purpose, our ability to secure larger-scale projects will be impeded and our growth and expansion plans will be materially and adversely affected which in turn will materially and adversely affect our future financial performance.

Our indebtedness is secured by charges over Equipment, Stocks, Book Debts etc. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financing on terms acceptable to us, we may be unable to implement our growth strategy, and our business, prospects, financial condition, and results of operations may be adversely affected.

**45. *Our management will have broad discretion in how we apply the Net Proceeds of the Issue and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in an increase in the value of your investment.***

We intend to use the Net Proceeds for the purposes described under the “*Objects of the Issue*” on page 73 of the Draft Prospectus. The Objects of the Issue comprise (a) Funding Part Capital Expenditure towards setting up backward integration project, (b) funding incremental working capital requirements of our Company, (c) for issue related expenses, and (d) for general corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Further, our Objects of the Issue have not been appraised by any bank, financial institution or other

independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in the rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Issue would require a special resolution of the shareholders, and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, in accordance with applicable law.

In case of an increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the Objects of the Issue is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, if required. If the estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward.

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

Since the Issue size is less than Rs. 10,000.00 Lakh there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and 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.

***47. Our Company has availed certain unsecured loan which can be recalled at any time.***

Our Company has availed certain unsecured loan amounting to ₹ 941.74 lakhs as on March 31, 2024 out of which an amount of ₹ 736.36 lakhs has been taken from related parties. The unsecured loan taken by our Company from related parties may be recalled at any time. Though our Company intends to repay the loan amount in near future, sudden recall may disrupt our operations and also may force us to find alternative sources of financing, which may not be available on commercial reasonable terms or at all. opt for funding at higher interest rates, resulting in higher financial burden. We may not have adequate working capital to meet business requirements of our Company, and, as a result, any such demand by the lenders may affect our business, cash flows, financial condition and results of operations. Further, in respect of such unsecured loan, no proper agreement has been executed between the parties. For further details, please refer to the section “**Financial Indebtedness**” beginning on page no. 210 of this Draft Prospectus.

***48. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer “**Government and Other Approvals**” on page 225 of this Draft Prospectus, respectively.

***49. Any reduction in the demand for our products could lead to underutilisation of our manufacturing capacity.***

We face the risk that our customers might not place any order or might even cancel existing orders. Cancellations, of orders by our customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand of our products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to

make customizations. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

**50. *Our revenues are highly dependent on clients located in India. Any decline in the economic health of India could adversely affect our business, financial condition and results of operations.***

We majorly sell our products and services to clients located in India. If the economic conditions of India become volatile or uncertain or the conditions in the financial market were to deteriorate, especially in recent times due to the COVID-19 pandemic, or if there are any changes in laws applicable to our services and operations or if any restrictive conditions are imposed on us or our business, the pricing of our services may become less favourable for us. Further, our clients located in these geographies may reduce or postpone their spending significantly which would adversely affect our operations and financial conditions. Any reduction in spending on third party logistic services may lower the demand for our services and negatively affect our revenues and profitability.

**51. *Some of the approvals are required to be updated consequent to the change in the name of our Company.***

The name of our Company has been changed from Shree Bala Ji Pigments Private Limited to Shree Bala Ji Pigments Limited upon conversion of our Company into public limited vide special resolution passed by our Shareholders at their EGM held on December 04, 2023. Due to such change, our Company is required to change its name in all approvals, licenses, registrations and permits in the name of Shree Bala Ji Pigments Limited. While we have updated our name in some of the registrations, permits or approvals, we are still required to update our name in some of the remaining registrations, permits or approvals.

**52. *Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.***

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant number of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

**53. *The statutory/ regulatory approvals for the proposed project / expansion plans will need to be applied or renewed and any delay or non-receipt of such approvals may delay the proposed project/ expansion plans.***

Based on the objects of the proposed expansion, we will have to apply or renew certain statutory/regulatory approval in relation to the Objects of the Issue. We cannot assure that we would be able to apply for these licenses/ approvals/ permissions in a timely manner, or that we would be granted such licenses/ approvals/ permissions in a timely manner or at all. Such grant may also be subject to restrictions and/ or permissions which may prejudicially affect our operations, and would have a material adverse effect on our business, results of operations and financial condition.

**54. *Some of the KMPs is associated with our company for less than one year.***

Our Key Management Personnel, Company Secretary and Chief Financial Officer is associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter “**Our Management**” beginning on page 153 of this Draft Prospectus.

**55. *Certain key performance indicators for certain listed industry peers included in this Draft Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.***

Pursuant to the requirements of the SEBI ICDR Regulations dated November 21, 2022, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “**Basis for Issue Price**” beginning on page 88 of the Draft Prospectus. While our business comprises of the TMT Bar industry, these listed industry peers are related to associate industry. Although this information is sourced from and relied upon on the standalone/consolidated audited financial statements of the relevant listed industry peers for Fiscals 2023 as available on the websites of the Stock Exchanges, including the annual reports of the respective companies for the years



ended March 31, 2023 submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There are different methodologies and formulas used to compute the various ratios.

**56. *We are affected by the prices, availability, and quality of the raw materials used in our production.***

Stainless Steel or Mild Steel are our key raw material, which we use for the manufacturing of our products. Typically, we do not enter into long-term contracts with our suppliers, and prices for these raw materials are normally based on the quotes we receive from various suppliers. Upon receipt of quotes from our suppliers, we issue purchase orders to the supplier which has quoted the least price. Any unexpected price fluctuations after the placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials which is critical to our business. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance, and cash flows may be adversely affected.

In particular, we are vulnerable to the risk of rising/fluctuating steel prices, which are determined by demand and supply conditions in the global and Indian markets as well as government policies.


The quality of raw materials delivered by suppliers engaged by us has a direct impact on the overall quality of our products and the timeliness of our delivery to the customers. Although we generally ensure strict quality and process control measures for suppliers, we may be subject to potential claims against us by our customers in case of any substandard materials provided by our suppliers. In such circumstances, our reputation may suffer and our business may be adversely affected. In addition, our resources could be strained by any claim that proceeds to litigation.

Our orders are negotiated with our customers based on the price at which we purchase our raw materials, possible selling prices of our products/services, and our intended gross margins. Hence, we fix the prices of required materials at approximately the same time as the orders we sign with our customers so as to protect our gross margins. Nevertheless, should there be any significant increases in steel or aluminium prices, and we are unable to pass on such increases in prices to our customers or find alternative suppliers/sources of direct materials who are able to supply us with the raw materials at competitive prices, our business and financial performance will be adversely affected.

**57. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**58. *Some of the Logo used by our Company is currently not registered under Trade Marks Act, 1999. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.***

Presently, our Company is using logo  which is registered in the name of our promoter Mr. Sunil Kumar Aggarwal and our company has applied for transfer of trademark in the name of our company on April 03, 2024. Our Company is also using wordmark “SATYAM TMT”, “SATYAM”, KHYBER” for which our company has made application being number 5742040, 5742042, 6265070 respectively for the registration of the same under the Trade Marks Act, 1999. Application number 5742040 is Accepted and Advertised and 5742042 & 6265070 are OBJECTED as on date of draft prospectus. Therefore, as on date we do not enjoy the statutory provisions that are accorded to a registered trademark. Further, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application made for registration of our trademark will be allowed. In case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability may be impacted. For more information about the licenses and registrations obtained and pending applications, see the section titled “**Government and Other Approvals**” beginning on Page 225 of this Draft Prospectus.



**59. Major fraud, lapses of internal control or system failures could adversely impact the company's business.**

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures etc. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

**60. We may not be successful in implementing our business strategies.**

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**61. The Company previously had filed a Draft Prospectus dated May 10, 2024 for initial public issue and the same stood withdrawn.**

Our company has earlier filed Draft Prospectus dated May 10, 2024 with Emerge Platform of National Stock Exchange of India Limited ('NSE Emerge') and our management vide their resolution passed on July 08, 2024 decided to withdraw the same and would refile the same with all updation in consultation with the lead manager.

**62. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.**

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer's discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and revenue of our company. Further, we operate in competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed. For further details of our business, please refer chapter titled "**Our Business**" beginning on Page 120 of this Draft Prospectus.

**63. Our manufacturing Unit is situated in Kathua, Jammu and our operations may be affected by various factors associated with the region where we operate.**

Our manufacturing Unit is located in the state of Jammu & Kashmir. This concentration of our business in state of Jammu & Kashmir, subjects us to various risks, including but not limited to the following risks:

- regional slowdown;
- regional natural disasters;
- vulnerability to change of policies, laws & regulations or the political & economic environment of Jammu & Kashmir;
- constraints on our ability to diversify across states;

Further, since our manufacturing operations are concentrated in Jammu & Kashmir, any political disruptions, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate, 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 Unit. Consequently, our business, results of operations, cash flows and financial condition may be adversely affected.

**64. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**65. *An inability to manage our growth could disrupt our business and reduce our profitability.***

We have experienced continuous growth in the preceding years. We expect our business to grow as a result of our plans to expand further. We expect any growth in our business to place additional demands on us and require us to continuously evolve and improve our operational, financial, and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- (i) maintaining high levels of client satisfaction;
- (ii) recruiting, training, and retaining sufficient skilled management, technical and marketing personnel;
- (iii) adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- (iv) preserving a uniform culture, values, and work environment in operations; and
- (v) developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Our ability to implement our business plans depend on, inter alia, global economic conditions, our capital resources, our R&D capabilities for new products and technology solutions, our ability to commercially realise the R&D results, our ability to obtain any necessary government or regulatory approval or licenses, and the availability of management, financial and other resources.

The success of our business will depend greatly on our ability to implement our business and strategies effectively. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our financial, operating, and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, and profitability.

**66. *Our Directors and certain Key Management Personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, 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 the Company or that of minority shareholders. For details, see the section titled “*Capital Structure*” on Page 60 of this Draft Prospectus. There is no assurance that our Directors and/or our key management personnel will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future.

- 67. Our operations are subject to a variety of environmental laws and regulations including those relating to hazardous materials. Any failure to comply with applicable environmental laws and regulations could have an adverse effect on our financial condition and results of operations.**

Our operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. The raw materials used in the development of our products and the impact of air & noise pollution from manufacturing activities are subject to various environmental laws and regulations. In the event that such regulations become more stringent, such as increasing the requirements for obtaining approvals or meeting government standards, this could result in changes to the infrastructure necessary for manufacturing activities, increasing the costs related to changing manufacturing methods in order to meet government standards and increasing penalties for non-compliance. Furthermore, we may incur significant expenditure relating to operating methodologies and standards in order to comply with applicable environmental laws and regulations.

In addition, our projects may involve the handling of hazardous materials, which, if improperly handled or disposed of, could subject us to civil and criminal liabilities. Further certain environmental laws provide for joint and several liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. In addition to potential liabilities that may be incurred in satisfying these requirements, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. We are also subject to regulations dealing with occupational health and safety. Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts. Sanctions for failure to comply with these laws, rules, and regulations, many of which may be applied retroactively, may include administrative, civil and criminal penalties, revocation of permits and corrective orders. For further information on the regulatory authorities and applicable rules, and regulations, see the section titled **“Key Industry Regulations and Policies”** beginning on Page 142 of this Draft Prospectus.

- 68. The Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.**

Upon completion of this Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by the applicable law to abstain from voting. This control could also 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 obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

- 69. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.**

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by working capital debt facilities and increases in interest rate (and consequent increase in the cost of servicing such debt) may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions from time to time, there can be no assurance that these agreements will protect us adequately against interest rate risks.

- 70. The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.**

The company’s operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company’s control. The results of operations during any financial year or from period to period may differ from one another or from the expected results of operation. Its business, results of operations and financial conditions may be adversely affected by, inter alia, a decrease in the growth and demand for the products and services offered by us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled **“Financial Information as Restated”** beginning on Page 176 of this Draft Prospectus.

**71. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes amounting to ₹ 400.00 lakhs which constitute 11.76% of the total Issue Proceeds.***

As on date we have not identified the use of such funds. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes amounting to ₹ 400.00 lakhs which constitute 11.76% of the total Issue Proceeds. As on the date of this Draft Prospectus, we have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details, please refer the chapter titled ***“Objects of the Issue”*** beginning on Page 73 of this Draft Prospectus.

**B. Issue Related Risks**

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

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter ***“Objects of the Issue”*** on page 73 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**73. *There is no guarantee that our Equity Shares will be listed on the Emerge 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 our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the Emerge Platform of National Stock Exchange of India Limited within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

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

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

**76. *After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not be sustained.***

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The initial public offering price of the Equity Shares offered hereby was determined through our negotiations with the LM and may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers, or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime;
- volatility in the Indian and global securities markets;
- performance of our competitors and perception in the Indian market about investment in our industry; and
- adverse media reports, if any, on our Company, or the industry.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

**77. *The investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.***

We have applied to National Stock Exchange of India Limited to use its name as the Stock Exchange in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer 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 issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the Emerge Platform of National Stock Exchange of India Limited. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

**79. *Any future issuance of Equity Shares may dilute the investors' shareholdings or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by us or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares and our Company's ability to raise capital through an issue of securities. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.



**80. *Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future.***

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

**81. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 175 of this draft prospectus.

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

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges. Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

**83. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

**84. *Foreign investors may be restricted in their ability to purchase or sell Equity Shares.***

Under 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 and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of SEBI ICDR Regulations. If the transfer of shares is not in compliance with such pricing or reporting requirements and does not fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert 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 that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

**85. *The investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Under the Companies Act, 2013, a Company incorporated in India must offer its holders of shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction the investors are in does not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in the jurisdiction they are in, they will not be able to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for the investors' benefit. The value such custodian would receive upon the sale of such securities if any, and the related transaction costs cannot be predicted. To the extent that the investors' are unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in us would be reduced.

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

The Companies Act and related regulations, the Articles of Association, and the Listing Agreements to be entered into with the Stock Exchange govern the corporate affairs of the Company. The Legal principles relating to these matters and the validity of 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 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 a shareholder than as a shareholder of a corporation in another jurisdiction.

**87. *Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. The volatility of the Indian Rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

**EXTERNAL RISK FACTORS**

**88. *The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.***

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, lock down of cities and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. The outbreak of COVID-19 in many countries, including India, the United Kingdom and the United States, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. On March 24, 2020, the Government of India ordered a national lockdown in response to the spread of COVID-19. Although some governments are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our clients, and those of our respective service providers. There is currently substantial

medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The degree to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

**89. *A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the country in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "**Key Industry Regulations and Policies**" on page 142 of this Draft Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company will comply with relevant regulations as and when applicable. However, any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**91. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**92. *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 for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

**93. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards (“IFRS”). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the “IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

**94. *Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as “systemic risk,” may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

**95. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

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, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, 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/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**96. *Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.***

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. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company’s business could cause its results of operations to suffer. Any significant change in India’s economic policies could disrupt business and economic conditions in India generally and the Company’s business in particular.

**97. *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 Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well 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.



## SECTION IV: INTRODUCTION

### THE ISSUE

The present Issue of 42,00,000 Equity Shares in terms of draft prospectus has been authorized pursuant to a resolution of our Board of Directors held on March 18, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the members held on March 20, 2024.

The following is the summary of the Issue:

PARTICULARS	DETAILS
<b>Present Issue <sup>(1)</sup></b>	Up to 42,00,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹81/- per Equity Share aggregating to ₹ 3,402.00 Lakhs.
<b>Out of which:</b>	
Market Maker Reservation Portion	Up to 2,11,200 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹81/- per Equity Share aggregating to ₹ 171.07 Lakhs.
Net Issue to the Public <sup>(2)</sup>	Up to 39,88,800 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹81/- per Equity Share aggregating to ₹ 3,230.93 Lakhs.
<b>Out of which:</b>	
Allocation to Retail Individual Investors for up to Rs. 2.00 lakh	19,95,200 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹81/- per Equity Share aggregating to ₹ 1,616.11 Lakhs.
Allocation to other investors for above Rs. 2.00 lakh	19,93,600 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹81/- per Equity Share aggregating to ₹ 1,614.82 Lakhs.
<b>Pre- and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,07,16,723 Equity Shares having face value of ₹10/- each
Equity Shares outstanding after the Issue*	1,49,16,723 Equity Shares having face value of ₹10/- each
<b>Objects of the Issue</b>	Please refer to the section titled “ <i>Objects of the issue</i> ” beginning on page no. 73 of this draft prospectus.
<b>Issue Opens on</b>	[●]
<b>Issue Closes on</b>	[●]

\*Assuming Full Allotment

<sup>(1)</sup> The present Issue is being made by our Company in terms of Regulation 229(2) of the 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

<sup>(2)</sup> This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:

(a) Minimum 50% to the Retail individual investors; and

(b) remaining to:

- i. individual applicants other than retail individual investors; and
- ii. other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;

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

**Explanation:** For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details, kindly refer the chapter titled “*Terms of the Issue*” beginning on page 241 of this draft prospectus.

## SUMMARY OF FINANCIAL INFORMATION

## STATEMENT OF STANDALONE ASSETS &amp; LIABILITIES, AS RESTATED

Particulars	Note No.	As on (Rs. In Lakhs)		
		31-03-2024	31-03-2023	31-03-2022
<b>I. EQUITY &amp; LIABILITIES</b>				
<b>(1) Shareholders Fund</b>				
a) Share capital	I.1	1,071.67	959.83	959.83
b) Reserves and surplus	I.2	1,675.81	1,016.18	722.71
c) Money received against share warrants		-	-	-
<b>Total Shareholder's Fund</b>		<b>2,747.48</b>	<b>1,976.02</b>	<b>1,682.54</b>
<b>(2) Share application money pending allotment</b>		-	-	-
<b>(3) Non-Current Liabilities</b>				
a) Long-Term Borrowings	I.3	2,663.45	425.87	596.60
b) Deferred Tax Liability (Net)	I.4	-	-	-
c) Other Long Term Liabilities	I.5	-	-	-
d) Long Term provisions	I.6	27.94	22.39	17.75
<b>Total Non Current Liabilities</b>		<b>2,691.39</b>	<b>448.26</b>	<b>614.35</b>
<b>(4) Current Liabilities</b>				
a) Short Term Borrowings	I.7	2,470.03	1,715.98	1,847.21
b) Current Maturity of Long Term Borrowings	I.8	96.70	267.82	281.04
c) Trade Payables	I.9	38.72	321.72	359.47
d) Other Current Liabilities	I.10	-	-	-
e) Short Term Provisions	I.11	74.92	245.09	109.20
<b>Total Current Liabilities</b>		<b>2,680.37</b>	<b>2,550.61</b>	<b>2,596.93</b>
<b>Total Equity &amp; Liability</b>		<b>8,119.24</b>	<b>4,974.89</b>	<b>4,893.82</b>
<b>II. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
<b>a) Fixed Assets</b>				
(i) Property, Plant and Equipments	I.12	1,106.55	1,227.69	1,182.83
(ii) Intangible Assets		-	-	-
(iii) Capital Work-In-Progress		2,507.49	95.23	-
(iv) Intangible assets under development				
<b>Total Fixed Assets</b>		<b>3,614.03</b>	<b>1,322.91</b>	<b>1,182.83</b>
b) Non - current Investments	I.13	-	-	-
c) Deferred Tax Assets (Net)	I.4	50.82	273.89	517.17
d) Long Term Loans and Advances	I.14	57.74	57.11	54.62
e) Other Non- current Assets	I.15	-	-	-
<b>Total Non Current Assets</b>		<b>108.55</b>	<b>331.00</b>	<b>571.78</b>
<b>(2) Current assets</b>				
a) Current investments	I.16			
b) Inventories	I.17	1,612.56	826.60	808.38
c) Trade Receivables	I.18	1,894.27	1,594.32	1,549.09
d) Cash and Cash Equivalents balances	I.19	48.41	114.97	113.36
e) Short Term Loans and advances	I.20	53.19	8.81	-
f) Other Current Assets	I.21	788.22	776.29	668.37
<b>Total Current Assets</b>		<b>4,396.65</b>	<b>3,320.98</b>	<b>3,139.21</b>
<b>Total Assets</b>		<b>8,119.24</b>	<b>4,974.89</b>	<b>4,893.82</b>

For further details, kindly refer the chapter titled "Financial Statements as Restated" beginning on page 176 of this Draft prospectus.

## STATEMENT OF STANDALONE PROFIT &amp; LOSS, AS RESTATED

Particulars	Note No.	For the Period/Year ended on (Rs. In lakhs)		
		31-03-2024	31-03-2023	31-03-2022
<b>Income</b>				
Revenue from Operations	II.1	13,596.42	13,302.63	15,382.76
Other Income	II.2	212.93	287.51	149.19
<b>Total Income</b>		<b>13,809.35</b>	<b>13,590.15</b>	<b>15,531.95</b>
<b>Expenditure</b>				
Cost of Material Consumed	II.3	12,242.29	11,619.53	13,664.57
Change in Inventories	II.4	(845.73)	100.10	(31.89)
Employee Benefit Expenses	II.5	86.89	85.99	69.25
Other Expenses	II.6	1,062.19	982.72	1,162.13
<b>Total Expenses</b>		<b>12,545.63</b>	<b>12,788.35</b>	<b>14,864.06</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>1,263.72</b>	<b>801.80</b>	<b>667.89</b>
Depreciation & Amortisation Expenses	I.12	138.92	149.75	170.44
<b>Profit Before Interest and Tax</b>		<b>1,124.80</b>	<b>652.05</b>	<b>497.45</b>
Financial Charges	II.7	271.97	171.06	274.66
<b>Profit before Taxation</b>		<b>852.82</b>	<b>480.99</b>	<b>222.79</b>
Provision for Taxation	II.8	-	-	-
Provision for Deferred Tax		(223.07)	(243.28)	(350.13)
<b>Total</b>		<b>(223.07)</b>	<b>(243.28)</b>	<b>(350.13)</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>
Extraordinary Items		-	-	-
Profit Attributable to Minority Shareholders		-	-	-
<b>Net Profit after adjustments</b>		<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For further details, kindly refer the chapter titled “Financial Statements as Restated” beginning on page 176 of this Draft prospectus.

**ANNEXURE - III**  
**STATEMENT OF STANDALONE CASH FLOW, AS RESTATED**

PARTICULARS	For the Period/Year ended on (Rs. In lakhs)		
	31-03-2024	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax as per Profit & Loss A/c	852.82	480.99	222.79
Adjusted for :			
a. Depreciation	138.92	149.75	170.44
b. Interest Expenses & Finance Cost	271.97	171.06	274.66
c. Other Adjustments	(93.16)	(130.28)	(82.99)
<b>Operating profit before working capital changes</b>	<b>1,170.56</b>	<b>671.51</b>	<b>584.90</b>
Adjusted for :			
a. Decrease /(Increase) in Inventories	(785.96)	(18.22)	167.59
b. Decrease / ( Increase ) in trade receivable	(299.96)	(45.22)	(222.75)
b. Decrease / ( Increase ) in Current Investments	-	-	-
c. ( Increase ) / Decrease in short term loans and advances	(44.38)	(8.81)	0.53
d. Increase / ( Decrease ) in Trade Payables	(282.99)	(37.76)	(315.29)
e. Increase / (Decrease) in short term provisions	(170.18)	135.89	61.89
f. Increase / ( Decrease ) in other current liabilities	-	-	-
g. ( Increase ) / Decrease in Other Current Assets	(11.93)	(107.92)	179.72
<b>Cash Generated from Operation</b>	<b>(1,595.40)</b>	<b>(82.03)</b>	<b>(128.31)</b>
Net Income Tax (Paid)/Refund	-	-	-
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(424.84)</b>	<b>589.49</b>	<b>456.58</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
a-1 (Increase) / Decrease of Fixed Assets	(17.79)	(8.56)	(67.45)
a-2 (Increase) / Decrease of Capital Work in Progress	(2,412.26)	(95.23)	-
b. (Increase) / Decrease of non-current investment	-	-	-
c. ( Increase ) / Decrease in Long term loans and advances	(0.63)	(2.49)	0.07
d. Increase / ( Decrease ) in Long Term Provisions	5.55	4.64	0.43
e. ( Increase ) / Decrease in Other Non Current Assets	-	-	-
f. (Increase) in Misc. Expenses	-	-	-
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(2,425.12)</b>	<b>(101.64)</b>	<b>(66.95)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
a. Interest & Finance Cost	(271.97)	(171.06)	(274.66)
b. Proceeds from share issued including Premium	234.86	-	-
c. ( Repayments ) / proceeds of long term borrowings	2,237.58	(170.73)	(303.13)
d. ( Repayments ) / proceeds of short term borrowings	582.93	(144.46)	283.84
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>2,783.40</b>	<b>(486.25)</b>	<b>(293.96)</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents (A+B+C)</b>	<b>(66.56)</b>	<b>1.60</b>	<b>95.67</b>
Cash and cash equivalents at the beginning of the year	114.97	113.36	17.69
<b>Cash and cash equivalents at the end of the year</b>	<b>48.41</b>	<b>114.97</b>	<b>113.36</b>

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year
2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

For further details, kindly refer the chapter titled **"Financial Statements as Restated"** beginning on page 176 of this Draft prospectus.

## SECTION V: GENERAL INFORMATION

### GENERAL INFORMATION

Our Company was originally incorporated as a Private Limited Company under the name '**Shree Bala Ji Pigments Private Limited**' on January 25, 2007 under the provision of the Companies Act, 1956 bearing Corporate Identification Number U27109JK2007PTC002731 issued by Registrar of Companies, Jammu and Kashmir. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to '**Shree Bala Ji Pigments Limited**' vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated January 04, 2024 bearing Corporate Identification Number U27109JK2007PLC002731 issued by Registrar of Companies – Jammu. For further details of change in name and registered office of our company, please refer to section titled "**Our History and Certain Corporate Matters**" beginning on page no 149 of the Draft Prospectus.

Brief of Company and Issue Information	
<b>Registered, Corporate Office and Factory Address</b>	<b>Shree Bala Ji Pigments Limited</b> 36-B, Industrial Ext. Area Near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102 <b>Contact Person:</b> Ms. Vasundhra Gupta <b>Contact No:</b> +91 80621 77519 <b>Email ID:</b> cs@satyamtmmt.com <b>Website:</b> www.satyamtmmt.com
<b>Date of Incorporation</b>	January 25, 2007
<b>Corporate Identification Number</b>	U27109JK2007PLC002731
<b>Company Category</b>	Company Limited by Shares
<b>Company Subcategory</b>	Indian Non-Government Company
<b>Address of Registrar of Companies</b>	<b>Registrar of Companies,</b> <b>UT of Jammu &amp; Kashmir and UT of Ladakh</b> Hall No. 405 to 408, Rail, Head Complex, Bahu Plaza, Jammu-180012
<b>Designated Stock Exchange<sup>^</sup></b>	<b>National Stock Exchange of India Limited,</b> SME EMERGE Platform of NSE ("NSE EMERGE") Exchange Plaza, Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051
<b>Company Secretary and Compliance Officer</b>	<b>Ms. Vasundhra Gupta</b> <b>Shree Bala Ji Pigments Limited</b> 36-B, Industrial Ext. Area Near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102 <b>Contact No:</b> +91 80621 77519 <b>Email ID:</b> cs@satyamtmmt.com <b>Website:</b> www.satyamtmmt.com
<b>Chief Financial Officer</b>	<b>Mr. Daljeet Singh Rana</b> <b>Shree Bala Ji Pigments Limited</b> 36-B, Industrial Ext. Area Near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102 <b>Contact No:</b> +91 80821 65655 <b>Email ID:</b> cfo@satyamtmmt.com <b>Website:</b> www.satyamtmmt.com
<b>Statutory Auditor of the company</b>	<b>M/s. A. Gupta &amp; Associates, Chartered Accountants</b> 1 <sup>st</sup> Floor, Near PB 35 Showroom, Model Town, Dhangu Road, Pathankot – 145001, Punjab, India <b>Contact Person:</b> Mr. Sanyam Salhotra <b>Email ID:</b> casanyamsalhotra@gmail.com <b>Contact No.:</b> +91 88476 09868 <b>Designation:</b> Partner <b>Membership No.:</b> 546149 <b>Firm Registration No:</b> 029629N



Brief of Company and Issue Information	
<b>Peer Review Auditor of the company</b>	<b>M/s. S S R V and Associates, Chartered Accountants</b> 609, B-Wing, Express Zone, Off. Western Express Highway, Malad East, Mumbai – 400097, Maharashtra <b>Contact Person:</b> Mr. Vishnu Kant Kabra <b>Email ID:</b> ssrvandassociates@gmail.com <b>Contact No.:</b> +91 22 6982 2607/08/09/10 <b>Designation:</b> Partner <b>Membership No.:</b> 403437 <b>Firm Registration No:</b> 135901W <b>Peer Review Certificate No:</b> 014729, Valid up to December 31, 2025

^ In compliance with Regulation 230(1)(a) of SEBI (ICDR) Regulation, 2018, we have made an application to NSE on the EMERGE Platform only for listing of our equity shares.

### Board of Directors of Our Company

Our Company's Board comprises of the following Directors:

Sl. No.	Name of the Director	DIN	Current Designation	Age	Address
1	Lalit Aggarwal	06732667	Managing Director	58	Shree Balaji Alloys, Industrial Area, Kathua, Jammu and Kashmir, 184101
2	Sunil Kumar Aggarwal	01013441	Executive Director	56	House No. 313-A, Beverly Park-1, Near Time Tower, M.G Road, DLF Phase-2, Gurgaon, Galleria, DLF-IV, Gurgaon, Haryana, India, 122009
3	Neeru Aggarwal	02645366	Non-Executive Director	56	1205A, Beverly Park 2, DLF Phase 2, Gurgaon, Haryana, India, 122002
4	Dhruv Dwivedi	10541951	Independent Director	32	B-4/150/3, Basement, Safdarjung Enclave, South West Delhi, Delhi, India, 110029
5	Tarun Kumar Sharma	10542304	Independent Director	44	Ward No. 2, Near Ramleela Ground, Kathua, Jammu & Kashmir, India, 184101

For further details of the Board of Directors, please refer to the Section titled **"Our Management"** beginning on page no 153 of this draft prospectus.

### Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER	REGISTRAR TO THE ISSUE
<b>FINSHORE MANAGEMENT SERVICES LIMITED</b> 'Anandlok', Block-A, 2 <sup>nd</sup> Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India <b>Telephone:</b> 033 – 2289 5101 / 4603 2561 <b>Email:</b> info@finshoregroup.com <b>Website:</b> www.finshoregroup.com <b>Investor Grievance Email:</b> investors@finshoregroup.com <b>Contact Person:</b> Mr. S. Ramakrishna Iyengar <b>SEBI Registration No:</b> INM000012185 <b>CIN:</b> U74900WB2011PLC169377	<b>KFIN TECHNOLOGIES LIMITED</b> Selenium, Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India <b>Telephone:</b> +91 40 6716 2222 <b>Email:</b> sbpl.ipo@kfintech.com <b>Website:</b> www.kfintech.com <b>Investor Grievance Email:</b> einward.ris@kfintech.com <b>Contact Person:</b> M. Murali Krishna <b>SEBI Registration Number:</b> INR000000221 <b>CIN No:</b> L72400TG2017PLC117649
BANKER TO THE ISSUE AND SPONSOR BANK	LEGAL ADVISOR TO THE ISSUE
<b>ICICI Bank Limited</b> Capital Market Division, 163, 5 <sup>th</sup> Floor, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020 <b>Tel No.:</b> 022 - 68052182 <b>Email:</b> ipocmg@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact Person:</b> Mr. Varun Badai	<b>SNG &amp; PARTNERS</b> 1, Bazar Lane, Bengali Market, Delhi – 110001, India <b>Telephone:</b> +91 22 4358 2000 <b>Email:</b> ipo@sngpartners.in <b>Contact Person:</b> Rachit Munjal / Mainak Pani

*Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.*

*All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.*

### **Statement of Inter Se Allocation of Responsibilities**

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

### **Self-Certified Syndicate Banks ("SCSBs")**

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

### **Issuer Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Issuer Bank for UPI mechanism are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

### **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.

### **Brokers to This Issue**

All brokers registered with SEBI and members of the Recognised Stock Exchange can act as brokers to the Offer.

### **Registrar to Issue and Share Transfer Agents**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the 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.

### **Credit Rating**

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

### Trustees

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

### Debenture Trustees

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

### IPO Grading

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

### Monitoring Agency

As per regulation 262(1) of the SEBI ICDR Regulations 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is only of ₹ 3,402.00 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Appraising Entity

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

### Filing of Draft Prospectus/Prospectus with the SEBI/ROC

In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall be filed with the Board (SEBI) through the Lead Manager, immediately upon filing of the offer document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, the Board (SEBI) shall not issue any observation on the offer document.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall also be furnished to the Board in a soft copy.

A copy of the Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Draft Prospectus will be mailed at the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in)

A copy of the Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the **Registrar of Companies – UT of Jammu & Kashmir and UT of Ladakh.**

### Issue Programme

Issue Opening Date	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment with NSE EMERGE	[•]
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	[•]
Credit of Equity Shares to demat accounts of the Allottees	[•]
Commencement of trading of the Equity Shares on NSE EMERGE	[•]

### Expert Opinion

Our Company has not obtained any expert opinions except we have received consent from the Peer Review Auditors of the Company to include their name as an expert in this draft prospectus in relation to the (a) Peer Review Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Peer review Auditors and such consent has not been withdrawn as on the date of this draft prospectus.

**Change in Auditors during the last three (3) years**

Name of the Auditor	M/s. A. Gupta & Associates	Aman Mahajan & Associates	Akash Langer & Associates
FRN/Mem. No	014914N	029629N	031975N
Peer Review No.	--	--	--
Date of Appointment	30/11/2023	30/09/2022 <sup>1</sup>	30/09/2019
Date of Resignation	--	22/09/2023	15/02/2022
Period From	01/04/2023	01/04/2022	01/04/2019
Period to	31/03/2024	31/03/2027	31/03/2024
Email ID	casanyamsalhotra@gmail.com	caakashlanger@gmail.com	akashlanger01@gmail.com
Address	First Floor, Near Pb-35 Showroom, Model Town, Dhangu Road, Pathankot - 145001	319 A, Apsra Road, Gandhi Nagar, Jammu, Jammu & Kashmir, 180004	222 B, Priyadarshni Lane No 1, Tallab Tillo, Jammu, Jammu & Kashmir, 180002
Reason for Change	--	Pre-Occupation	Pre-Occupation

<sup>1</sup> Originally appointed vide a Board Resolution dated February 20, 2022 to fill the casual vacancy pursuant to resignation of M/s. Akash Langer & Associates.

**Underwriter**

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent (100%) of the offer and shall not be restricted up to the minimum subscription level and as per sub regulation (2) The lead manager(s) shall underwrite at least fifteen per cent of the issue size on their own account(s).

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated June 18, 2024 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name, Address, Telephone, and Email of the Underwriter	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue Size Underwritten
<b>Finshore Management Services Limited</b> Anandlok, Block-A, 2 <sup>nd</sup> Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, West Bengal, India <b>Tel No:</b> 033 – 2289 5101 / 4603 2561 <b>Website:</b> www.finshoregroup.com <b>Email:</b> info@finshoregroup.com <b>Investor Grievance Email:</b> <a href="mailto:investors@finshoregroup.com">investors@finshoregroup.com</a> <b>Contact Person:</b> Mr. S. Ramakrishna Iyengar <b>SEBI Registration No:</b> INM000012185	42,00,000 Equity Shares*	₹ 3,402.00 Lakhs	100.00%

\*Includes 2,11,200 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated June 18, 2024 in order to comply with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

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

**Details of Market Making Arrangement for This Issue**

Our Company and the Lead Manager has entered into Market Making Agreement dated June 18, 2024 with the following Market Maker to fulfil the obligations of Market Making for this Issue:

<b>Name</b>	Black Fox Financial Private Limited
<b>Address</b>	M-55, M Block Market, Greater Kailash-2, 3 <sup>rd</sup> Floor, New Delhi – 110048, India
<b>Contact Person</b>	Mr. Suresh Bohra
<b>Telephone</b>	+91 11 41611745
<b>E-mail</b>	<a href="mailto:suresh@blackfoxindia.com">suresh@blackfoxindia.com</a>
<b>Website</b>	<a href="http://www.blackfoxindia.com">www.blackfoxindia.com</a>
<b>SEBI Registration No</b>	INZ000207033
<b>CIN</b>	U74999DL1992PTC048924

M/s. Black Fox Financial Private Limited, registered with National Stock Exchange of India Limited, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI (ICDR) Regulations as amended from time to time.

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 the NSE and SEBI in this matter from time to time.

- *In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the NSE and SEBI regarding this matter from time to time.*
- *In terms of regulation 261(2) of SEBI ICDR Regulations 2018, The market maker or issuer, in consultation with the lead manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the NSE EMERGE.*
- *In terms of regulation 261(3) of SEBI ICDR Regulations 2018, Following is a summary of the key details pertaining to the Market Making arrangement*
  1. The Market Maker “Black Fox Financial Private Limited” shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
  2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE EMERGE and SEBI from time to time.
  3. The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 and SEBI ICDR Regulations and relevant Exchange Circulars requirement for Market Makers on SME platform.
  4. The minimum depth of the quote shall be Rs.1.00 Lakh. However, the investors with holdings of value less than Rs. 1.00 Lakh 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.
  5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
  6. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on NSE EMERGE (in this case currently the minimum trading lot size is 1,600 equity shares; however, the same may be changed by the NSE EMERGE from time to time).
  7. The shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on EMERGE Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.



8. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the National Stock Exchange of India Limited.
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. In terms of regulation 261(6) of SEBI ICDR Regulations 2018, Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of **Shree Bala Ji Pigments Limited** or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
11. In terms of regulation 261(7) of SEBI ICDR Regulations 2018, The Promoters' holding of **Shree Bala Ji Pigments Limited** shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding of **Shree Bala Ji Pigments Limited** which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the EMERGE Platform of NSE, in the manner specified by SEBI from time to time.
12. The Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI (ICDR) Regulations, 2018.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of **Shree Bala Ji Pigments Limited** via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
14. **Risk containment measures and monitoring for Market Maker:** NSE EMERGE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
15. **Punitive Action in case of default by Market Maker(s):** NSE EMERGE Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the 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 they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the 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.

The Market Maker(s) shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

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 relevant laws and regulations applicable at that particular point of time.

16. 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.

17. 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)
Up to Rs.20 Crore	25%	24%
Rs. 20 to Rs.50 Crore	20%	19%
Rs. 50 to Rs.80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

18. 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.

19. **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:

- i. 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.
- ii. 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. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- *In terms of regulation 261(4) of SEBI ICDR Regulations 2018, The specified securities being bought or sold in the process of market making may be transferred to or from the nominated investors with whom the lead manager(s) and the issuer have entered into an agreement for market making: Provided that the inventory of the market maker, as on the date of allotment of the specified securities, shall be at least five per cent. of the specified securities proposed to be listed on NSE EMERGE.*
- *In terms of regulation 261(5) of SEBI ICDR Regulations 2018, The market maker shall buy the entire shareholding of a shareholder of the issuer in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE: Provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE.*

## SECTION VI: CAPITAL STRUCTURE

### CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this draft prospectus, is set forth below:

(Rs. in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorized Share Capital</b>		
	1,55,00,000 Equity Shares of ₹10/- each	1,550.00	--
B.	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer <sup>(1)</sup></b>		
	1,07,16,723 Equity Shares of ₹10/- each	1,071.67	--
C.	<b>Present issue in terms of the draft prospectus <sup>(2)</sup></b>		
	42,00,000 Equity Shares of ₹10/- each for cash at a price of ₹81/- per share	420.00	3,402.00
<b>Which Comprises of</b>			
D.	<b>Reservation for Market Maker portion</b>		
	2,11,200 Shares of ₹10/- each for cash at a price a ₹81/- per Equity Share	21.12	171.07
E.	<b>Net Issue to the Public</b>		
	39,88,800 Equity Shares of ₹10/- each for cash at a price a ₹81/- per Equity Share, <b>out of which:</b>	398.88	3,230.93
	19,95,200 Equity Shares of ₹10/- each for cash at a price a ₹81/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of <b>up to ₹2.00 lakhs</b>	199.52	1,616.11
	19,93,600 Equity Shares of ₹10/- each for cash at a price a ₹81/- per Equity Share will be available for allocation for allotment to Other Investors of <b>above ₹2.00 lakhs</b>	199.36	1,614.82
F.	<b>Paid up Equity capital after the Issue</b>		
	1,49,16,723 Equity Shares of ₹10/- each	1,491.67	
G.	<b>Securities Premium Account</b>		
	Before the Issue	163.19	
	After the Issue	3,145.19	

<sup>(1)</sup> Our Company has only one class of share, i.e., Equity Shares having face value of ₹10/- each and there are no partly paid-up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this draft prospectus.

<sup>(2)</sup> The present Issue of **42,00,000** Equity Shares in terms of draft prospectus has been authorized pursuant to a resolution of our Board of Directors dated **March 18, 2024** and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting of the members held on **March 20, 2024**.

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

Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorized Share Capital (₹)	Details of change
25-01-2007	On Incorporation	10,00,000	Incorporated with an Authorized Share Capital of ₹10,00,000 comprising of 1,00,000 Equity Shares of ₹10/- each.
08-06-2010	EGM	1,60,00,000	Increase in Authorized Share Capital from ₹10,00,000 comprising of 1,00,000 Equity Shares of ₹10/- each to ₹1,60,00,000 comprising of 16,00,000 Equity Shares of ₹10/- each.
10-11-2011	EGM	3,70,00,000	Increase in Authorized Share Capital from ₹1,60,00,000 comprising of 16,00,000 Equity Shares of ₹10/- each to ₹3,70,00,000 comprising of 37,00,000 Equity Shares of ₹10/- each.

Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorized Share Capital (₹)	Details of change
12-11-2011	EGM	5,00,00,000	Increase in Authorized Share Capital from ₹3,70,00,000 comprising of 37,00,000 Equity Shares of ₹10/- each to ₹5,00,00,000 comprising of 50,00,000 Equity Shares of ₹10/- each.
30-11-2012	EGM	5,50,00,000	Increase in Authorized Share Capital from ₹5,00,00,000 comprising of 50,00,000 Equity Shares of ₹10/- each to ₹5,50,00,000 comprising of 55,00,000 Equity Shares of ₹10/- each.
25-06-2015	EGM	10,00,00,000	Increase in Authorized Share Capital from ₹5,50,00,000 comprising of 55,00,000 Equity Shares of ₹10/- each to ₹10,00,00,000 comprising of 1,00,00,000 Equity Shares of ₹10/- each.
05-07-2023	EGM	10,80,00,000	Increase in Authorized Share Capital from ₹10,00,00,000 comprising of 1,00,00,000 Equity Shares of ₹10/- each to ₹10,80,00,000 comprising of 1,08,00,000 Equity Shares of ₹10/- each.
17-01-2024	EGM	15,00,00,000	Increase in Authorized Share Capital from ₹10,80,00,000 comprising of 1,08,00,000 Equity Shares of ₹10/- each to ₹15,00,00,000 comprising of 1,50,00,000 Equity Shares of ₹10/- each.
05-02-2024	EGM	15,50,00,000	Increase in Authorized Share Capital from ₹15,00,00,000 comprising of 1,50,00,000 Equity Shares of ₹10/- each to ₹15,50,00,000 comprising of 1,55,00,000 Equity Shares of ₹10/- each.

## Notes to Capital Structure

### Share capital history of our Company

#### (a) Equity shares capital history of our Company:

The following is the history of the equity share capital of our Company:

Date of Allotment	No. of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in ₹)	Cumulative Share Premium (in ₹)
25-01-2007 <sup>(1)</sup>	10,000	10.00	10.00	Cash	Subscription to MOA	10,000	1,00,000	-
31-03-2011 <sup>(2)</sup>	15,20,000	10.00	10.00	Cash	Further Allotment	15,30,000	1,53,00,000	-
14-11-2011 <sup>(3)</sup>	34,70,000	10.00	10.00	Cash	Further Allotment	50,00,000	5,00,00,000	-
16-07-2015 <sup>(4)</sup>	40,24,500	10.00	10.00	Other than Cash	Conversion of Loan	90,24,500	9,02,45,000	-
30-03-2019 <sup>(5)</sup>	5,73,823	10.00	17.00	Cash	Private Placement	95,98,323	9,59,83,230	40,16,761
21-09-2023 <sup>(6)</sup>	4,12,800	10.00	21.00	Cash	Private Placement	1,00,11,123	10,01,11,230	85,57,561
16-10-2023 <sup>(7)</sup>	1,92,000	10.00	21.00	Cash	Private Placement	1,02,03,123	10,20,31,230	1,06,69,561
18-10-2023 <sup>(8)</sup>	1,44,000	10.00	21.00	Cash	Private Placement	1,03,47,123	10,34,71,230	1,22,53,561
26-10-2023 <sup>(9)</sup>	90,000	10.00	21.00	Cash	Private Placement	1,04,37,123	10,43,71,230	1,32,43,561
02-11-2023 <sup>(10)</sup>	90,000	10.00	21.00	Cash	Private Placement	1,05,27,123	10,52,71,230	1,42,33,561
03-11-2023 <sup>(11)</sup>	84,000	10.00	21.00	Cash	Private Placement	1,06,11,123	10,61,11,230	1,51,57,561
07-11-2023 <sup>(12)</sup>	1,05,600	10.00	21.00	Cash	Private Placement	1,07,16,723	10,71,67,230	1,63,19,161

(1) Allotment on Initial subscription to the Memorandum of Association dated 25-01-2007:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sunil Kumar Aggarwal	10.00	10.00	Subscription to MOA	5,000
2	Sarla Aggarwal	10.00	10.00	Subscription to MOA	5,000
<b>Total</b>					<b>10,000</b>

(2) Further on 31-03-2011, Company has allotted 15,20,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sunil Kumar Aggarwal	10.00	10.00	Further Allotment	15,20,000
<b>Total</b>					<b>15,20,000</b>

(3) Further on 14-11-2011, Company has allotted 34,70,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sunil Kumar Aggarwal	10.00	10.00	Further Allotment	22,20,000
2	Khem Chand Jain	10.00	10.00	Further Allotment	12,50,000
<b>Total</b>					<b>34,70,000</b>

(4) Further on 16-07-2015, Company has allotted 40,24,500 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sunil Kumar Aggarwal	10.00	10.00	Conversion of Loan	40,24,500
<b>Total</b>					<b>40,24,500</b>

(5) Further on 30-03-2019, Company has allotted 5,73,823 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Sunil Kumar Aggarwal	10.00	17.00	Private Placement	5,73,823
<b>Total</b>					<b>62,50,000</b>

(6) Further on 21-09-2023, Company has allotted 4,12,800 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Kajal Ashok Jain	10.00	21.00	Private Placement	1,92,000
2	Ravi Ashok Kothari	10.00	21.00	Private Placement	52,800
3	Khabiya Garima Suhas	10.00	21.00	Private Placement	43,200
4	Shreya Dheeraj Jain	10.00	21.00	Private Placement	24,000
5	Samar Shahaji Ransing	10.00	21.00	Private Placement	24,000
6	Subhash Nathamal Jain	10.00	21.00	Private Placement	19,200
7	Joy Banerjee	10.00	21.00	Private Placement	19,200
8	Rekha Subhash Jain	10.00	21.00	Private Placement	19,200
9	Kalidas Vijay Magar	10.00	21.00	Private Placement	9,600
10	Suraj Babulal Bothra HUF	10.00	21.00	Private Placement	9,600
<b>Total</b>					<b>4,12,800</b>



- (7) Further on 16-10-2023, Company has allotted 1,44,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Ashok Dilipkumar Jain	10.00	21.00	Private Placement	1,92,000
<b>Total</b>					<b>1,92,000</b>

- (8) Further on 18-10-2023, Company has allotted 1,92,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Ashok Dilipkumar Jain	10.00	21.00	Private Placement	1,44,000
<b>Total</b>					<b>1,44,000</b>

- (9) Further on 26-10-2023, Company has allotted 90,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Ashok Dilipkumar Jain	10.00	21.00	Private Placement	90,000
<b>Total</b>					<b>90,000</b>

- (10) Further on 02-11-2023, Company has allotted 90,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Ashok Dilipkumar Jain	10.00	21.00	Private Placement	90,000
<b>Total</b>					<b>90,000</b>

- (11) Further on 03-11-2023, Company has allotted 84,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Ashok Dilipkumar Jain	10.00	21.00	Private Placement	84,000
<b>Total</b>					<b>84,000</b>

- (12) Further on 07-11-2023, Company has allotted 84,000 equity shares bearing face value of Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Harpreet Singh Sabharwal	10.00	21.00	Private Placement	1,05,600
<b>Total</b>					<b>1,05,600</b>

As on the date of this draft prospectus, our Company does not have any preference share capital.

**(b) Equity shares issued for consideration other than cash:**

As on the date of this draft prospectus, Our Company has not issued Equity shares for consideration other than cash except as mentioned below.

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
16-07-2015	40,24,500	10.00	Other than cash	Conversion of Loan	#	Reduction of debt

#For list of allottees, see note 4 of paragraph titled "Equity Share Capital History of our Company" mentioned above.

**(c) Equity shares issued for consideration out of revaluation reserves:**

Our Company has a revaluation reserve of ₹ 522.04 Lakh as on March 31, 2024. Our Company has not issued equity shares out of revaluation reserves at any point of time.

**(d) If shares have been issued in terms of any scheme approved under section 230-234 of the Companies Act, 2013:**

Our Company has not issued any Equity Shares in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

**(e) If shares have been issued under one or more employee stock option schemes:**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this draft prospectus.

**(f) Issue of Equity Shares in the last one year below the Issue Price:**

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee
21-09-2023	4,12,800	21.00	Cash	Private Placement	#
16-10-2023	1,92,000	21.00	Cash	Private Placement	#
18-10-2023	1,44,000	21.00	Cash	Private Placement	#
26-10-2023	90,000	21.00	Cash	Private Placement	#
02-11-2023	90,000	21.00	Cash	Private Placement	#
03-11-2023	84,000	21.00	Cash	Private Placement	#
07-11-2023	1,05,600	21.00	Cash	Private Placement	#

#For list of allottees, see notes 6-12 respectively of paragraph titled "Equity Share Capital History of our Company" mentioned above.

**(g) Shareholding Pattern of our Company:**

The table below presents the current shareholding pattern of our Company as on the date of this draft prospectus.

Category (I)	Category of shareholder (II)	Nos. 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 nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (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) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)#
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Share s held (b)	No. (a)	As a % of total Share s held (Sb)	
								Class: X	Clas s: Y	Total								
A1	Promoter	2	95,93,323	-	-	95,93,323	89.52%	95,93,323	-	95,93,323	89.52%	-	89.52%	-	-	-	-	95,93,323
A2	Promoter Group	1	5,000	-	-	5,000	0.05%	5,000	-	5,000	0.05%	-	0.05%	-	-	-	-	5,000
B	Public	12	11,18,400	-	-	11,18,400	10.44%	11,18,400	-	11,18,400	10.44%	-	10.44%	-	-	-	-	11,18,400
C	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		15	1,07,16,723	-	-	1,07,16,723	100.00%	1,07,16,723	-	1,07,16,723	100.00%	-	100.00%	-	-	-	-	1,07,16,723

As on date of this draft prospectus, 1 Equity share holds 1 vote.

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

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

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

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

- (i) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on the date of the draft prospectus:*

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Lalit Aggarwal	54,05,809	50.44%
2	Sunil Kumar Aggarwal	41,87,514	39.07%
3	Ashok Dilipkumar Jain	6,00,000	5.60%
4	Kajal Ashok Jain	1,92,000	1.79%
<b>Total</b>		<b>1,03,85,323</b>	<b>96.90%</b>

- (ii) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 10 days before the date of the draft prospectus:*

Sl. No.	Name of Shareholders	Number of Equity Shares	% of then Pre-Issue paid-up capital
1	Lalit Aggarwal	54,05,809	50.44%
2	Sunil Kumar Aggarwal	41,87,514	39.07%
3	Ashok Dilipkumar Jain	6,00,000	5.60%
4	Kajal Ashok Jain	1,92,000	1.79%
<b>Total</b>		<b>1,03,85,323</b>	<b>96.90%</b>

- (iii) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 1 (one) year before the date of the draft prospectus:*

Sl. No.	Name of Shareholders	Number of Equity Shares	% of then Pre-Issue paid-up capital
1	Lalit Aggarwal	54,05,809	56.32%
2	Sunil Kumar Aggarwal	41,87,514	43.63%
<b>Total</b>		<b>95,98,323</b>	<b>99.95%</b>

- (iv) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 2 (two) year before the date of the draft prospectus:*

Sl. No.	Name of Shareholders	Number of Equity Shares	% of then Pre-Issue paid-up capital
1	Lalit Aggarwal	54,05,809	56.32%
2	Sunil Kumar Aggarwal	41,87,514	43.63%
<b>Total</b>		<b>95,98,323</b>	<b>99.95%</b>

- (h) *Proposal or intention to alter our capital structure within a period of 6 months from the date of opening of the Issue:*

Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. 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 after obtaining relevant approvals.

**(i) The Details of Shareholding of Promoters of Our Company;**

**Capital Build-up of our Promoters in our Company:** The current promoters of our Company are Mr. Lalit Aggarwal, Mr. Sunil Kumar Aggarwal and Mrs. Neeru Aggarwal.

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this draft prospectus, our Promoters collectively hold 95,93,323 Equity Shares, which constitutes approximately 89.52% of the pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately 64.31% of the post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO. The Details are as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
<b>Promoters</b>				
Lalit Aggarwal	54,05,809	50.44%	54,05,809	36.24%
Sunil Kumar Aggarwal	41,87,514	39.07%	41,87,514	28.07%
Neeru Aggarwal	-	-	-	-
<b>Total Promoters Shareholding</b>	<b>95,93,323</b>	<b>89.52%</b>	<b>95,93,323</b>	<b>64.31%</b>

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

*Set forth below is the build-up of the equity shareholding of our Promoters since the incorporation of our Company.*

**i) Mr. Lalit Aggarwal**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value	Issue/ Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding%	Post-issue Share Holding%	Pledge
28-03-2022	54,05,809	10.00	15.67	Cash	Transfer from Sunil Kumar Aggarwal	50.44%	36.24%	No
<b>TOTAL</b>	<b>54,05,809</b>					<b>50.44%</b>	<b>36.24%</b>	

**ii) Mr. Sunil Kumar Aggarwal**

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value	Issue/ Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding%	Post-issue Share Holding%	Pledge
25-01-2007	5,000	10.00	10.00	Cash	Subscription to MoA	0.05%	0.03%	No
31-03-2011	15,20,000	10.00	10.00	Cash	Further Allotment	14.18%	10.19%	No
14-11-2011	22,20,000	10.00	10.00	Cash	Further Allotment	20.72%	14.88%	No
16-07-2015	40,24,500	10.00	10.00	Other than Cash	Conversion of Loan	37.55%	26.98%	No
30-03-2019	5,73,823	10.00	17.00	Cash	Private Placement	5.35%	3.85%	No
15-03-2020	12,50,000	10.00	14.40	Cash	Transfer from Khem Chand Jain	11.66%	8.38%	No
28-03-2022	-54,05,809	10.00	15.67	Cash	Transfer to Lalit Aggarwal	-50.44%	-36.24%	No
<b>TOTAL</b>	<b>41,87,514</b>					<b>39.07%</b>	<b>28.07%</b>	

**Note:** All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares and there are no partly paid-up Equity Shares as on the date of filing of this draft prospectus.



- (j) *As on date of this draft prospectus, our Company has 15 (Fifteen) shareholders only.*
- (k) *The aggregate shareholding of the Promoters and Promoter Group and of the directors of the promoters, where the promoter is a body corporate:*

Our Promoters do not include a Body corporate. The Aggregate shareholding of the Promoters & Promoter Group is as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
<b>Promoters</b>				
Lalit Aggarwal	54,05,809	50.44%	54,05,809	36.24%
Sunil Kumar Aggarwal	41,87,514	39.07%	41,87,514	28.07%
Neeru Aggarwal	-	-	-	-
<b>Total Promoters Shareholding (A)</b>	<b>95,93,323</b>	<b>89.52%</b>	<b>95,93,323</b>	<b>64.31%</b>
<b>Promoter Group</b>				
Sarla Aggarwal	5,000	0.05%	5,000	0.03%
<b>Total Promoters Group Shareholding (B)</b>	<b>5,000</b>	<b>0.05%</b>	<b>5,000</b>	<b>0.03%</b>
<b>Total Promoters &amp; Promoters Group (A+B)</b>	<b>95,98,323</b>	<b>89.56%</b>	<b>95,98,323</b>	<b>64.35%</b>

- (l) *The aggregate number of specified securities purchased or sold by the promoter group and/or by the directors of the company and their relatives in the preceding six months:*

Members of the promoter group and/or the directors of our Company and their relatives have not purchased or sold any equity shares of our Company in the preceding six months from the date of this draft prospectus.

- (m) *There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of filing of the offer document.*

- (n) **Promoter's Contribution:**

**(i) Details of Promoter's Contribution Locked-in of Equity Shares for Three (3) Years**

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company.

Further, in terms of Regulation 238(a) of SEBI ICDR Regulations, minimum promoter's contribution will be locked-in for a period of three years from the date of Allotment or date of commencement of commercial production, whichever is later and the Equity Shares held by Promoter of our Company in excess of minimum promoter's contribution will be locked-in for a period of one year from the date of Allotment.

As on the date of this draft prospectus, our Promoters collectively hold 95,93,323 Equity Shares constituting 64.31% of the Post offer issued, subscribed and paid-up Equity Share capital of our Company, out of which 29,83,345 equity shares being 20.00% of the post Issue equity share capital of our Company are eligible for the Promoter's Contribution margin.

An aggregate of minimum 20.00% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Minimum Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted their consents to include such number of Equity Shares held by them as may constitute minimum 20.00% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this draft prospectus until the completion of the lock-in period specified above.

*The details of lock-in of shares for 3 (three) years are as under:*

Date of Allotment / Acquisition	Date when made fully paid up	Nature of Allotment / Transfer	No. of Equity Shares	Face Value	Issue Price/ Transfer price	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital	Lock in Period
<b>LALIT AGGARWAL</b>								
28-03-2022	28-03-2022	Transfer	29,83,345	10.00	15.67	27.84%	20.00%	3 Years
<b>Total</b>			<b>29,83,345</b>			<b>27.84%</b>	<b>20.00%</b>	

29,83,345 Pre-IPO equity shares of our company held by Our Promoter will be locked-in for 3 (three) years as mentioned above prior to listing of shares.

In terms of Regulation 237 of SEBI ICDR Regulations, our Company confirms that none of the Equity Shares forming part of minimum promoter's contribution –

- Are acquired by our Promoter during preceding three financial years;
  - For consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved; or
  - Through bonus issue of Equity Shares made by utilizing the revaluation reserves or unrealized gain or through bonus issue against equity shares which are ineligible for minimum promoter's contribution;
- Are pledged by our Promoter with any creditor;
- Consist of Equity Shares acquired by our Promoter during preceding one year at a price lower than the Issue Price.

Our Company was incorporated under the Companies Act, 1956 and was not incorporated by converting the partnership firm.

The Promoters have severally confirmed that the Equity Shares are eligible in terms of Regulation 237 of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares are free from any lien, encumbrance or third-party rights. The Promoters have also severally confirmed that they are the legal and beneficial owners of the Equity.

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

## (ii) Details of Equity Shares Locked-in for one (1) year

In excess of minimum 20% of the post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), the balance pre-issue share capital of our Company held by promoters shall be locked in for a period of one year from the date of Allotment in this Issue as provided in clause 238(b) of SEBI (ICDR) Regulations 2018.

Further, in terms of Regulation 239 of SEBI ICDR Regulations, entire pre-Issue equity shares capital of our Company held by persons other than our Promoter will be locked-in for a period of one year from the date of Allotment in the Issue.

*The details of lock-in of shares for 1 (one) year are as under:*

<i>Name of Shareholders</i>	<i>Category</i>	<i>No of Shares Held</i>	<i>Lock-in for 3 Years</i>	<i>Lock-in for 1 Year</i>
Lalit Aggarwal	Promoter	54,05,809	29,83,345	24,22,464
Sunil Kumar Aggarwal	Promoter	41,87,514	-	41,87,514
Sarla Aggarwal	Promoter Group	5,000	-	5,000
Ashok Dilipkumar Jain	Public	6,00,000	-	6,00,000
Kajal Ashok Jain	Public	1,92,000	-	1,92,000
Harpreet Singh Sabharwal	Public	1,05,600	-	1,05,600
Ravi Ashok Kothari	Public	52,800	-	52,800
Khabiya Garima Suhas	Public	43,200	-	43,200
Shreya Dheeraj Jain	Public	24,000	-	24,000
Samar Shahaji Ransing	Public	23,000	-	23,000
Joy Banerjee	Public	20,200	-	20,200
Subhash Nathamal Jain	Public	19,200	-	19,200
Rekha Subhash Jain	Public	19,200	-	19,200
Kalidas Vijay Magar	Public	9,600	-	9,600
Suraj Babulal Bothra HUF	Public	9,600	-	9,600
<b>Total</b>		<b>1,07,16,723</b>	<b>29,83,345</b>	<b>77,33,378</b>

**(iii) Other requirements in respect of lock-in**

➤ **Inscription or recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

➤ **Pledge of Locked-in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company, subject to fulfilment of following conditions:

- In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;
- In respect of Equity Shares which are locked in for a period of three years, the loan has been granted by such scheduled commercial bank or public financial institution or systemically important non-banking finance company or housing finance company to our Company or our Subsidiary (ies) for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

➤ **Transfer of Locked-in Equity Shares**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- (iv) **Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this draft prospectus:**  
There is no other Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this draft prospectus except as mentioned in this chapter and draft prospectus.
- (o) Our Company, its Directors, Promoters or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
- (p) The Equity Shares issued pursuant to this Issue shall be fully paid-up.
- (q) The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this draft prospectus.
- (r) There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of issuer, in the preceding three years (separately for each year) and on a cumulative basis for all options or equity shares issued prior to the date of the draft prospectus.
- (s) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this draft prospectus.

#### Other miscellaneous disclosures:

1. None of the Equity Shares of our Company are subject to any pledge as on the date of this draft prospectus.
2. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this draft prospectus.
3. Except as disclosed in the chapter titled **"Our Management"** beginning on page 153 of this draft prospectus, none of our directors or Key Managerial Personnel or Senior Management holds any Equity Shares in our Company.
4. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the draft prospectus.
5. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the draft prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.
6. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
7. Our Company has not issued Equity Shares out of Revaluation Reserves.
8. Our Company shall comply with such disclosures and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
9. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this draft prospectus.
10. Our Company has not raised any bridge loan against the proceeds of this issue.

11. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this draft prospectus.
12. Our Company has revalued its assets. Pursuantly, we have a revaluation reserve of ₹ 522.04 lakhs as on March 31, 2024.
13. An over-subscription to the extent of 10% of the Net 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 Net Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
14. 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.
15. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI (ICDR) Regulations.
16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
17. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there is no other class of securities issued by our Company.
20. This issue is being made through Fixed Price method.
21. This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:
  - (a) Minimum 50% to the Retail individual investors; and
  - (b) remaining to:
    - i. individual applicants other than retail individual investors; and
    - ii. other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;

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

**Explanation:** For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.
22. *Our Promoters and members of our Promoter Group will not participate in the Issue.*



## SECTION VII: PARTICULARS OF THE ISSUE

### OBJECT OF THE ISSUE

The Issue includes a fresh Issue of **42,00,000** Equity Shares of our Company having face value of Rs. 10/- each at an Issue Price of ₹81/- per Equity Share aggregating to ₹ **3,402.00** Lakhs. Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on Stock Exchange.

**The Objects of the Issue are:**

- A. Part funding of Capital Expenditure towards setting up Backward Integration Unit and modernisation of existing plant at existing location
- B. To meet the Working Capital Requirements
- C. To meet the Issue Expenses
- D. General Corporate Purposes

(Collectively, referred to herein as the **“Objects of the Fresh Issue”**)

Shree Bala Ji Pigments Limited is primarily engaged in manufacturing of TMT Bars (Thermo Mechanically Treated Bars) which is used in Construction Purposes. Our TMT Bars are sold under the brand “SATYAM TMT”. We manufacture TMT Bars of different sizes of from 8mm to 25mm & Grades i.e. Fe 415, 415D, 500 & 500D. Our products have been used in buildings, homes, multi-storied high rise, industrial structure and other civil engineering structures etc.

We currently operate from our Manufacturing Plant situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir spreading over an area of approx. 27 kanals (1,46,415 sq. ft). As of March 31, 2024, the aggregate installed capacity of our manufacturing plant of TMT Bar was 75,000 tonnes per annum (TPA). The plant is fully geared with latest technologies to provide good quality steel products and the plant is operating smoothly since 2011. Over the period, after establishing ourselves as a TMT Bars manufacturer in Jammu and Kashmir, we have regularly optimized our machineries in our existing manufacturing facility.

Considering the growing demand of TMT Bars in the regional markets, the company is implementing a backward integration project i.e. Implementation of Steel Melting Shop (SMS) which includes installation of Induction Furnace to manufacture MS Billets and TMT Bars from Sponge Iron and MS Scraps. The proposed backward integration project will be set up with an installed capacity of 1,04,000 Tons per annum (TPA) of Sponge Iron/MS Scrap to manufacture MS Billets and TMT Bars at our existing facility. The expansion project will provide the Company better control over the quality of finished products to be manufactured and will positively impact the margins of the Company. The overall Project cost for the proposed expansion project has been estimated at ₹ 4,960.86 lakhs. The proposed expansion project is expected to become operational by September’ 2024.

Our Company believes that listing will enhance our Company’s corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### Utilisation of IPO Funds

The following table summarizes the utilisation of IPO funds:

(₹ in Lakhs)

Sr. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from Issue Proceeds
A	Part funding of Capital Expenditure towards setting up Backward Integration Unit	1,000.00	29.39%	1,000.00
B	Working Capital Requirements	1,672.39	49.16%	1,672.39
C	Issue Related Expenses	329.61	9.69%	329.61
D	General Corporate Expenses	400.00	11.76%	400.00
	<b>Total IPO Proceeds</b>	<b>3,402.00</b>	<b>100.00%</b>	<b>3,402.00</b>
E	Less: Issue Related Expenses	329.61	9.69%	329.61
	<b>Net Issue Proceeds</b>	<b>3,072.39</b>	<b>90.31%</b>	<b>3,072.39</b>

The issue proceeds are estimated to be utilized in the FY 2024-25 itself.

### Details breakup of the Use of the Proceeds:

#### A. Part funding of Capital Expenditure towards setting up Backward Integration Unit and modernisation of existing plant at existing location

#### Estimated Cost of the Project

(Rs. In Lakhs)

Particulars	Estimated Amount	Cost Incurred	To be Incurred
Land	29.64	29.64	-
Building & Civil Works	1,077.48	915.28	162.20
Plant & Machinery	3,529.07	2,462.34	1,066.73
Preliminary Expenses	324.67	155.92	168.75
<b>Total</b>	<b>4,960.86</b>	<b>3,563.19</b>	<b>1,397.67</b>

The total cost involved in setting up of Backward Integration Project has been estimated by our management and is based on the (1) quotations received from third party suppliers/contractors, (2) work/purchase orders placed to third party suppliers/contractors, and (3) Bills for which no quotations and orders has been placed and certified by M/s. A. Gupta and Associates, Statutory Auditor vide Certificate dated July 18, 2024.

### Means of Finance

(Rs. In Lakhs)

Particulars	Estimated Amount	Cost Incurred	To be Incurred
Bank Existing Term loan from Yes Bank	2,400.00	2,383.14	16.86
Bank Proposed Term loan from Yes Bank	1,000.00	-	1,000.00
Share Capital (Fresh Allotment)	234.86	234.86	-
IPO Fund	1,000.00	619.19	380.81
Internal Accrual (USL from Promoters +Internal Accrual)	326.00	326.00	-
<b>Total</b>	<b>4,960.86</b>	<b>3,563.19</b>	<b>1,397.67</b>

Till 11/07/2024, total payment towards advance payment/part payment/full payment of Rs. 3,563.19 Lakhs (based on statutory auditor M/s. A. Gupta and Associates, certificate dated July 18, 2024) has been made. Since the project is ongoing, The Company has already infused 1,180.05 Lakhs from Fresh Share allotment of Equity, Internal accruals and Unsecured loan from promoters out of which ₹619.19 lakhs will be reimbursed/recouped from IPO Proceeds which is already incurred out of internal accrual and Unsecured Loan due to delay in proposed IPO as initially planned. Since the promoter has already infused their part of internal accrual, any further infusion of fund to complete the project on time after 11/07/2024 will also be reimbursed/recouped from IPO Proceeds.

***Objectives of Capital Expenditure towards setting up Backward Integration Unit and modernisation of existing plant:***

The unit will mainly be utilizing the production of M.S. Ingots, Billets, Blooms etc. in the Induction Furnaces in its own plant of manufacture of Steel Re-rolled Products of Tor Steel and TMT Bars. By going for backward integration of manufacture of M.S. Ingots, Billets, Blooms etc., there will be assured continuous and un-interrupted supply of Raw materials to the Re-rolling Mills. Presently, the basic Raw materials of M.S. Ingots, Billets, Blooms etc. is not sufficiently available in Jammu and Kashmir and have to be purchased from outside Jammu & Kashmir and even from far-away places which result into increase in cost of production. With the installation of Induction Furnaces, there will be continuous and automatic supply of M.S. Ingots, Billets, Blooms etc. to the Rolling Mill and there will not be any requirement of Re-heating of M.S. Ingots, Billets, Blooms etc. in the Pusher Furnace and thus there is saving in the cost of fuel required in the Pusher Furnace. Present, latest and modern trend of manufacture of Steel Re-rolled Products is to have Integrated Project of Induction Furnace and Steel Re-rolling Mill. Thus, with the installation of Induction Furnaces, the unit can easily compete with the other latest and modern Integrated Mills and also from supply from outside the Jammu & Kashmir.

**Advantages of Installing the New Machinery:**

This Backward integration will bring in the following benefits for the unit:

- a) **Increased Profitability:** By procuring this additional machinery the unit will have better profit margins due to the reduction in the cost of the raw materials as a result of installation of the new equipment.
  - b) **Increased control:** Through this process of integrating backward, the unit can control its value chain in a more efficient manner. The number of suppliers of M.S. Ingots, Billets, Blooms are far more than the suppliers of raw materials currently available. This reduces the dependence for raw material on these few suppliers and the chances of raw material procurement disruption.
  - c) **Cost Control:** The supply chain process comprises sometimes many middlemen, which means that each phase in the supply chain includes a mark-up to allow the middleman to earn a profit. Thus, by the time the raw material gets to the unit's warehouse, the price will have doubled or tripled. This will make the finished product more expensive for the consumer.
- By backward integration, the company will do away with the middlemen involved in the process and reduce the cost of purchasing the raw materials. Controlling the entire supply chain will also reduce wastages, transport costs, and other costs incurred before the raw materials are delivered to the company's warehouse.
- In other words, the unit controlling the entire distribution process brings in enhanced capability leading to optimization of resource utilization.
- d) **Competitive Advantages:** Backward integration will help the unit to block competitors from gaining cost advantages.
  - e) **Differentiation:** Backward integration will allow the unit to access an increasing number of production inputs and distribution resources. By effectively leveraging these opportunities, the company can stand out from the competition through efficient marketing. The unit will be able to cater to the changing customer needs more rapidly if it goes for this backward integration.

In order to backward integrate our operations, aimed at improved profitability and de-risking the supply chain as well as lower our dependence on procurement of our existing raw material, we propose to establish the Project at SICOP Industrial Estate, Kathua, Jammu and Kashmir with an estimated project cost of ₹ 4,960.86 lakhs. The company has already incurred a cost of Rs. 3,563.19 Lakhs till July 11, 2024 and balance 1,397.68 Lakhs is yet to be incurred which will be incurred through IPO proceeds of Rs. 1000 Lakhs and fresh term loan of Rs. 1000 Lakhs for which In-principle approval letter received from Yes bank.

Our company has been sanctioned Term Loan of ₹ 2,400.00 lakhs from Yes Bank out of which ₹ 2,383.14 lakhs as on July 11, 2024 has already been disbursed by Bank for the proposed project. In addition to existing term loan, our company has also been sanctioned In-principle Sanction of term loan of ₹ 1,000.00 Lakhs and Bank Guarantee Limit of ₹ 620.00 lakh from Yes Bank for purchase of new machinery and bank guarantee for the said proposed project.

Our company proposes to utilize ₹ 1,000.00 lakhs from IPO Proceeds towards funding part capital expenditure for Backward Integration Project.

Further, The Company has estimated working capital requirement of Rs. 6627.99 Lakhs for FY 2024-25, out of which, Rs. 1672.39 Lakhs will be utilized from net IPO proceeds, Rs. 2455.60 Lakhs from Internal Accrual (Equity Capital + Long Term Borrowings) and balance Rs. 2500.00 Lakhs from Short Term Borrowing from Bank Loan, for which the company has already availed the sanction limit of Rs. 2750.00 Lakhs from Bank of India vide their sanction letter dated February 27, 2024.

Accordingly, we confirm that we are in compliance with the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9(C) of Part A of Schedule VI of the SEBI (ICDR) Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. In case of any variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

## 1. Details breakup of the Capital Expenditure

### *Land*

The unit is located at their existing factory premises being 36-B, Industrial Extension Area, Near Hatli Morh, Kathua J&K on a piece of land admeasuring 27 Kanals, out of which 24 Kanals is already in possession of the Company since 2009. The land on which the project is being implemented, has been taken on lease by our company from M/s. J&K Small Scale Industries Development Corporation Limited (SICOP) admeasuring about 24 kanals (1,30,080 sq.ft.) vide Deed of Lease dated December 16, 2009 for a period of 25 years.

In addition to above, our company has taken additional land admeasuring about 3 kanals (16,335 sq.ft.) from M/s. J&K Small Scale Industries Development Corporation Limited (SICOP) vide Deed of Lease dated May 18, 2023 for a period of 40 years.

Name of Party	Particulars of Land	Date of Agreement	Amount (₹ in lakhs)*
Silver Paints	Transfer of Lease Hold Right for Land admeasuring about 3 Kanal (16,335 sq.ft.) situated at Plot No. 201-B, 205 & 206, SICOP Industrial Complex, Kathua, J&K State	07.12.2022	25.00
J&K Small Scale Industries Development Corporation Limited (SICOP)	Execution of Lease Deed for above land for a period of 40 years commencing from May 18, 2023	18.05.2023	4.64
<b>Total</b>			<b>29.64</b>

**Building and Civil Works**

The Civil Cost of our proposed backward integration project which consists Main Shed for SMS, Scrap, Furnace Room, Furnace transformer and other utility Room, Shed Foundations, Civil construction for billet caster, scale pit, boring, drainage etc and flooring etc. is estimated to be ₹ 915.28 lakhs. The detailed break-up of Building and Civil Works are hereunder:

Name of Supplier	Specification of Works	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
Balaji Industries	Steel	29.01.2024	-	-	Aug-24	33.48	33.48	-
AA Associates	Tiles	-	09.09.2023	-	Material received	0.48	0.48	-
Abhi Traders	Building Material	-	15.12.2023 to 01.04.2024	-	Material received	0.63	0.39	0.24
Aggarwal Traders	MS Round for foundation bolt	-	28.06.2023 to 04.06.2023	-	Material received	2.49	2.49	-
Aqua Polymers	Water Tank	-	29.05.2023 to 12.08.2023	-	Material received	0.14	0.14	-
Anil Jasrotia	Shuttering (Contractor)				Material received	2.32	2.32	-
Baba Shri Chand Brick Klin	Bricks	-	05.08.2023 to 25.12.2023	-	Material received	1.00	1.00	-
Balaji Infrastructure	RMC Material	-	-	-	Material received	0.86	0.86	-
Baljinder Trailer Service	Freight of Steel	-	11.12.2023	-	Material received	0.53	0.50	0.04
Bansi Lal Brick Kiln	Bricks	-	29.04.2024 to 22.06.2024	-	Material received	2.45	1.11	1.34
Chenab Machinery & Engineering	Steel	03.10.2023	-	-	Material received	159.30	152.92	6.38
Chenab Machinery & Engineering	Steel	30.09.2023	-	-	Material received	98.47	45.17	53.30
Danish Husan	Fabrication of Steel Structure	01.12.2023	-	-	Aug-24	24.78	17.42	7.36
Diamond Paint and Chemicals	Paint Material	-	12.06.2023 to 10.05.2024	-	Material received	0.12	0.12	-
Engineering Research Lab	Soil Testing, Contouring & Factory Layout	-	30.05.2023 to 09.05.2024	-	Material received	0.76	0.69	0.07
Engineering Research Lab	Soil Testing and Contouring etc.	29.06.2022	-	-	Material received	0.80	0.80	-
Fair Deal Gases	Ring Wire	-	09.03.2024	-	Material received	0.68	0.68	-
Future Visions Solutions	RMC	-	14.08.2023 to 10.12.2023	-	Material received	8.98	5.35	3.63
Future Visions Solutions	RMC	20.01.2024	-	-	Material received	10.17	10.17	-
Future Visions Solutions	RMC	18.03.2024	-	-	Material received	7.76	7.76	-
Globe Electricals	Electrical Items	-	18.05.2023 to 25.07.2023	-	Material received	0.54	0.54	-
Hari Om Traders	Concrete admixture	29.05.2023	-	-	Material received	2.36	2.36	-
Jagan Nath Gupta	Civil Construction	24.04.2023	-	-	Material received	40.71	16.63	24.08
Jammu Kashmir Road Carrier	Freight for Building Parts	-	02.03.2024	-	Material received	1.20	1.20	-
K. R. Industries	Oxygen Gas	-	08.03.2024 to 04.04.2024	-	Material received	0.15	0.15	-



Name of Supplier	Specification of Works	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
Kashmir Metals	Colour Coated Sheets	-	-	-	Material received	1.46	1.46	-
Kay Kay Gases	Oxygen Gas	-	12.03.2024	-	Material received	0.03	0.03	-
Luxmi Builders	Tiles	-	25.07.2023	-	Material received	0.46	0.46	-
Multi Tech Inc	Mig Wire				Material received	1.65	1.65	-
Padyari Bricks	Bricks	-	26.05.2023 to 27.01.2024	-	Material received	4.74	4.16	0.58
Planix Chemical Pvt Ltd	Steel & Chemical	17.09.2023	-	-	Aug-24	250.46	237.00	13.46
Pritam	Shuttering (Contractor)				Material received	1.14	1.14	-
Raj Sales Corporation	Consumable item	-	05.02.2024 to 15.03.2024	-	Material received	1.12	1.12	-
Rajindra Gas Agency	Commercial Gas	-	12.03.2024 to 06.04.2024	-	Material received	0.19	0.19	-
Rohit Pangotra	Shuttering (Contractor)				Material received	0.30	0.30	-
S.S. Jasrotia Steel	Shuttering (Contractor)				Material received	0.52	0.52	-
Satyam Cements	Cement	-	30.05.2023 to 30.06.2024	-	Material received	19.00	19.00	-
Satyug Iron & Steel Co.	Steel	30.09.2023	-	-	Material received	131.75	97.12	34.63
Satyug Iron & Steel Co.	Steel	04.12.2023	-	-	Material received	24.70	24.70	-
Satyug Iron & Steel Co.	Steel	19.12.2023	-	-	Material received	45.19	45.19	-
Satyug Iron & Steel Co.	Steel	27.05.2024	-	-	Major supply received	47.25	39.85	7.40
Satyug Iron & Steel Co.	Steel	08.05.2024	-	-	Material received	21.35	21.35	-
Shakti Sales	Consumable Item	-	25.08.2023 to 29.04.2024	-	Material received	6.24	2.50	3.74
Sham Hardware Store	PVC Pipes & Other Consumable Items	-	24.07.2023	-	Material received	1.19	1.19	-
Sharma Iron and Steel Store	Steel for building	-	17.08.2023 to 08.02.2024	-	Material received	0.36	0.28	0.08
Shree Bala Ji Pigments Limited	Self-Consumption of TMT Bar	-	31.07.2023 to 31.03.2024	-	Material received	70.84	65.67	5.17
Sonu Kumar	Construction of Civil work	-	25.02.2024 to 31.03.2024	-	Material received	5.20	5.20	-
Special Machine Tools	Vibrator Needle	-	14.03.2024	-	Material received	0.04	0.04	-
Triveni Enterprises	Bucket	-	10.06.2023	-	Material received	0.40	0.40	-
Vir Steel	MS Joist	-	21.12.2023	-	Material received	21.40	21.40	-
Vivek Consultant	Building Designing	03.12.2022	-	-	Jul-24	5.31	4.62	0.69
Wages for Civil Worker	Casual Worker	-	-	-	Work in process	14.03	14.03	-
<b>Grand Total</b>						<b>1,077.48</b>	<b>915.28</b>	<b>162.20</b>

**Plant & Machinery (Backward Integration and Modernization of Rolling Mill)**

The Plant & Machinery for Backward Integration Unit and Modernization of Rolling Mill which consists Induction Melting Furnace, Furnace Duty Transformer, CCM double strand, Lining Pre heater- for furnace, Ladle, Slide Gate, Hot Billet Shearing Machine, Bail Arm for Ladle, Ladle pre Heat, Tundish, Ladle Hood, Billet Conveyor, Hydraulic Pusher, J Hook of Bail Arm, Rolling Stand, Flying Shear Machine, Y-Table, Twin Channel double shaft complete in all respect, Rack Type Cooling bed complete with electrical and base frame, Tail Breaker complete with accessories, Pinch Roll complete with accessories, TMT Bar Bending Machine etc. is estimated to be ₹ 2,105.28 lakhs. The detailed break-up of Plant & Machinery is hereunder:

Name of Supplier	Name of Plant & Machinery	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
<b>Plant &amp; Machinery for Backward Integration</b>								
Abhi Traders	Hardware Items	-	30.12.2023 to 28.06.2024	-	Material received	5.27	5.27	-
Aegis Infrastructure	Pipe	-	09.05.2024 to 11.05.2024	-	Material received	1.68	1.68	-
AS Engineers	Slide Gate Systems	09.03.2024	-	-	Aug-24	7.91	1.34	6.57
ARR Cooling	Cooling Tower					3.00	3.00	-
Aman Dhiman	Pollution Equipment Charges				Material received	0.30	0.30	-
Baljinder Trailor Service	Freight for Angle Channel Etc.	-	06.01.2024	-	Material received	0.52	0.50	0.02
Balraj Engineers & Manufactures	Hot Billet Shearing Machine	26.12.2023	-	-	Aug-24	17.23	3.65	13.58
Diamond Paint and Chemicals	Paint	-	28.04.2024 to 24.06.2024	-	Material received	0.40	0.40	-
Durga Bhagwati Crane	Unloading of Furnace Machinery	-	24.04.2024	-	Material received	1.34	1.30	0.04
Duttason Engineers	Ladle, Bail Arm etc.	30.12.2023	-	-	Aug-24	58.13	29.70	28.43
Duttason Engineers	Slag Pot 5 Ton	09.03.2024	-	-	Aug-24	11.81	4.01	7.80
Ferrite Metal Solutions Pvt Ltd.	Welding Rod-flex	-	11.12.2023	-	Material received	0.53	0.53	-
Flowmech Solutions	GI Bends	-	01.05.2024 to 15.05.2024	-	Material received	0.98	0.98	-
Globe Electricals	Electrical items	-	28.03.2024 to 03.06.2024	-	Material received	1.46	1.46	-
ICICI Lombard General Insurance Company Limited	Cargo Insurance	-	23.11.2023	-	Material received	0.50	0.50	-
J.S. Engg & Mech. Works	Sintering Pre-Heater	26.03.2024	-	-	Aug-24	9.32	2.37	6.95
J.S. Engg & Mech. Works	Hydraulic Pusher	26.12.2023	-	-	Aug-24	33.04	31.64	1.40
JR Engineering Works	Erection and Commissioning Plant & Machinery	22.11.2023	-	-	Aug-24	20.06	3.52	16.54
K.R. Industries	Oxygen Gas	-	17.01.2024 to 07.06.2024	-	Material received	0.52	0.52	-
Kay Kay Gases	Oxygen Gas	-	29.02.2024 to 27.06.2024	-	Material received	0.27	0.27	-
Kuldep Machinery Store	Gas Cutter	-	30.01.2024	-	Material received	0.28	0.28	-
Manpreet Singh	Freight for Pollution Chimney				Material received	2.13	2.13	-
Megatherm Induction Limited	Engineer Charges	-	-	-	Visits done	0.65	0.65	-

Name of Supplier	Name of Plant & Machinery	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
Megatherm Induction Limited	Furnace, CCM, Transformer	29.07.2022	-	-	Aug-24	804.47	705.49	98.98
Multi Tech Inc	Mig Torch Esab	-	09.12.2023 to 23.01.2024	-	Material received	0.23	0.23	-
New Kholi Transport Co	Freight for Machinery	-	02.12.2023	-	Material received	5.26	5.26	-
Raj Sales Corporation	Consumable item	-	08.01.2024 to 23.05.2024	-	Material received	6.11	6.11	-
Rajindra Gas Agency	Commercial Gas	-	27.01.2024 to 22.06.2024	-	Material received	2.09	2.09	-
Shakti Sales	Paint Material for P & M	-	26.12.2023 to 21.06.2024	-	Material received	6.88	6.88	-
Sharma Iron and Steel Store	Steel for plant	-	03.04.2024 to 11.06.2024	-	Material received	1.08	-	1.08
Shree Jagannath Transport	Freight for Machinery-Megatherm	-	10.02.2024	-	Material received	9.34	9.34	-
Special Machine Tool	Electric Vibrator	-	31.05.2023	-	Material received	0.14	0.14	-
Suraj Electrical	Electrical Items	-	04.04.2024 to 13.06.2024	-	Material received	11.81	11.81	-
Suraj Electrical Works	Copper Wire	-	16.12.2023	-	Material received	0.07	0.07	-
Suri Constructions Aids	Conbextra Cement	-	04.03.2024 to 09.03.2024	-	Material received	1.04	1.04	-
Vinod & Mukesh	TMT Tying Work				Material received	0.03	0.03	-
Misc	Tirpal+Drill Bits				Material received	0.23	0.23	-
<b>Plant &amp; Machinery for Modernization of Rolling Mill</b>								
Chenab Machinery & Engineering	Tail Breaker, Pinch Roll, Y-Table, Cooling Bed, TMT Bar Bending Machine etc.	13.12.2023	-	-	August 24 (part material received)	499.14	499.14	-
Neera Forgings	Mill Stand Rolls	03.10.2023	-	-	Material received	13.03	13.03	-
Saraswati Steel & Allied Industries	Chill Rolls	15.11.2023	-	-	Material received	5.44	5.44	-
Shivam Industrial Tools Co.	Continuous Mill Stand	30.12.2023	-	-	Material received	25.08	25.08	-
Shivam Industrial Tools Co.	Twin channel, double shaft with Powerpack system with electric motor and panel etc.	26.03.2024	-	-	Aug-24	47.20	16.00	31.20
Shivam Industrial Tools Co.	Gears for Mill Stand & EOT crane part	19.04.2024	-	-	Material received	2.38	-	2.38
Shivam Industrial Tools Co.	Billet Transportation System, Gear boxes, Mono Rail, DC Motors etc.	-	-	05.07.2024	Order yet to be placed	161.07	-	161.07
Sulodhia Steel	Rolling Stand	-	24.11.2023 & 25.11.2023	-	Material received	47.20	42.20	5.00
<b>Total</b>						<b>1,826.65</b>	<b>1,445.60</b>	<b>381.05</b>

\* valid for 90 days from the date of quotation

**Miscellaneous Other Machineries & Assets**

The Plant & Machinery for Backward Integration Unit and Modernization of Rolling Mill which consists VCB with complete tripping, LT distribution panel, Power Factor Improvement system, HT and LT Cables for different Sizes, Bus bars from Transformer to SFC, Earthing, Bus – duct, Diesel Generator, Universal Testing Machine (UTM), FRP Cooling Tower for Furnace, Water Circulating Pumps, RO & DM Plant, Standby Pump for Peak Hours, G.I Pipe Line with fitting and valves, Cooling Tower for CCM Primary, Cooling Tower for CCM Secondary, EOT Crane for Ladle, EOT Crane, EOT Crane for Scrap Handling, Circular Magnet, Circular magnet for scrap Yard, Stationary Grabber Hydraulic bundling press, Scrap Shredder, Pollution Control Device, Air Compressor, Air Refrigeration System, Air Receiver Tank, Liquid Oxygen Storage System, Pilot Furnace for Lab Testing and Sampling, Temp Measuring Instrument, Lining & Tools, Measuring Tool for Testing, Erection & Commissioning with supervision, Power Transformer, Weigh-Bridge etc. is estimated to be ₹ 1,702.42 lakhs. The detailed break-up of Plant & Machinery is hereunder:

Name of Supplier	Name of Plant & Machinery	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
AKJ Industries	Filter bag and Cage APCD System	30.03.2024	-	-	Jul-24	7.74	7.74	-
Astech Hydro Systems	Cooling Towers	11.01.2024	-	-	Jul-24	23.25	21.28	1.97
Bhagwati Steel Center	Crane Rail	15.04.2024	-	-		8.36	8.36	-
Bhagwati Steel Center	Crane Rail	18.04.2024	-	-		8.85	8.85	-
Bhagwati Steel Centre	Steel for Crane Gantry	04.01.2024	-	-	Material received	41.81	41.81	-
Crane Mac	EOT Crane	17.11.2023	-	-	August 24 (part material received)	280.69	153.17	127.52
Electricfield Company	VCB with complete tripping	15.05.2024	-	08.05.2024*	Order Placed	34.81	14.75	20.06
Ess Kay Sales Corporation	Air Conditioner for Plant					0.33	0.33	-
Eternity Infocom Pvt. Ltd.	Water Storage tanks	15.05.2024	-		Order Placed	6.02	1.79	4.23
Gear and Gear Coupling	Sprockets	-	13.05.2024	-	Material received	0.99	0.99	-
Havells India Ltd.	LT Cables					43.66	21.22	22.44
JK Machines	20 MVA Power Transformer	03.11.2023	-	-	Aug-24	139.24	71.30	67.94
JS Hardware and Mill Store	Hardware Items	-	20.03.2024 to 10.04.2024	-	Material received	1.46	-	1.46
Leotronics Sales Pvt. Ltd.	Weigh-Bridge	-	-	02.07.2024*	Order yet to be placed	12.39	-	12.39
Mahanand Engineers & Chemical	DM Plant	03.01.2024	-	-	Aug-24	0.71	-	0.71
Mahanand Engineers & Chemical	RO Plant	03.01.2024	-	-	Aug-24	13.89	3.53	10.36
Nav Bharat Marketing Agency	Pollution Panel					10.27	10.27	-
Quvix India Pvt. Ltd	Air Compressor etc	13.01.2024	-	-	Material received	23.78	21.76	2.02
Raipur Punjab Trailors	Freight of Steel	-	29.12.2023	-	Material received	1.59	1.51	0.08
Ramana Machines	Scrap Processing	03.11.2023	-	-	July 24 (part material received)	318.60	235.50	83.10
Ramana Machines	Stationery Graber	22.02.2024	-	-	Aug-24	70.80	12.00	58.80
Royal Star Engineering & Filtration	Fabrication, Erection & Commissioning of APCD	13.03.2024	-	-	Jul-24	18.88	6.31	12.57

Name of Supplier	Name of Plant & Machinery	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
Royal Star Engineering & Filtration	Pneumatic System for APCD	08.04.2024	-	-	Jul-24	3.76	3.40	0.36
Sanmar Enterprises	Water Pump Along With Motor					39.61	39.61	-
Satyug Iron & Steel Co.	Steel for Crane Gantry	04.01.2024	-	-	Material received	129.19	129.19	-
Satyug Iron & Steel Co.	Steel for Machinery Platforms	14.02.2024	-	-	Material received	41.06	41.06	-
Satyug Iron & Steel Co.	GI Pipes, MS Plate and Sheets	22.03.2024	-	-	Material received	35.62	35.62	-
Satyug Iron & Steel Co.	Steel for Crane Gantry	23.02.2024	-	-	Material received	20.53	20.53	-
Satyug Iron & Steel Co.	MS Plate	27.03.2024	-	-	Material received	20.28	20.28	-
Satyug Iron & Steel Co.	Steel for Over head Tank	08.05.2024	-	-	Material Received	15.27	15.27	-
Singh Traylor Service	Freight	-	11.03.2024 to 22.03.2024	-	Material received	0.86	0.81	0.05
Sudhir Power Ltd.	Diesel Generator	-	-	09.07.2024*	Order yet to be placed	33.87	-	33.87
Super Links	SF6 Circuit breaker					5.78	5.78	-
Usha Die Castings Industries	ID Fan capacity 85000 CMH	01.04.2024	-	-	Jul-24	9.79	8.96	0.83
Wonder Systems (India) Pvt. Ltd.	Sub Station Transformer (10 MW)	-	-	09.07.2024*	Order yet to be placed	224.91	-	224.91
Wonder Systems (India) Pvt. Ltd.	Elect. Panels	05.04.2024	-	-	Material received	53.78	53.78	-
<b>Total</b>						<b>1,702.42</b>	<b>1,016.74</b>	<b>685.67</b>

\* valid for 90 days from the date of quotation

### Pre-operative Expenses

The Pre-operative Expenses for Backward Integration Unit and Modernization of Rolling Mill which consists of Insurance during construction implementation period, Interest during the construction period, Report preparation charges and Margin Money for Security Deposit Power Department (10 MW) etc. is estimated to be ₹ 324.67 lakhs. The detailed break-up of Pre-operative Expenses is hereunder:

Name of Supplier	Specification of Works	Date of Placement of Order	Date of Invoice (Purchases made without placing Purchase Orders)	Date of Quotation (Neither order nor Purchases has been made)	Expected Date of Supply	Estimated Cost Amount (₹ in lakhs)	Amount Paid (₹ in lakhs)	Balance to be paid (₹ in lakhs)
Bank of India	Conducting TEV Study	-	15.02.2023	-	Job completed	17.75	17.75	-
Bank of India	Loan Processing Fees	-	16.03.2023	-	Job completed	4.82	4.82	-
Cosmoright Consultancy Services Pvt Ltd	Conducting Energy Audit	-	01.08.2023	-	Job completed	1.77	1.77	-
Infomerics Valuation & Rating Pvt. Ltd.	Initial Bank Rating	-	29.02.2024	-	Job completed	1.53	1.53	-
JK Power Development Department	₹ 1 Crore considered as margin money	-	-	-	Aug-24	100.00	-	100.00



	for taking bank guarantee of ₹ 6.19 Crore to be given as Power Security							
Misc	Consultancy & Clearance Fees	-			Job completed	23.50	22.30	1.20
SK Verma & Co	Valuation Fee of New Project	-	24.07.2023	-	Job completed	0.30	0.30	-
YES Bank Limited	Loan Processing Fees and Term Loan interest during construction	-	-	-	Sep-24	175.00	107.46	67.54
<b>Grand Total</b>						<b>324.67</b>	<b>155.93</b>	<b>168.74</b>

## 2. Other confirmations relating to the proposed expansion:

We do not intend to purchase any second-hand machinery or equipment. We have placed orders for major machineries/Equipment and orders for the remaining machineries amounting to ₹ 467.05 lakhs approx. consisting 9.41% of the total project cost are to be placed. The quantity of machinery and equipment to be purchased is based on quotations received from suppliers and orders placed to suppliers. The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of the plant and machinery proposed to be acquired by us at the actual time of purchase, resulting in increase in the cost. Further, cost can be escalated on account of freight expenses and incidental charges. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

Further, any additional costs incurred towards applicable taxes, freight charges, installation charges, exchange rate fluctuations, including any contingencies etc. in relation to any of the Objects of the Issue, will be met from internal accruals of our Company.

The proposed Schedule of Implementation for proposed Backward Integration Unit as well as Modernization of Existing Rolling Mill is as follows:

Particular	Estimated month of	
	Commencement	Completion
Building and Civil Works	April 2023	August 2024
Order of Plant & Machinery	July 2022	August 2024
Delivery of Plant & Machinery	January 2024	September 2024
Installation of Plant & Machinery	March 2024	September 2024
Trial Run	September 2024	September 2024
Commercial Operation	September 2024	

As certified by M/s. S. C. Thukral & Associates, Chartered Engineer vide certificate dated July 04, 2024

## B. Working Capital Requirement and basis of estimation:

Our business is highly working capital intensive and our company funds a majority of our working capital requirement through internal accruals (capital and long-term borrowings). As on March 31, 2024, the Company had total sanctioned limit of fund based working capital facilities of ₹ 2,750.00 lakhs from Bank of India and has utilized ₹ 2,449.47 lakhs. The major working capital are required for procuring the raw materials and products we deal in, Work in Progress for Finished Goods, and Sundry Debtors etc. as the money gets blocked in them.

As per our management estimation, the working capital requirement for FY 2024-25 and FY 2025-26 is expected to be ₹ 6,627.99 Lakhs and ₹ 7,832.73 Lakhs respectively, due to the current ongoing project and based on our current and future orders that may be received, for funding future growth requirements of our Company and for other strategic, business and corporate purposes. The major capital will be invested in the procuring of the raw materials for the products

we deal in, maintaining stocks and Sundry Debtors as the money gets blocked in them resulting in additional working capital requirements.

### Basis of estimation of Working Capital Requirements

Details of Company's working capital for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 and the source of funding, on the basis of Restated Financial Information of our Company as set out in the table below:

₹ in lakhs

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
	Estimated (₹ in lakhs)		Restated (₹ in lakhs)		
Cash & Bank Balance	228.10	187.26	48.41	114.97	113.36
Sundry Debtors	4,309.18	3,500.00	1,894.27	1,594.32	1,549.09
Inventory	2,500.00	2,300.00	1,612.56	826.60	808.38
Short Term Loans and Advances	-	-	53.19	8.81	-
Other Current Assets	1,400.00	1,050.00	788.22	776.29	668.37
<b>Total Current Assets</b>	<b>8,437.28</b>	<b>7,037.26</b>	<b>4,396.65</b>	<b>3,320.98</b>	<b>3,139.21</b>
Sundry Creditors	125.00	100.00	38.72	321.72	359.47
Other Current Liabilities	479.55	309.27	74.92	245.09	109.20
<b>Total Current Liabilities</b>	<b>604.55</b>	<b>409.27</b>	<b>113.64</b>	<b>566.81</b>	<b>468.68</b>
<b>Working Capital Gap</b>	<b>7,832.73</b>	<b>6,627.99</b>	<b>4,283.01</b>	<b>2,754.17</b>	<b>2,670.53</b>
<b>Source of Working Capital</b>					
Proceeds from IPO	-	1,672.39	-	-	-
Short Term Borrowings	2,500.00	2,500.00	2,470.03	1,715.98	1,847.21
(Equity + Internal Accrual + Long Term Borrowings)	5,332.73	2,455.60	1,812.98	1,038.19	823.32
<b>Total</b>	<b>7,832.73</b>	<b>6,627.99</b>	<b>4,283.01</b>	<b>2,754.17</b>	<b>2,670.53</b>

The Revenue from operations has been increased from ₹7696.83 Lakhs in FY 2020-21 to ₹13596.42 Lakhs in FY 2023-24 i.e. revenue from operation increased by Rs. 5899.60 Lakhs (76.65% for the said period). Wherein, working capital gap has been increased from Rs. 2446.54 Lakhs to Rs.4283.01 Lakhs i.e. working capital gap increased by Rs. 1836.47 Lakhs (75.06%) which is normal for the industry to proportionally increase due to increase in operations and turnover.

The increase in working capital for the estimated period is due to the proposed backward integration which will result in increased turnover and corresponding increase in working capital requirement.

### Assumption on working capital requirement:

We have estimated our working capital requirement based on the following holding periods which are as per industry standard:

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Sundry Debtors Holding period (In Days)	60.94	60.83	50.85	43.75	36.76
Inventory Holding Period (In Days)	35.35	39.98	43.29	22.68	19.18
Sundry Creditor Holding Period (In Days)	2.16	2.12	1.24	10.02	9.62

### Justification for Holding Period:

Particulars	Details
Sundry Debtors Holding period	The sundry debtor holding periods depends on lots of factor like prevailing market condition, customers demand, our trust to capture market etc. Sometimes, we have to also offer extra credit period to boost the topline and retained the clients or to get new clients. Going forward, we are estimating to maintain the Debtor holding period at levels of 60 days from Fiscal 2025 onwards as per our affordability to increase the top line as well to retain present & future customers as per the demand and market practice. Further the company is also going for a capex which will also boost the topline resulting into increase in sundry debtors.

Particulars	Details
Inventory Holding Period	Our inventory mainly consists of Raw Materials, Work in progress, Finished goods and Stores & Spares. Being the nature of our business, we required raw material in large quantity to stores. Inventory levels are maintained by our Company depending upon the Season of Product and demand. In Fiscal 2022, 2023 and 2024 our average Inventory holding period was 19 days, 23 days and 43 days respectively. Going forward, we are estimating to maintain the Inventory holding period at levels of 40 days for Fiscal 2025 and 35 days from Fiscal 2026 as per the prevailing market condition and estimated topline growth in future. By carrying inventory of our components, we will be able to acquire and service more customers which will have a positive impact on our topline and bottom line.
Sundry Creditor Holding Period	The Creditors holding periods depends upon the demand and prevailing market condition. Going forward, we are estimating to maintain the Creditors holding period at levels of 2 days from Fiscal 2025 as per the demand, our market practice and due to better expected cash flow and more bargaining power from our suppliers.
Cash & cash Equivalent	The Key items under this head are Fixed Deposit lying with bank, accrued interest there on, Cash-in-hand and Bank Balance in current account. The increase in amount of Cash and Cash Equivalent is considered on account of increase in operations and turnover, and such amounts will be required to meet the day-to-day expenses and to take advantage of situations of price fluctuations, etc.
Short Term Loan & Other Current Assets	The key items under this head are advance to suppliers/employees etc, balance with government authorities and prepaid expenses etc. Going forward, we are expecting to more advance payment to our suppliers for reservations and getting better margin from them and accordingly its expected to be increased in near future
Other Current Liabilities	Other current liabilities include advance from customers, provisions, statutory dues, expenses payable, etc. However, going forward, we do not foresee any major change and expected to get proportionally increased due to increase in operations and turnover

### C. General Corporate Purpose:

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., ₹ 400.00 Lakhs, which is 11.76% of the amount being raised by our company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives, partnerships, joint ventures and acquisitions;
- (ii) Brand building and strengthening of promotional & marketing activities;
- (iii) Meeting exigencies and contingencies which our company in the ordinary course of business may not foresee; and
- (iv) Any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

### D. Issue Related Expenses:

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Estimated Expenses (₹ In Lakhs)	% of Total Issue Expenses	% of the Total Issue Size
Lead Manager Fees, Underwriting commission, including other intermediaries Fees, Printing and distribution of Issue Stationary	77.52	23.52%	2.28%
Regulators Including Stock Exchanges	13.95	4.23%	0.41%
Advertising and Marketing Expenses	238.14	72.25%	7.00%
<b>Total</b>	<b>329.61</b>	<b>100.00%</b>	<b>9.69%</b>

**Note:**

- **ASBA Bankers:** The SCSBs will be entitled to selling commission of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price) for the forms directly procured by them and uploaded on the electronic system of the stock exchange by them on the portion of Retail Individual Bidders and Non-Institutional Bidders. No other fees/commission shall be payable on the application forms directly procured by them.

The SCSBs would be entitled to processing fees of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.

- **SYNDICATE ASBA:** Other intermediaries (syndicate/sub-syndicate/registered broker/CRTAs/CDPs or for using 3-in-1 type account i.e. linked online trading, demat and bank account provided by some of the registered brokers) will be entitled to selling commission of ₹10/- (plus GST) per valid application form wherein the shares has been allotted for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual Bidders and Non-Institutional Bidders.
- **Issuer banks for UPI Mechanism** as registered with SEBI would be entitled to a processing fee of ₹7/- (plus GST) (or mutually decided and agreed) per valid application form made by the Retail Individual Bidders using the UPI mechanism for processing. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable laws.
- The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.
- Any expenses incurred towards IPO related expenses will be reimbursed/recouped out of the gross proceeds of the Issue.
- The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
- Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs/LM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

### **Appraisal by Appraising Fund:**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of this draft prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

### **Interim Use of Proceeds**

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

### **Monitoring Utilization of Funds**

As the Issue size is less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

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

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Managerial Personnel or Senior Management or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

### **Variation in Objects**

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



## BASIS FOR ISSUE PRICE

The Issue Price of ₹81/- per Equity Share has been determined by our Company, in consultation with the Lead Manager and justified by our Company, on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is ₹81/- which is 8.1 times of the face value. Investors should also refer “*Our Business*”, “*Risk Factors*” and “*Financial Statements as Restated*” beginning on page no. 120, 22 and 176 respectively, of this draft prospectus, to have an informed view before making an investment decision.

### QUALITATIVE FACTORS:

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

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, “*Our Business*”, beginning on page no. 89 of this draft prospectus.

### QUANTITATIVE FACTORS:

The information presented in this section is derived from our Company’s restated financial statements for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “*Financial Statements as Restated*” beginning on page no 176 of this draft prospectus. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic & Diluted Earnings per share (EPS) as adjusted for changes in capital for last 3 years:

##### Earnings Per Share as per the Company’s Restated Financial Information

Particulars	Basic & Diluted EPS (Rs.)	Weight
	As per Restated	
Year ended March 31, 2022	(1.33)	1
Year ended March 31, 2023	2.48	2
Year ended March 31, 2024	6.22	3
<b>Weighted Average*</b>	<b>3.72</b>	

- a. **Basic & Diluted EPS:** EPS has been calculated as PAT/Weighted average no. of shares outstanding for particular period/year in accordance with Accounting Standard 20 (AS-20) ‘Earnings per Share’ issued by ICAI.
- b. **Weighted average:** Aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

#### 2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹81/- per equity share of face value of Rs. 10/- each

Particulars	P/E Ratio
	As per Restated
P/E ratio based on the Basic & Diluted EPS as on March 31, 2024	13.02
P/E ratio based on the Weighted Average EPS	21.77

**Industry Price to Earning (P/E)**

Particulars	P/E Ratio
Highest	263.00
Lowest	33.20
Average	148.10

**3. Average Return on Net Worth (RoNW) for last 3 years as per the Company's Restated Financial Information**

Particulars	RONW in %	Weight
Year ended March 31, 2022	(11.93)	1
Year ended March 31, 2023	18.22	2
Year ended March 31, 2024	29.14	3
<b>Weighted Average</b>	<b>18.65</b>	

**Weighted average:** Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e.  $[(Return\ on\ Net\ Worth \times Weight)\ for\ each\ year] / [Total\ of\ weights]$

**Note:** Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

**4. Net Assets Value:**

Particulars	As per Restated
Net Asset Value per Equity Share as of March 31, 2024	20.17
<b>Net Asset Value per Equity Share after the Issue</b>	<b>37.30</b>
<b>Issue Price per equity share</b>	<b>81.00</b>

**Note:** Net Asset Value per equity share represents "total assets less total liability (excluding deferred tax) as per the restated financial information as divided by the number of equities shares outstanding as at the end of year/period.

**5. Comparison with other listed companies/Industry peers:**

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only. The below mentioned listed company are those who manufacture, market and sell TMT Bars as one of their products, i.e. M/s. Rhetan TMT Limited, M/s. Incredible Industries Limited and M/s. Supershakti Metaliks Limited

Name of Company	CMP (in ₹)**	Face Value (in ₹)	EPS Basic	NAV per Equity Share	P/E Ratio	RONW (%)	Revenue from Operations (₹ in Lakhs)
<b>Peer Group**</b>							
Rhetan TMT Limited	13.15	1.00	0.05	1.12	263.00	4.35	6,476.72
Incredible Industries Limited	42.50	10.00	1.28	28.36	33.20	4.50	81,815.52
Supershakti Metaliks Limited	550.00	10.00	11.63	217.14	47.29	5.36	73,141.28
<b>Issuer Company</b>							
Shree Bala Ji Pigments Limited^	81.00	10.00	6.22	20.17	13.02	29.14	13,596.42

#Considering the nature and size of business of the Company, the peers may not be exactly comparable. Hence a strict comparison is not possible. However, the above companies have been included for broader comparison.

^ Based on full completed financial year ended on March 31, 2024 on Restated basis

\*Source for Peer Companies: Annual Reports (figures as on March 31, 2024)

\*\* CMP as on 16/07/2024 for Peer Group and IPO price for Issuer Company

## 6. Key Operational and Financial Performance Indicators:

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 18, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by the Independent Chartered Accountant, by their certificate dated July 18, 2024.

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

### a. Financial KPIs of our Company:

*(Rs. In Lakhs, except otherwise mentioned)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Total Income	13,809.35	13,590.15	15,531.95
Growth (%)	1.61%	-12.50%	97.17%
Revenue from Operation	13,596.42	13,302.63	15,382.76
EBITDA (Operating Profit)	1,039.37	509.98	511.07
EBITDA Margin (%)	7.64%	3.83%	3.32%
PAT	629.75	237.72	(127.35)
Growth (%)	164.92%	286.67%	-534.59%
PAT Margin (%)	4.56%	1.75%	-0.82%
EPS (Basic & Diluted)	6.22	2.48	(1.33)
Total Borrowings	5,230.18	2,409.67	2,724.85
Total Net Worth (TNW) - Excluding Revaluation Reserve	2,161.46	1,304.82	1,067.11
RONW (%)	29.14%	18.22%	-11.93%
Debt Equity Ratio (Total Borrowing/TNW)	2.42	1.85	2.55

As certified by M/s. S S R V and Associates, Independent Chartered Accountant, having peer review certificate vide their examination report dated July 18, 2024.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 120 and 212 respectively of Draft Prospectus. All such KPIs have been defined consistently and precisely in “**Definitions and Abbreviations**” on page 2 of Draft Prospectus.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in this “**Basis for Offer Price**” section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchange; or (ii) till the utilization of the Net Proceeds as disclosed under “**Objects of the Issue**” on page 73 of Draft Prospectus.

### b. Comparison of KPIs with listed Industry Peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only. The below mentioned listed company are those who manufacture, market and sell TMT Bars as one of their products, i.e. M/s. Rhetan TMT Limited, M/s. Incredible Industries Limited and M/s. Supershakti Metaliks Limited.

(₹ in Lakhs, except otherwise mentioned)

Particulars	Rhetan TMT Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	6521.36	8,694.13	6,703.45
Growth (%)	-24.99%	29.70%	28.59%
Revenue from Operation	6476.72	8,602.15	6,702.87
EBITDA (Operating Profit)	704.47	818.60	460.98
EBITDA Margin (%)	10.88%	9.52%	6.88%
PAT	387.04	541.77	234.43
Growth (%)	-28.56%	131.10%	1644.27%
PAT Margin (%)	5.93%	6.23%	3.50%
EPS (Basic & Diluted)	0.05	0.09	1.77
Total Borrowings	1578.54	1,704.33	2,599.28
Total Net Worth (TNW)	8903.5	8,516.46	2,374.69
RONW (%)	4.35%	6.36%	9.87%
Debt Equity Ratio (Total Borrowing/TNW)	0.18	0.20	1.09

(₹ in Lakhs, except otherwise mentioned)

Particulars	Incredible Industries Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	82,034.72	74,101.83	53,615.55
Growth (%)	10.71%	38.21%	8.46%
Revenue from Operation	81,815.52	74,060.70	53,567.22
EBITDA (Operating Profit)	1,934.96	1,775.16	1,670.36
EBITDA Margin (%)	2.37%	2.40%	3.12%
PAT	596.80	490.73	356.11
Growth (%)	21.61%	37.80%	-1.81%
PAT Margin (%)	0.73%	0.66%	0.66%
EPS (Basic & Diluted)	1.28	1.05	0.77
Total Borrowings	3,594.13	4,039.35	3,976.31
Total Net Worth (TNW)	13,260.63	12,662.95	12,172.92
RONW (%)	4.50%	3.88%	2.93%
Debt Equity Ratio (Total Borrowing/TNW)	0.27	0.32	0.33

(₹ in Lakhs, except otherwise mentioned)

Particulars	Supershakti Metaliks Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	73,893.73	73,301.60	63,522.90
Growth (%)	0.81%	15.39%	67.24%
Revenue from Operation	73,141.28	72,981.83	63,363.32
EBITDA (Operating Profit)	1,788.01	5,000.29	3,042.29
EBITDA Margin (%)	2.44%	6.85%	4.80%
PAT	1,340.52	3,330.19	1,771.99
Growth (%)	-59.75%	87.94%	33.98%
PAT Margin (%)	1.81%	4.54%	2.79%
EPS (Basic & Diluted)	11.63	28.89	15.37
Total Borrowings	1,980.00	1,031.56	2,087.49
Total Net Worth (TNW)	25,025.27	23,725.41	17,881.48
RONW (%)	5.36%	14.04%	9.91%
Debt Equity Ratio (Total Borrowing/TNW)	0.08	0.04	0.12

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/ period to compute the corresponding financial ratios.

### Explanation for the Key Performance Indicators

1. Total Income means Revenue from Operations and Other Incomes as appeared in the Restated Financial Statements;
2. Total Income Growth (%) is calculated as a percentage of Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
3. Revenue from operations means Revenue from Operations as appearing in the Restated Financial Statements;
4. EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
5. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
6. PAT represents total profit after tax for the year / period;
7. PAT Growth (%) is calculated as a percentage of PAT of the relevant period minus PAT of the preceding period, divided by PAT of the preceding period.
8. PAT Margin is calculated as PAT divided by total income;
9. Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year / period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities;
10. Total Borrowings are calculated as total of current and non-current borrowings;
11. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and 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, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations;
12. "RONW" is calculated Profit after Tax for the period / Net Worth
13. Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & noncurrent borrowings; total equity means sum of equity share capital and other equity;

### Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company:

KPI	Explanation
Total Income	Total income is used by the management to track revenue from operations and other income.
Total Income Growth (%)	Total Income growth provides information regarding the growth of the Total Income for the respective period
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
PAT	Profit After Tax (PAT) for the year / period provides information regarding the overall profitability of the business
PAT Growth (%)	Profit after tax growth provides information regarding the growth of the operational performance for the respective period
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business
EPS (Basic & Diluted) (%)	EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time
Net Worth	Net worth is used to track the book value and overall value of shareholders' equity
RONW	RONW provides how efficiently our Company generates earnings for the equity shareholders of the Company.
Debt Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers



## 7. Weighted Average Cost of Acquisition:

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

Other than as mentioned below, there have been no issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Nature/Reason of Allotment	Nature of Consideration	Total Consideration (in ₹)
21-09-2023	4,12,800	10/-	21/-	Private Placement	Cash	86,68,800
16-10-2023	1,92,000	10/-	21/-	Private Placement	Cash	40,32,000
18-10-2023	1,44,000	10/-	21/-	Private Placement	Cash	30,24,000
26-10-2023	90,000	10/-	21/-	Private Placement	Cash	18,90,000
02-11-2023	90,000	10/-	21/-	Private Placement	Cash	18,90,000
03-11-2023	84,000	10/-	21/-	Private Placement	Cash	17,64,000
07-11-2023	1,05,600	10/-	21/-	Private Placement	Cash	22,17,600
<b>Total</b>	<b>11,18,400</b>					<b>2,34,86,400</b>
<b>Weighted Average Cost of Acquisition (WACA) per Equity Share</b>						<b>21.00</b>

### (a) 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, 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 of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

### (b) Weighted Average Cost of Acquisition and Offer Price

Type of Transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Offer Price (i.e. ₹ 81/-)
Weighted average cost of acquisition of primary / new issue as per paragraph 7(a) above.	21.00	3.85 times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 7(b) above.	N.A.^	N.A.^

^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Prospectus.

- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue Price of ₹ 81/- per Equity Share is 8.1 times the face value.
- The Issue Price of ₹ 81/- is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled **“Risk Factors”**, and chapters titled **“Our Business”** and **“Financial Statements as Restated”** beginning on page no. 22, 120 and 176, respectively of this Draft Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
Shree Bala Ji Pigments Limited  
Regd Off: 36-B, Industrial Ext Area,  
Near Halti Marg, Kathua,  
Jammu & Kashmir, India, 184102.

Dear Sir(s):

Sub: Statement of possible special tax benefit ('the Statement') available to Shree Bala ji Pigments Limited and its shareholders prepared in accordance with the requirements under Schedule VI of the SEBI (ICDR) Regulations, 2018 as amended (the 'ICDR Regulation')

We hereby confirm that the enclosed annexure, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') as amended time to time, the Gift Tax Act, 1958, 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 Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated herein are based on the information and explanations obtained from the Company. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.
- the revenue authorities / courts will concur with the views expressed herein.

The contents of this annexure 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 and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed Annexure - A is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours sincerely,

**For SSRV and Associates**  
**Chartered Accountants**  
**Firm Reg. No. 135901W**

Sd/-

**Vishnu Kant Kabra**  
**Partner**  
**M. No.: 403437**  
**Place: Mumbai**  
**Date: 18 July 2024**  
**UDIN: 24403437BKAJWR7054**

### Annexure to the Statement of Possible Tax Benefits

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

You Should Consult Your Own Tax Advisors Concerning the Indian Tax Implications and Consequences of Purchasing, Owning and Disposing of Equity Shares in Your Particular Situation.

**1. Special Tax Benefits available to the Company under the Act:**  
The Company is not entitled to any Special tax benefits under the Act.

**2. Special Tax Benefits available to the shareholders of the Company**  
The Shareholders of the company are not entitled to any Special tax benefits under the Act.

Notes:

- 1.** All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- 2.** The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3.** The Company is availing following Government Grants / Incentives
  - a)** The unit is eligible for Capital Investment Subsidy of 30% of the Project Value (excluding value of land and building) with an upper limit of Rs. 5 crores as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
  - b)** The unit is eligible for Working Capital Interest Subvention amounting to Rs 20 lakh per annum for a period of 5 years from FY 21-22 as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
  - c)** The unit is eligible for Capital Interest Subvention of annual rate of interest of 6% for a period of 7 consecutive years as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
  - d)** The unit is eligible for Budgetary Support of GST as per SRO 63 of Jammu & Kashmir Government dated 5th Feb, 2018.
  - e)** The unit is eligible for Turnover Incentive of 2% of turnover, with an upper limit of Rs 50 lakhs per year, as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
  - f)** The unit is eligible for subsidy on the cost of Pollution Control Devices of 60% subject to a maximum of Rs 50 lakhs as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).
  - g)** The unit is eligible for subsidy on the cost of DG Set of 100% subject to a maximum of Rs 40 lakhs as per Govt. of India, Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021).

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

**For SSRV & Associates,  
Chartered Accountants  
(Firm Registration No.- 135901W)**

**Sd/-**

**Vishnu Kant Kabra**  
Partner  
**Membership No: 403437**  
**Place: Mumbai**  
**Date: 18 July 2024**  
**UDIN: 24403437BKAJWR7054**



## SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY

### INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

### INDIAN ECONOMY

#### INTRODUCTION

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. India's gross domestic product (GDP) at current prices in the second quarter (Q2) of 2023-24 is estimated to be Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in Q2 of 2022-23, showing a growth rate of 9.1%.

Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. In 2023-24 (April-December), India's service exports stood at US\$ 247.92 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-December) were estimated at US\$ 565.04 billion. 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 rationalisation 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. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand. 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.

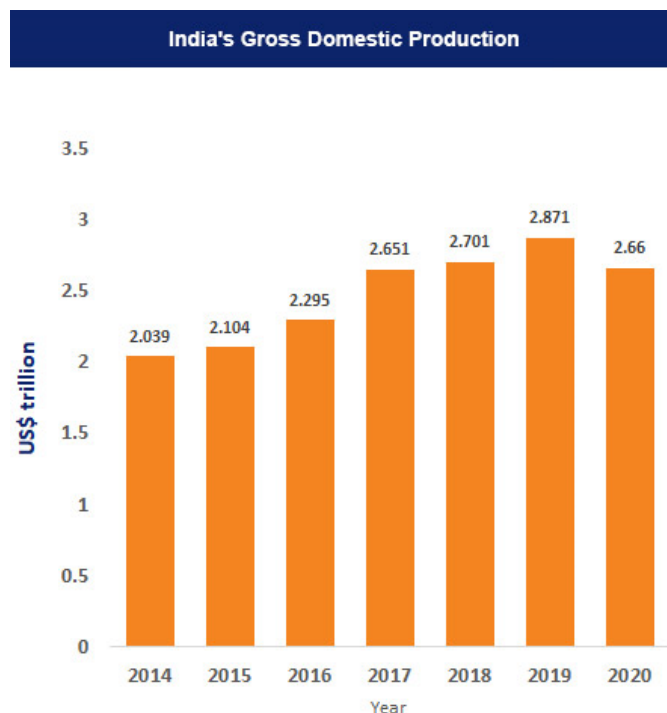
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

## MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 296.58 trillion (US\$ 3.56 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q2 of 2023-24 was Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in 2022-23, estimating a growth of 9.1%. As of 03rd October 2023, India is home to 111 unicorns with a total valuation of US\$ 349.67 Billion. Out of the total number of unicorns, 45 unicorns with a total valuation of US\$ 102.30 Billion were born in 2021 and 22 unicorns with a total valuation of \$ 29.20 Billion were born in 2022. India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 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 same time period. The current account deficit stood at US\$ 8.3 billion, or 1% of GDP, in the second quarter of fiscal 2023-24 as compared to US\$ 9.2 billion or 1.1% of GDP in the preceding quarter.



Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

## RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 19, 2024, India's foreign exchange reserves stood at US\$ 616.14 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in December 2023 stood at US\$ 38.45 billion, with total merchandise exports of US\$ 505.15 billion during the period of April-December (2023-24).
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- At the beginning of January 2024, the PMI Services comfortably remained in the expansionary zone, registering a value of 61.2.
- In December 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs.1,64,882 crore (US\$ 19.80 billion), of which CGST is Rs. 30,443 crore (US\$ 3.65 billion), SGST is Rs. 37,935 crore (US\$ 4.55 billion).
- Between April 2000–September 2023, cumulative FDI equity inflows to India stood at US\$ 953.14 billion.
- In November 2023, the overall IIP (Index of Industrial Production) stood at 141. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 131.1, 139.2 and 176.3, respectively, in November 2023.

- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.55% in November 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 261,856 crore (US\$ 31.5 billion) in India during April-December (2023-24).
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

## GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17th, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6th, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28th, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1st, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29th, 2022, by the Ministry of Railways.
- On October 7th, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).

- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20th, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14th, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11th, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30th, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1st, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1st, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.



- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29th, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31st, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1st, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. 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 5th 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 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to



capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. Further, In the interim budget for FY24, Government increased FY25 Capex outlay to record Rs.11.11 lakh crore (US\$ 133.5 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 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.

## INTERIM BUDGET 2024-25

The Union Minister of Finance and Corporate Affairs Ms. Nirmala Sitharaman presented the Interim Budget 2023-24 in Parliament on 1st February 2024. The full budget will be presented in July this year after the new government is formed after the Lok Sabha Elections.

### Key Highlights:

- Direct Benefit Transfer of US\$ 409.8 Billion (Rs 34 lakh crore) has led to savings of US\$ 32.5 Billion (Rs 2.7 lakh crore) for the government.
- Defence outlay is set to be increased by 11.1% to US\$ 133.9 Billion (Rs 11 Lakh crore), which will be 3.4% of GDP.
- The FY25 capex target has been set at US\$ 133.8 (Rs 11.1 lakh crore), marking an 11.1% increase.
- The revised estimate of fiscal deficit for FY24 is 5.8% of GDP.
- Fiscal deficit for FY25 is expected at 5.1% of GDP.
- Minimum support prices for 'Annadata' (farmers) have been increased periodically.
- The PM Garib Kalyan Yojana, a welfare program for the economically disadvantaged, has assisted 25 crore people in achieving freedom from multidimensional poverty over the last 10 years.
- PM Mudra Yojana has sanctioned 43 crore loans amounting to US\$ 271.2 Billion (Rs. 22.5 lakh crore) to support the entrepreneurial aspirations of the youth. Additionally, Fund of Funds, Startup India, and Startup Credit Guarantee Schemes are also assisting the youth.
- No changes were announced in the tax slabs for individual taxpayers.
- The Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh youth, and established 3,000 new ITIs.
- A significant number of institutions of higher learning, including 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMs, and 390 universities, have been established.
- The 'Pradhanmantri Suryodaya Yojana' will empower one crore households with up to 300 units of free monthly electricity through rooftop solarisation. Anticipated savings of US\$ 180–217 (Rs. 15,000–18,000) result from free solar power usage and surplus sales to distribution companies (discoms), fostering economic relief and sustainable energy practices.
- The government plans to set up more medical colleges by utilizing the existing medical infrastructure under various departments.
- 40,000 rail bogies will be converted to Vande Bharat standards.
- A corpus of US\$ 12.1 Billion (Rs 1 lakh crore) will be established with a 50-year interest-free loan provided for tech-savvy youth. It will be for long-term financing or re-financing with low or nil interest rates.
- Every year under PM Kisan Samman Yojana, direct financial assistance is provided to 11.8 crore farmers, including marginal and small farmers. Additionally, crop insurance is given to 4 crore farmers under PM Fasal Bima Yojana

## INCLUSIVE DEVELOPMENT

### Garib Kalyan, Desh ka Kalyan

- Direct Benefit Transfer through PM Jan Dhan Accounts: The direct benefit transfer of US\$ 409.8 Billion (Rs. 34 lakh crore) using PM Jan Dhan accounts has resulted in substantial savings for the government. These savings have been achieved through the prevention of leakages, enabling the allocation of more funds for the welfare of the poor.
- 25 crore people moved out of multidimensional poverty.
- The PM SVANIDHI scheme has extended credit assistance to 78 lakh street vendors, with 2.3 lakh vendors receiving credit for the third time.
- The PM JANMAN Yojana is reaching out to Particularly Vulnerable Tribal Groups.

- The PM Vishwakarma Yojana provides end-to-end support to artisans and craftspeople engaged in 18 trades.

### **Empowering the Youth**

- The National Education Policy 2020 is ushering transformational reforms.
- Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh youth, and established 3,000 new ITIs.
- Many institutions of higher learning, namely 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMSs, and 390 universities, have been set up.
- PM Mudra Yojana has sanctioned 43 crore loans amounting to US\$ 271.2 Billion (Rs. 22.5 lakh crore) for the entrepreneurial aspirations of youth.
- Fund of Funds, Startup India, and Startup Credit Guarantee Schemes are assisting the youth.

### **Welfare of Farmers-Annadata**

- Every year under PM Kisan Samman Yojana, direct financial assistance is provided to 11.8 crore farmers, including marginal and small farmers.
- Crop insurance is given to 4 crore farmers under PM Fasal Bima Yojana.
- These initiatives are assisting farmers in producing food for the country and for the world.
- The Electronic National Agricultural Market has integrated 1,361 mandis and is providing services to 1.8 crore farmers with a trading volume of US\$ 36.2 Billion (Rs.3 Lakh Crore).

### **Nari Shakti**

- 30 crore MUDRA Yojana loans have been given to woman entrepreneurs.
- Female enrolment in higher education has gone up by 28% in 10 years.
- In Science, Technology, Engineering and Mathematics (STEM) courses, girls and women constitute 43% of enrolment, one of the highest in the world.
- 1 crore women assisted by 83 lakh Self Help Groups (SHGs) to become Lakhpati Didis.

### **Sectors Updates**

#### **Agriculture and food processing**

- Pradhan Mantri Kisan Sampada Yojana has benefitted 38 lakh farmers and generated 10 lakh employment.
- Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages.
- For ensuring faster growth of the sector, the government will further promote private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing, and marketing and branding.
- A strategy will be formulated to achieve 'atmanirbharta' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower.
- Implementation of Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be stepped up to:
  - Enhance aquaculture productivity from existing 3 to 5 tons per hectare,
  - Double exports to ` 1 lakh crore; and
  - generate 55 lakh employment opportunities in near future.

#### **Railways**

- Implementation of three major economic railway corridor programs: Energy, mineral, and cement corridors; Port connectivity corridors; and High traffic density corridors.
- Projects identified under PM Gati Shakti for multi-modal connectivity, aiming to enhance logistics efficiency and reduce costs.
- Decongestion of high-traffic corridors to improve passenger train operations, ensuring safety and higher travel speeds. Integration with dedicated freight corridors to accelerate GDP growth and cut down logistic costs.
- Conversion of 40,000 normal rail bogies to Vande Bharat standards for heightened safety, convenience, and passenger comfort.

## Aviation Sector

- The number of airports has doubled, reaching a total of 149.
- 517 new routes catering to 1.3 crore passengers.
- Indian carriers placed orders for over 1000 new aircraft.

## Green Energy

Measures proposed to achieve 'net-zero' by 2070:

- Provision of viability gap funding to harness offshore wind energy potential, initially targeting a capacity of one gigawatt.
- Establishment of coal gasification and liquefaction capacity totalling 100 million tonnes by 2030.
- Implementation of a phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transportation and piped natural gas (PNG) for domestic use.
- Offering financial assistance for the procurement of biomass aggregation machinery to facilitate collection, supporting sustainable practices.

## ESTIMATES

### Revised Estimates 2023-24

- The Revised Estimate of the total receipts other than borrowings is US\$ 332.2 billion (27.56 lakh crore), of which the tax receipts are US\$ 280.1 billion (23.24 lakh crore). The Revised Estimate of the total expenditure is US\$ 541.2 billion (44.90 lakh crore).
- The revenue receipts at US\$ 361.9 billion (30.03 lakh crore) are expected to be higher than the Budget Estimate, reflecting strong growth momentum and formalization in the economy.
- The Revised Estimate of the fiscal deficit is 5.8 % of GDP, improving on the Budget Estimate, notwithstanding moderation in the nominal growth estimates.

### Budget Estimates 2024-25

- In 2024-25, the total receipts other than borrowings and the total expenditure are estimated at US\$ 371.2 billion (Rs. 30.80 lakh crore) and US\$ 574.4 billion (Rs. 47.66 lakh crore) respectively. The tax receipts are estimated at US\$ 313.6 billion (Rs. 26.02 lakh crore).
- The scheme of fifty-year interest free loan for capital expenditure to states will be continued this year with total outlay of US\$ 15.7 billion (Rs. 1.3 lakh crore).
- The projected fiscal deficit for the year 2024-25 is estimated to be 5.1 % of the GDP and below 4.5 % for fiscal year 2025-26.
- The gross and net market borrowings through dated securities during 2024-25 are estimated at US\$ 172.4 billion (Rs. 14.13 lakh crore) and US\$ 141.6 billion (Rs. 11.75 lakh crore) respectively.

## TAXES

### Tax Proposals

- No changes in tax rates for both direct and indirect taxes.
- Proposal to eliminate outstanding direct tax demands up to US\$ 301.3 (Rs. 25,000) for the period up to the financial year 2009-10 and up to US\$ 120.5 (Rs. 10,000) for financial years 2010-11 to 2014-15.

## IRON AND STEEL INDUSTRY IN INDIA

### INTRODUCTION

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy. The Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

India is the world's second-largest producer of crude steel, with an output of 125.32 MT of crude steel and finished steel production of 121.29 MT in FY23.

India's steel production is estimated to grow 4-7% to 123-127 MT in FY24.

The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

### MARKET SIZE

In the past 10–12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.

In FY23, the production of crude steel and finished steel stood at 125.32 MT and 121.29 MT respectively.

In FY24 (until November 2023), the production of crude steel and finished steel stood at 94.01 MT and 88.81 MT respectively.

In FY23, crude and finished steel production stood at 125.32 MT and 121.29 MT respectively. In July 2023, crude steel production in India stood at 11.52 MT. In July 2023, finished steel production stood at 10.53 MT.

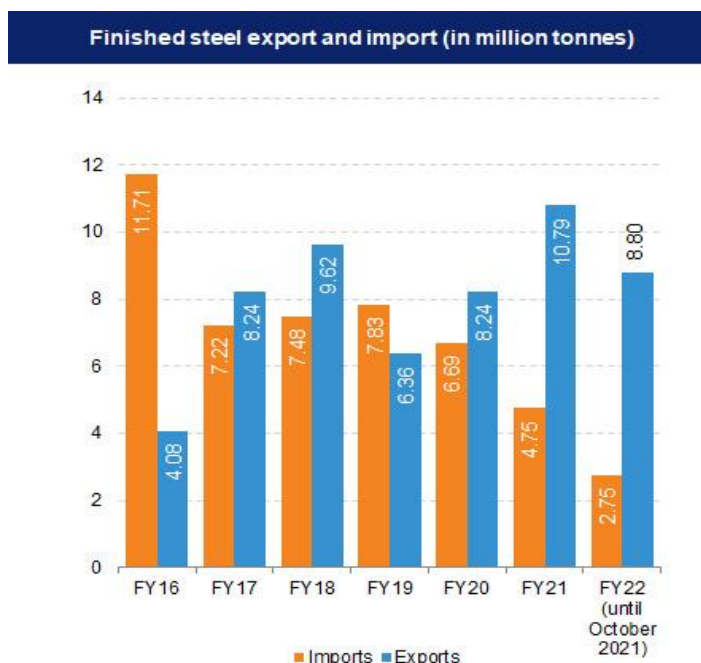
In FY24 (until November 2023), the consumption of finished steel stood at 86.97 MT.

The per-capita consumption of steel stood at 86.7 kgs in FY23.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. In FY23, the consumption of finished steel stood at 119.17 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

In FY23, exports and imports of finished steel stood at 6.7 MT and 6.02 MT, respectively. In FY22, India exported 11.14 MT of finished steel. In November 2023 exports of finished steel stood at 2.34 lakh metric tonnes (LMT), while imports stood at 7.82 LMT. In FY24 (until November 2023), the exports and imports of finished steel stood at 4.03 MT and 4.25 MT, respectively.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030-31. By 2030-31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–31. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.



## INVESTMENTS

The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-September 2023, Indian metallurgical industries attracted FDI inflows of US\$ 17.40 billion.

In FY22, demand for steel was expected to increase by 17% to 110 million tonnes, driven by rising construction activities.

Some of the major investments in the Indian steel industry are as follows:

- In November 2023, Steel Secretary Mr. Nagendra Nath Sinha said that India's steel capacity has crossed 161 million tonnes (MT) and the industry is poised for continuous growth.
- In October 2023, Government e-Marketplace, the national public procurement platform, signed a memorandum of understanding (MOU) with the Indian Steel Association (ISA). This partnership intends to bring all ISA members onto the GeM platform as sellers, promoting a diverse business environment regardless of their size.
- In July 2023, Union Minister Mr. Jyotiraditya Scindia announced that Japan is eager to invest ₹ 5 trillion (US\$ 36 billion), in various sectors in India, including steel.
- As announced in May 2023, INOX Air Products will invest Rs. 1,300 crore (US\$ 157.5 million) to set up two air separation units having a capacity of 1,800 tonnes a day each at Tata Steel's plant in Dhenkanal, Odisha.
- In May 2023, the industry body Indian Steel Association (ISA) announced signing an agreement with the ASEAN Iron and Steel Council (AISC) to unlock new avenues of growth and sustainability in the steel sector.
- Mr. Jyotiraditya M. Scindia, the Union Minister of Steel, and Mr. Nishimura Yasutoshi, the Minister of Economy, Trade, and Industry of Japan, held a bilateral meeting on July 20, 2023, in New Delhi to discuss collaboration in the steel sector and issues relating to decarbonisation.
- AMNS India is planning to spend US\$ 7.4 billion on expanding capacity and increasing its value-added investments in both its upstream and downstream capacities and enhancing its iron ore capabilities.
- In May 2023, JSW Steel and JFE Steel, signed an agreement to set up a JV company to manufacture the entire range of cold rolled grain-oriented electrical steel (CRGO) products at Vijaynagar in Karnataka.
- In April 2023, AMNS India, a joint venture between ArcelorMittal and Nippon Steel, received approval from India's regulatory body (NCLT) to acquire Indian Steel Corporation.
- Tata Steel in April 2023, informed that it has signed an agreement with A&B Global Mining to harness new business development opportunities and deliver mine technical services. The steel major will closely work with ABGM India which will interface with their South African entity to explore business opportunities in India and abroad besides utilising each other's technical and strategic strengths to deliver projects across the mining and metals, including the steel value chain.
- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- In September 2022, Steel Authority of India Limited (SAIL), a Maharatna PSU, supplied 30,000 tonnes of the entire DMR grade specialty steel for the nation's first indigenously built Aircraft Carrier INS Vikrant.
- In August 2022, Tata Steel signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.
- In May 2022, Tata Steel announced a CAPEX of Rs. 12,000 crore (US\$ 1.50 billion).
- In October 2021, Tata Steel was planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- In October 2021, JSW Steel invested Rs. 150 billion (US\$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- In October 2021, ArcelorMittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ~Rs. 1 trillion (US\$ 13.34 billion) over 10 years.
- In August 2021, Tata Steel announced to invest Rs. 8,000 crore (US\$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- In August 2021, ArcelorMittal announced to invest Rs. 1 lakh crore (US\$ 13.48 billion) in Gujarat for capacity expansion.
- In August 2021, Tata Steel announced to invest Rs. 3,000 crore (US\$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In August 2021, Jindal Steel & Power Ltd. announced plans to invest US\$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.



- In the next three years from June 2021, JSW Steel is planning to invest Rs. 47,457 crore (US\$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.

## GOVERNMENT INITIATIVES

Some of the other recent Government initiatives in this sector are as follows:

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).
- In July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- In June 2021, Minister of Steel & Petroleum & Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals. In 2020, 'Mission Purvodaya' was launched to accelerate the development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.
- In June 2021, JSW Steel, CSIR-National Chemical Lab (NCL), Scottish Development International (SDI) and India H2 Alliance (IH2A) joined forces to commercialise hydrogen in the steel and cement sectors.
- Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.
- In addition, an investment of Rs. 75,000 crore (US\$ 9.15 billion) (including Rs. 15,000 crore (US\$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.
- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India-Japan Steel Dialogue.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating the setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

## ROAD AHEAD

The steel industry has emerged as a major focus area given the dependence of a diverse range of sectors on its output as India works to become a manufacturing powerhouse through policy initiatives like Make in India. With the industry accounting for about 2% of the nation's GDP, India ranks as the world's second-largest producer of steel and is poised to overtake China as the world's second-largest consumer of steel. Both the industry and the nation's export manufacturing capacity have the potential to help India regain its favourable steel trade balance.

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31. As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

## EXECUTIVE SUMMARY

### Strong growth opportunities

- Demand for steel from different sectors will drive this industry.
- Consumption of steel by India's infrastructure segment is expected to increase to 11% by FY26.
- Steel demand from the automotive sector is expected to increase due to rise in the demand for automobiles.
- The new Vehicle Scrappage policy will help in reducing steel prices as the policy enables recycling of materials used in old vehicles.
- On the healthcare front, key steel producers are now exceeding their capacities to produce oxygen cylinders for COVID patients.
- The Smart Cities' Affordable Housing and industrial corridors are a few government initiatives to boost the steel industry
- About 158 lakh metric tonnes (MT) of steel are likely to be consumed in the construction of houses sanctioned under the Pradhan Mantri Awas Yojana (Urban).

### Second-largest producer of crude steel

- In FY24 (until November 2023), the production of crude steel and finished steel stood at 94.01 MT and 88.81 MT respectively.
- In FY22, India produced about 124.5 MT of crude steel, while finished steel production stood at 117.6 MT.
- In FY23, crude and finished steel production stood at 125.32 MT and 121.29 MT respectively.
- In November 2023, crude steel production in India stood at 11.76 MT.
- In November 2023, finished steel production stood at 11.02 MT.
- Steel Authority of India Limited (SAIL), achieved the best-ever annual production during the financial year 2022-23. The company recorded 18.289 million tonnes (MT) of crude steel production with a growth of 5.3% over the previous best.
- In FY22, SAIL's crude steel production stood at 17.36 MT and saleable steel production was 16.9 MT.
- Moreover, capacity increased to 142.29 million tonnes (MT) in FY20, and the figure is anticipated to rise to 300 MT by 2030-31.

### FDI in steel industry

- Policy allowing 100% FDI (via the automatic route) in the steel industry has boosted investments.
- Between April 2000-September 2023, Indian metallurgical industries attracted FDI inflows of US\$ 17.40 billion.

## ADVANTAGE INDIA

### Robust Demand

- India's finished steel consumption stood at 119.17 MT in FY23 and 86.97 MT in FY24 (until November 2023).
- According to Mr. Arnab Kumar Hazra, Deputy Secretary-General of Indian Steel Association, in FY23, crude steel production is expected to touch 134 MT finished production to reach around 127-128 MT.
- To drive post COVID-19 economic recovery, for the government has planned investments in roads, railways, metro connectivity, industrial parks, industrial corridors, DFC, transportation of water, oil and gas, transmission towers, affordable housing. All these sectors will drive demand for steel.

### Competitive Advantage

- In FY23, the production of crude steel in India stood at 125.32 MT.
- India's domestic steel demand is estimated to grow by 7.5% to 128.85 MT in FY24.
- India's steel production is estimated to grow 4-7% to 123-127 MT in FY24.
- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.
- India is home to fifth-highest reserves of iron ore in the world.

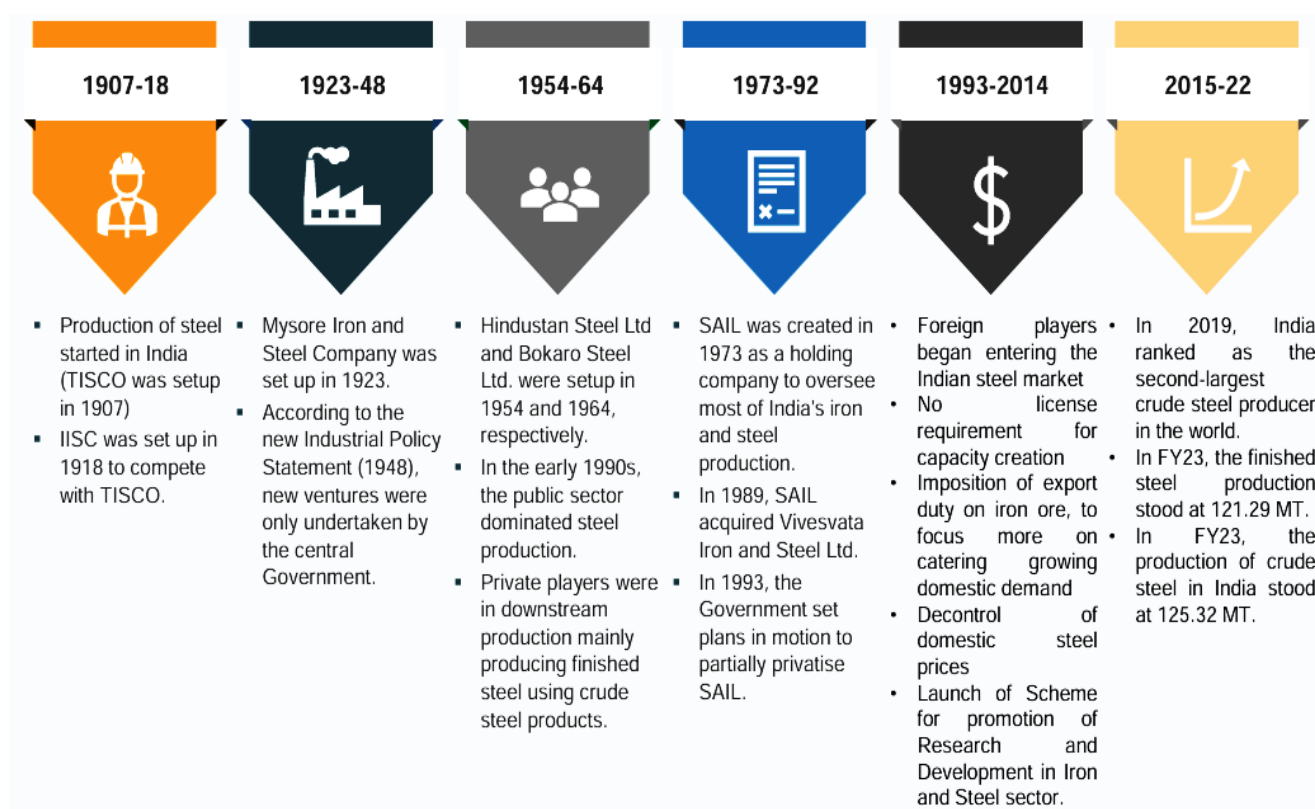
### Increasing Investment

- To achieve steel capacity build-up of 300 MTPA by 2030, India would need to invest US\$ 156.08 billion by 2030-31.
- In April 2023, the Ministry of Steel signed 57 MoUs with 27 companies for speciality steel under the PLI scheme, which is expected to generate investment of about Rs. 30,000 crore (US\$ 3.64 billion) and create additional capacity of about 25 MT of speciality steel in the next five years.
- The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market.

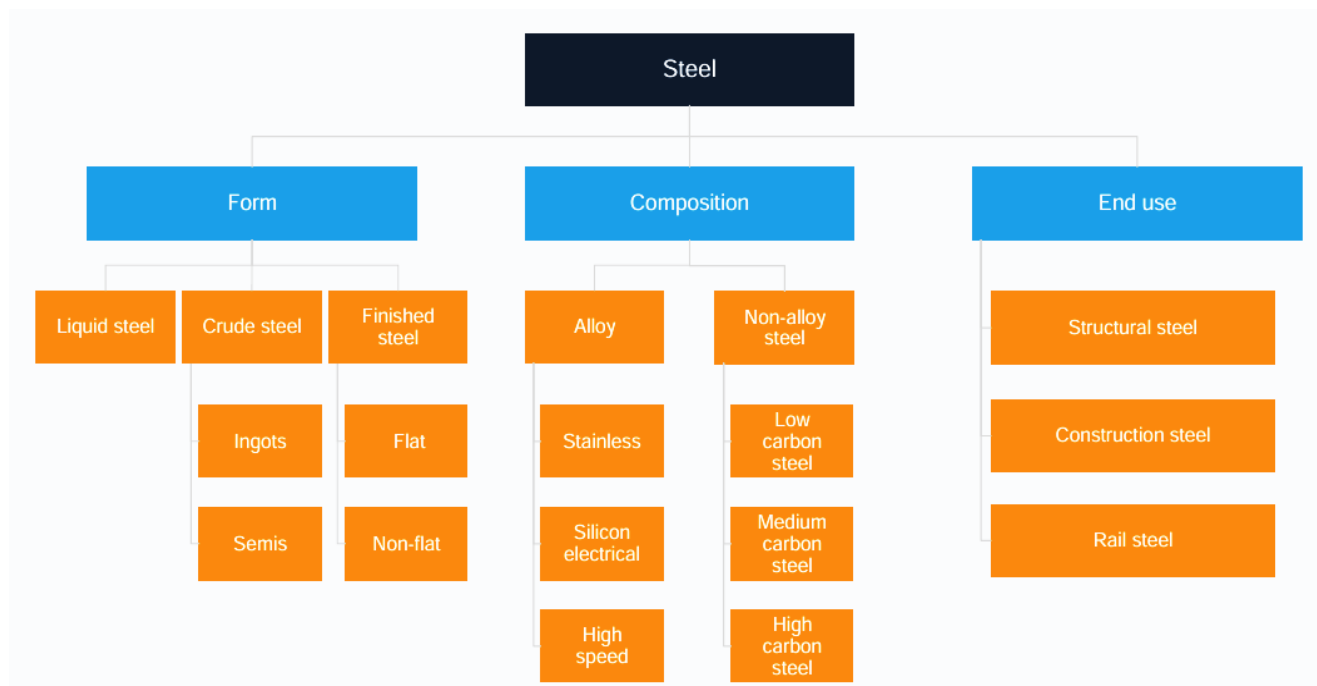
### Policy Support

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- Export duty of 30% has been levied on iron ore\* (lumps and fines) to ensure supply to the domestic steel industry.
- Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.

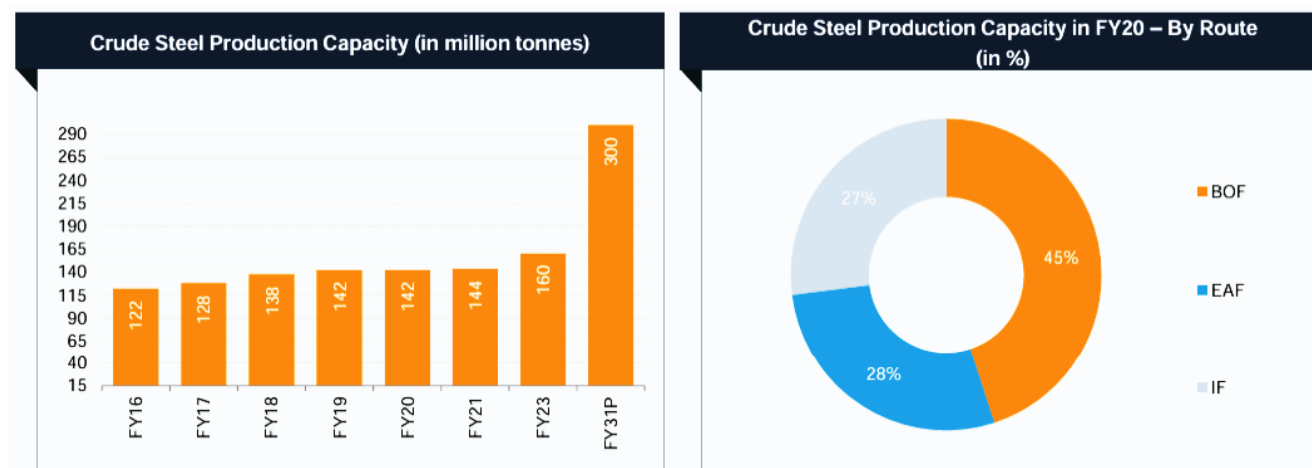
### EVOLUTION OF THE INDIAN STEEL SECTOR



## STRUCTURAL OF THE STEEL SECTOR



### Steel production capacity has expanded rapidly



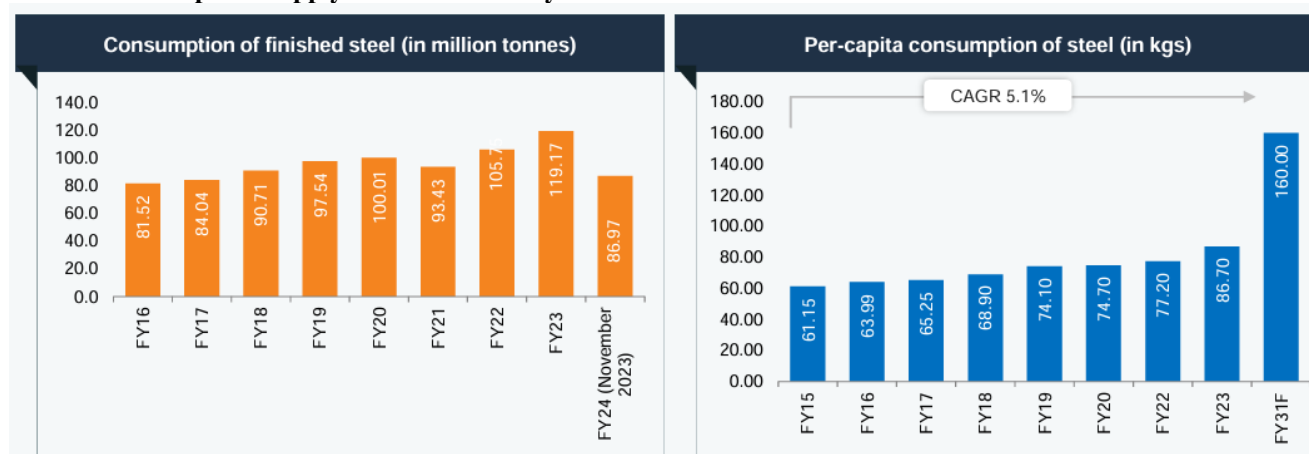
- For the first time ever, India surpassed China as the top developer of coal-based steel capacity in July 2023, according to the latest report from Global Energy Monitor (GEM).
- India's steel production capacity has expanded rapidly over the past few years, growing at a CAGR of 3.96% from 122 MT in FY16 to 154 MT in FY23. The National Steel Policy 2017 has envisaged achieving up to 300 MT of production capacity by 2030-31.
- India will commission new steel making facilities with a capacity of about 40 MT per year by the 2025/2026 financial year.
- BF-BOF route is expected to contribute 65% of the capacity, while the remaining 35% is expected to come from EAF & IF routes.
- Expansion of production capacity to 300 MT will translate into additional investment of Rs. 10 lakh crore (US\$ 156.08 billion) by 2030-31.
- Steel companies are looking to restart expansion projects on the back of surging steel process with a capacity addition of 29 MT.

### Steel production in India has been growing at a fast pace



- In FY24 (until November 2023), the production of crude steel and finished steel stood at 94.01 MT and 88.81 MT, respectively.
- In FY23, the production of crude steel and finished steel stood at 125.32 MT and 121.29 MT respectively.
- In FY22, production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively.
- To support MSMEs, the government has reduced customs duty on stainless steel to 7.5%.
- In the Union Budget 2023-24, an investment of Rs. 75,000 crore (US\$ 9.15 billion) (including Rs. 15,000 crore (US\$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.

### Demand has outpaced supply over the last five years

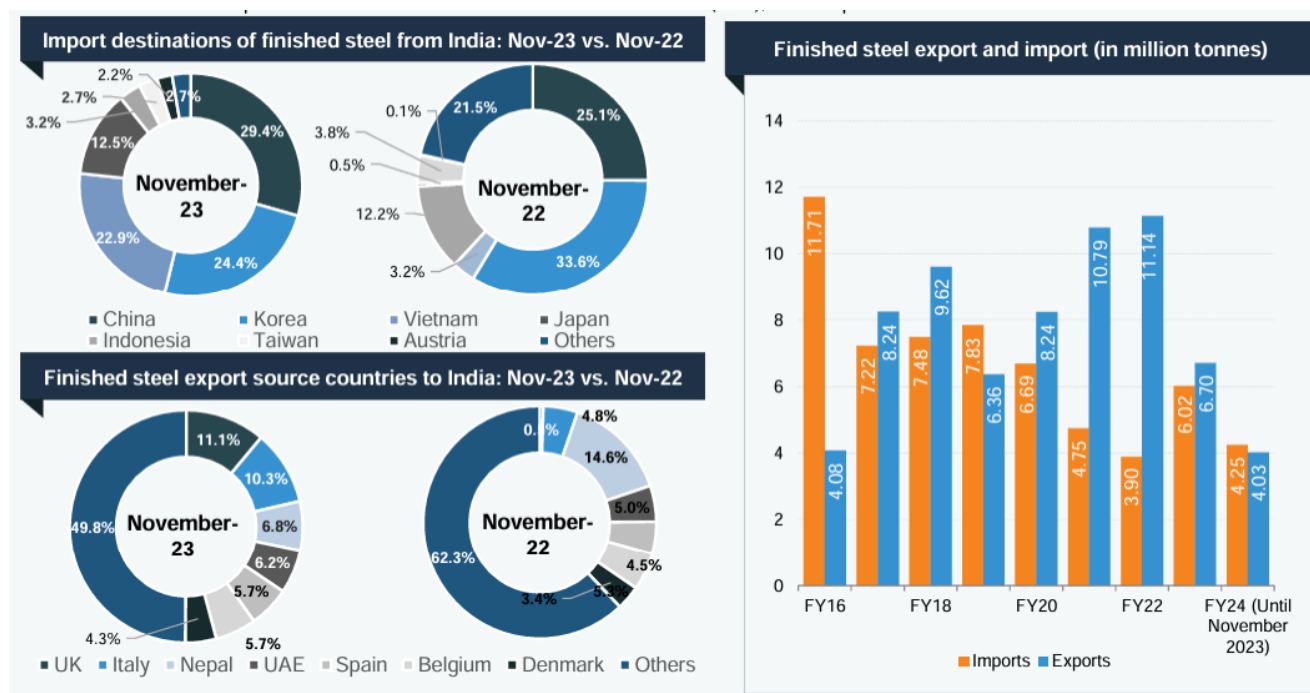


- In FY24 (until November 2023), the consumption of finished steel stood at 86.97 MT.
- The per-capita consumption of steel stood at 86.7 kgs in FY23.
- In FY23, the consumption of finished steel stood at 119.17 MT.
- In April 2023, India's finished steel consumption stood at 9.92 MT.
- The National Steel Policy aims to increase per capita steel consumption to 160 kgs by 2030-31.
- It is expected that consumption per capita would increase, supported by rapid growth in the industrial sector and rising infra expenditure projects in railways, roads and highways, etc.
- The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.



### Trends in import and export of steel

- In FY24 (until November 2023), the exports and imports of finished steel stood at 4.03 MT and 4.25 MT, respectively.
- In FY23, exports and imports of finished steel stood at 6.7 MT and 6.02 MT, respectively.
- In FY22, India exported 11.14 MT of finished steel.
- In November 2023 exports of finished steel stood at 2.34 lakh metric tonnes (LMT), while imports stood at 7.82 LMT.



### Recent Trends and Strategies

#### Growing investment

- In July 2023, Union Minister Mr. Jyotiraditya Scindia announced that Japan is eager to invest ₹ 5 trillion (US\$ 36 billion), in various sectors in India, including steel.
- As announced in May 2023, INOX Air Products will invest Rs. 1,300 crore (US\$ 157.5 million) to set up two air separation units having a capacity of 1,800 tonnes a day each at Tata Steel's plant in Dhenkanal, Odisha.
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### Strategic alliances

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- Steel giants ArcelorMittal, and Sajjan Jindal's JSW Steel are in the race to acquire the steel plant of mining major National Mineral Development Corporation (NMDC) in Chhattisgarh. The steel manufacturing facility located in Nagarnar, Chhattisgarh has been planned for privatisation in the current financial year (FY23).
- In October 2022, JSW Steel signed an MoU with Smartex to explore the potential to promote innovation and turnkey approaches from financing to technology availability and market access aimed at decarbonisation of the steel sector in India.
- In September 2022, JSW Steel signed an MoU with SMS group to explore multiple cutting-edge solutions and research and development projects to reduce carbon emissions in its iron and steel making operations in India.
- Tata Group approved the amalgamation of all its metal companies into Tata Steel. The companies to be merged into Tata Steel are Tata Steel Long Products (TSLP), Tinplate Company of India Limited (TCIL), Tata Metaliks Limited (TML), TRF Limited (TRF), Indian Steel and Wire Products Limited (ISWP), Tata Steel Mining Limited (TSML) and S&T Mining Company Limited.
- In August 2022, Tata Steel signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.
- In October 2021, Tata Steel and Rail Vikas Nigam Limited (RVNL), signed an MoU to implement infrastructure projects.
- In August 2021, Steel Strips Wheels Limited signed an agreement with Tata Steel Long Products to source round bars of various grades for three years for automotive customers.
- In July 2021, Tata Steel collaborated with start-ups in India to implement electric vehicles (EVs) for steel transportation.

### Entry of international companies

- Attracted by the growth potential of the Indian steel industry, several global steel players have been planning to enter the market.
- In February 2020, GFG Alliance acquired Adhunik Metaliks and its arm, Zion Steel, for Rs. 425 crore (US\$ 60.81 million), marking its entry into the Indian steel market.
- CarVal Investors, the investment arm of US-based agri group, Cargill, has offered around Rs. 2,000 crore (US\$ 277.20 million) along with Asset Reconstruction Company (India) Ltd. for the purchase of Uttam Value Steels and Uttam Galva Metaliks.

### Increased emphasis on technological innovations

- Tata Steel has commenced the trial injection of hydrogen gas using 40% of the injection systems in 'E' Blast Furnace at its Jamshedpur Works. This is the first time in the world that such a large quantity of hydrogen gas is being continuously injected in a blast furnace.
- In the wake of COVID-19 pandemic, Tata Steel has geo-fenced its plant premises to track the movement of employees to track and manage any COVID-19 cases amongst its employees.
- In February 2023, Tata Steel sets up an Innovation Centre for Mining and Mineral Research at IIT (ISM) Dhanbad.
- Companies are attempting coal gasification and gas-based direct-reduced iron (DRI) production. Other alternative technologies such as Hismelt, Finex and ITmk3 being adopted to produce hot metal.
- Provisional World steel report indicates that the global DRI output stood at 15.31MT from January to February 2021, up 0.9% over same period last year, driven by India (6.4 MT, 42% share) at the number one spot.

- The Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for taking up more R&D projects by spending at least 1% of their sales turnover to facilitate technological innovations in the steel sector.
- The Ministry has established a task force to identify the need for technology development and R&D.
- The Ministry has adopted energy efficiency improvement projects for mills operating with obsolete technologies.
- In January 2021, the Ministry of Steel, signed a Memorandum of Cooperation with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
- In February 2021, Tata Steel BSL collaborated with FarEye, a software logistics firm, to improve its digital transformation process.

### **Vehicle Scrappage Policy to reduce steel prices**

- India is spreading its wings further to foray into another highly potential, yet untapped metal industry.
- The recently announced ‘Vehicle Scrappage Policy’ intends to de-clutter the country of its huge automobile and white goods waste through recycling.
- This proposed policy seeks to phase out unfit vehicles to reduce vehicular pollution, meet the climate commitments, improve road safety and fuel efficiency, formalise the vehicle scrapping industry and recover low-cost materials for the automotive, steel and electronics industries.
- Primarily, this new policy aims to boost new vehicles sales, which will stimulate the economy. Automobile manufacturers and the allied industry will benefit from this policy.
- With the scrapping of old vehicles, raw materials such as plastic, copper, aluminium, steel and rubber will be recycled. This will bring down the cost component and help the industry become more cost competitive.

### **Steel plants as heroes tackling India’s oxygen scarcity**

- Steel plants across the country ramped up supply of essential liquid medical oxygen from 538 metric tonnes per day in April 2021, to >4,000 metric tonnes, with supplies touching 4,435 metric tonnes, as of May 17, 2021.
- In April 2021, India faced a severe shortage of oxygen cylinders for COVID patients.
- It was only a year ago that the central government, for the first time ever, permitted manufacturers of industrial oxygen to produce and sell gas for medical use. The decision proved to be a life saver during the pandemic.
- Currently, 28 oxygen units located in major public and private sector steel plants are supplying ~1,500 metric tonnes of medical oxygen per day (MTPD) across the country, as per data by the Ministry of Steel.
- Some steel plants are also filling oxygen cylinders and supplying to the states and hospitals.

### **Strategies adopted**

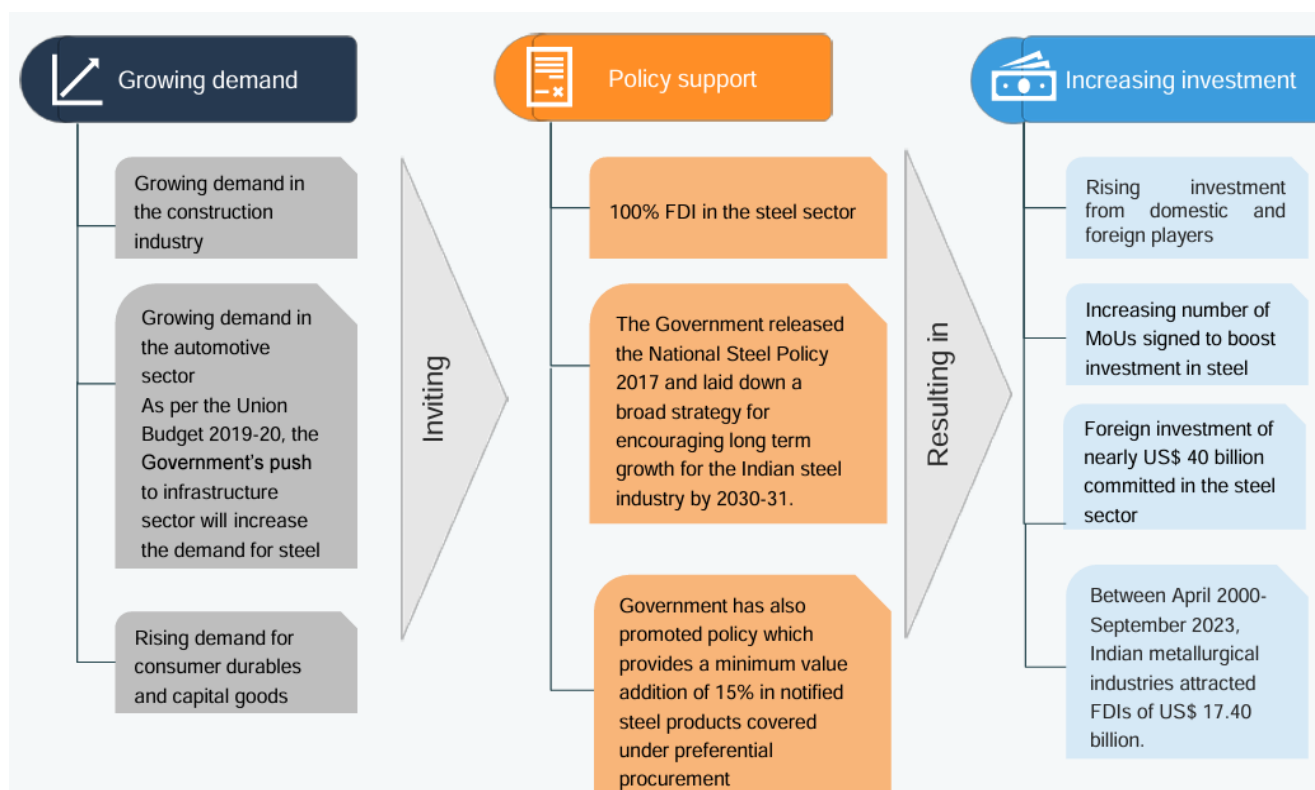
#### **CAPACITY EXPANSION**

- In November 2023, Steel Secretary Mr. Nagendra Nath Sinha said that India’s steel capacity has crossed 161 million tonnes (MT) and the industry is poised for continuous growth.
- India will commission new steel making facilities with a capacity of about 40 MT per year by FY25-FY26.
- Tata Steel is planning to double its steel production capacity in India to 40 million tonnes per year by 2030.
- Steel Authority of India Ltd. to nearly double its capacity to 34-35 MT by 2030-31. At present, its operating crude steel capacity is around 19.5 MT.
- Tata Steel is planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- Tata Steel is planning to expand its annual capacity in India from 34 MTPA to 55 MTPA by 2030.
- In September 2021, ArcelorMittal Nippon Steel India commissioned its second 6-million-tonne pellet plant, which took the total capacity at Paradeep pelletisation complex in Odisha to 12 million tonnes, making it India’s largest single-location pelletisation complex.
- A long-term perspective is to achieve capacity of 300 MTPA by 2030 as per National Steel Policy 2017.
- Tata Steel is expanding the capacity of its Kalinganagar plant from 3 MTPA to 8 MTPA with an estimated investment of Rs. 23,500 crore (US\$ 36.46 billion). The expansion is likely to be completed by 2021 or early 2022. It is expected to improve margins and lead to cost effectiveness. The company is planning to increase its overall installed capacity to 30 MTPA by 2025 from the current 18.5 MTPA.
- In JSW Steel has undertaken capacity expansion at its Dolvi unit in Maharashtra. It is investing around Rs. 15,000 crore (US\$ 2.24 billion) to double the capacity of its plant to 10 MT. The plans have been delayed due to unavailability of labour due to COVID-19 lockdowns. The company now expects to finish the expansion by first half of 2022.

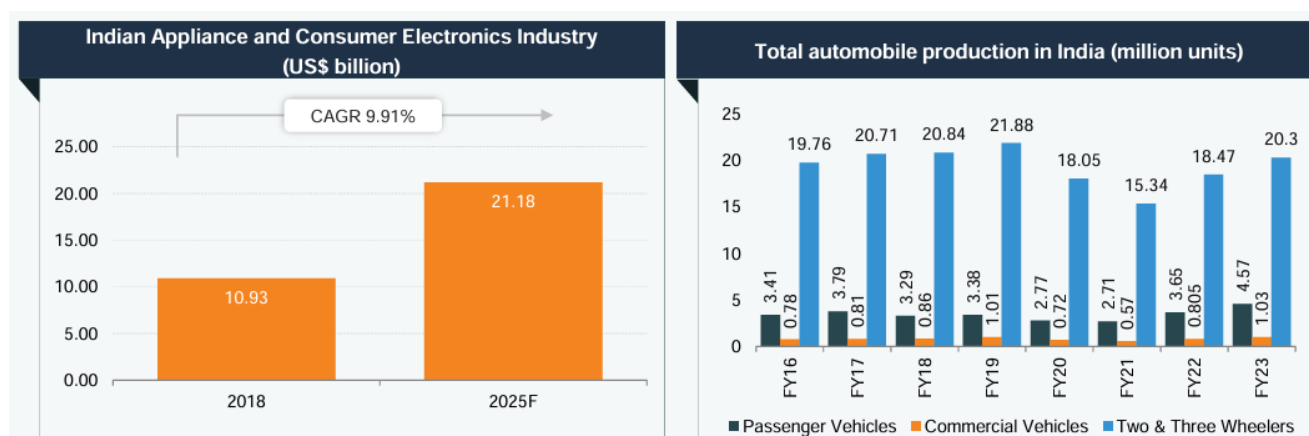
## EXPANSION THROUGH BROWNFIELD INVESTMENT

- The steel sector is going through a phase of consolidation and companies operating in the sector are expected to undertake brownfield investments for expansion.
- In August 2021, Shyam Steel Industries approved an investment worth US\$ 95 million for brownfield expansion.
- In June 2021, Shyam Metals and Energy Ltd. (SMEL) announced that the company is planning to double its production capacity at an estimated investment of ~Rs. 2,894 crore (US\$ 389.72 million) through brownfield expansion at two of its units in the next 3-4 years.

## Strong demand and policy support driving investments



## Capital goods, consumer durables, and automotive further driving steel growth



- Between 2018-25 F, the appliance and consumer electronics (ACE) sector will expand at a CAGR of 9.91%, contributing to the growth of the steel industry.
- Growth in automobile production is also expected to augment growth in steel production. Automobile production in India stood at 25.9 million units in FY23.
- In March 2021, India Ratings and Research (Ind-Ra) revised the outlook for the auto sector to 'improving for FY22' from negative, backed by likely revival across segments, positive consumer sentiments amid macro economic tailwinds after recovering from the COVID-19 pandemic. The rating agency expects auto volumes to increase by 16-20% YoY in FY22 after recording a decline of ~14% YoY in FY21.
- Gross Value Added (GVA) of the construction industry at current prices increased at a CAGR of 8.4% between FY16 and FY20. Since construction industry is a major consumer of steel, expansion across construction industry will translate into growth of steel sector.

### **Policy support aiding growth in the steel sector**

#### **Steel Clusters**

- In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the country.
- The draft framework policy is aimed at facilitating and establishing greenfield steel clusters, along with development and expansion of the existing steel clusters.

#### **National Steel Policy 2017**

- New National Steel Policy was formulated by the Ministry of Steel in 2016 to retain the objectives included in National Steel Policy (NSP) 2005. It aimed at covering broader aspects of steel sector across the country including environment and facilitation of new steel projects, growth of steel demand in India and raw materials
- Under the policy, the central Government stated that all the Government tenders will give preference to domestically manufactured steel and iron products. Moreover, Indian steel makers importing intermediate products or raw materials can claim benefits of domestic procurement provision by adding minimum of 15% value to the product.
- The National steel policy, 2017 aspired to achieve 300MT of steel making capacity by 2030-31. This would translate into additional investments of Rs. 10 lakh crore (US\$ 156.08 billion).
- Further, it aimed to increase per capita steel consumption to 160 kgs by 2030-31.

#### **R & D and Innovation**

- The scheme for the promotion of R&D in iron and steel sector has been continued under the 14th Finance Commission (FY20). Under the scheme, 26 projects have been approved with financial assistance of Rs. 161 crore (US\$ 24.98 million) from the Ministry of Steel.
- Ministry of Steel is setting up industry driven institutional mechanism- Steel Research & Technology Mission of India (SRTMI)- with an initial corpus of US\$ 30.89 million. The institute will facilitate joint collaborative research projects in the sector.
- In September 2022, JSW Steel signed an MoU with SMS group to explore multiple cutting-edge solutions and R&D projects to reduce carbon emissions in its iron and steel making operations in India.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).
- In September 2021, National Mineral Development Corporation Ltd. (NMDC) R&D Centre signed a MoU with CSIR-IMMT for joint research and development projects.

#### **FDI**

- 100% FDI through the automatic route is allowed in the Indian steel sector.

#### **Rise in Export Duty**

- The Government hiked the export duty on iron ore to 50% ad valorem on all varieties of iron ore (except pellets).



### **Duty Drawback benefits**

- In October 2020, Directorate General of Foreign Trade announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards

### **Push due to Make in India Initiative**

- Going forward, the Make in India initiative and policy decisions taken under it are expected to augment the country's steel production capacity and resolve issues related to the mining industry.

### **Reduction in custom duty on plants and equipment**

- The Government has reduced the basic custom duty on the plants and equipment required for initial set up or expansion of iron ore pellets plants and iron ore beneficiation plants from 7.5/5% to 2.5% .
- Customs duty on imported flat-rolled stainless-steel products has been increased to 15% from 7.5% .
- Basic customs duty on steel grade dolomite and steel grade limestone is being reduced from 5% to 2.5% . Basic customs duty is being reduced from 10% to 5% on forged steel rings used in the manufacture of bearings of wind-operated electricity generators.

### **Production-linked Incentive (PLI) Scheme**

- The Centre is looking to include refractories in the upcoming Production Linked Incentive Scheme 2.0 for steel as it aims at doubling the country's production capacity for the metal to 300 million tonnes by 2030.
- In November 2020, Union Cabinet approved the production-linked incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities and exports and promote the 'Atmanirbhar Bharat' initiative.
- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- India is a net exporter of finished steel and has the potential to become a frontrunner in certain grades of steel. PLI scheme has been approved for speciality steel with a financial outlay of Rs. 6,322 crore (US\$ 858.50 million) over a five-year period.
- July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21

### **Steel sector boosting in Eastern India**

- In June 2021, Minister of Steel & Petroleum and Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals.
- In 2020, 'Mission Purvodaya' was launched to accelerate development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. 31, >200 MT can come from this region alone, driven by Industry 4.0. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030
- The Ministry of Steel plans to invest US\$ 70 billion in the eastern region of the country.

## Opportunities

Automotive	Capital Goods	Infrastructure	Airport
<ul style="list-style-type: none"> <li>The automotive industry is forecast to reach US\$ 260300 billion by 2026.</li> <li>The industry accounts for around 10% of the demand for steel in India.</li> <li>With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.</li> </ul>	<ul style="list-style-type: none"> <li>The capital goods sector accounts for 11% of the total steel consumption and is expected to increase 14-15% by 2025-26. It has the potential to increase in tonnage and market share.</li> <li>Corporate India's capex is expected to grow and generate greater demand for steel.</li> </ul>	<ul style="list-style-type: none"> <li>The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26.</li> <li>Due to rising investment in infrastructure the demand for steel products would increase in the years ahead</li> <li>70% of the country's infrastructure, estimated at Rs. 6 lakh crore (US\$ 89.50 billion), is yet to come up. Thus, a significant growth potential for steel sector is present.*</li> <li>For various infrastructure sectors, including real estate and power, the Ministry of Finance planning to set up a stress fund.</li> </ul>	<ul style="list-style-type: none"> <li>More and more modern and private airports expected to be set up.</li> <li>In FY23, passenger traffic at Indian airports stood at 327.28 million.</li> <li>The number of operational airports stood at 148 in 2023.</li> <li>Development of tier II city airports will consumption growth.</li> <li>Estimated steel consumption in constructing airports is likely to grow more than 20% over the next few years.</li> </ul>

- The Government of India has allocated Rs. 111 lakh crore (US\$1.4 trillion) under the National Infrastructure Pipeline (NIP) for FY19-FY25. Sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) account for ~71% of the projected infrastructure investments in India.

Automotive	Capital Goods	Infrastructure	Airport
<ul style="list-style-type: none"> <li>The Dedicated Rail Freight Corridor (DRFC) network expansion would enhanced in the future.</li> <li>Introduction of high-speed bullet trains and metro trains will increase steel usage.</li> <li>Gauge conversion, setting up of new lines and electrification would drive demand for steel.</li> <li>The Indian Railways is planning to procure over 11 lakh tons of steel from the Steel Authority of India Limited (SAIL) for track renewal and laying new lines across the country.</li> </ul>	<ul style="list-style-type: none"> <li>India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcfd, respectively, by 2040.</li> <li>This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity for the steel industry.</li> </ul>	<ul style="list-style-type: none"> <li>The Government has envisaged capacity addition of 58,384 conventional MW from sources between 2017-22*. Also, the Government is targeting to achieve 175 GW of renewable power generation capacity by 2022.</li> <li>This will lead to enhancement transmission distribution thereby in both and capabilities, raising steel demand from the sector.</li> </ul>	<ul style="list-style-type: none"> <li>Rural India is expected to reach per capita consumption of 12-14 kgs of finished steel by 2020.</li> <li>Policies like Pradhan Mantri Awa Yojana and Pradhan Mantri Gram Sadak Yojana are driving growing demand for steel in rural India.</li> <li>In FY19, per capita consumption of steel in rural India was estimated to be between 10-15 kgs.</li> </ul>

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled “Risk Factors”, beginning on page 22 of this Draft Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title “Risk Factors” and the chapters titled “Restated Financial Statements” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 22, 176 and 212 respectively of this Draft Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Prospectus, all references to “we”, “us”, “our” and “our Company” are to “Shree Bala Ji Pigments Limited”. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.*

### OVERVIEW

Our Company was originally incorporated as Private Limited Company in the name of “Shree Bala Ji Pigments Private Limited” on January 25, 2007 under the provision of the Companies Act, 1956 bearing Corporate Identification Number U27109JK2007PTC002731 issued by Registrar of Companies, Jammu and Kashmir. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to “Shree Bala Ji Pigments Limited” vide a fresh Certificate of Incorporation dated January 04, 2024 bearing Corporate Identification Number U27109JK2007PLC002731 issued by Registrar of Companies – Jammu.

Shree Bala Ji Pigments Limited is primarily engaged in manufacturing of TMT Bars (Thermo Mechanically Treated Bars) which is used in Construction Purposes. Our TMT Bars are sold under the brand “SATYAM TMT”. We manufacture TMT Bars of different sizes of from 8mm to 25mm & Grades i.e. Fe 415, 415D, 500 & 500D. Our products have been used in buildings, homes, multi-storied high rise, industrial structure and other civil engineering structures etc.

We currently operate from our Manufacturing Plant situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir spreading over an area of approx. 27 kanals (1,46,415 sq. ft). As of March 31, 2024, the aggregate installed capacity of our manufacturing plant of TMT Bar was 75,000 tonnes per annum (TPA). The plant is fully geared with latest technologies to provide good quality steel products and the plant is operating smoothly since 2011. Over the period, after establishing ourselves as a TMT Bars manufacturer in Jammu and Kashmir, we have regularly optimized our machineries in our existing manufacturing facility.

Considering the growing demand of TMT Bars in the regional markets, the company is implementing a backward integration project i.e. Implementation of Steel Melting Shop (SMS) which includes installation of Induction Furnace to manufacture MS Billets and TMT Bars from Sponge Iron and MS Scraps. The proposed backward integration project will be set up with an installed capacity of 1,04,000 Tons per annum (TPA) of Sponge Iron/MS Scrap to manufacture MS Billets and TMT Bars at our existing facility. The expansion project will provide the Company better control over the quality of finished products to be manufactured and will positively impact the margins of the Company. The overall Project cost for the proposed expansion project has been estimated at ₹ 4,960.86 lakhs. The proposed expansion project is expected to become operational by September’ 2024.

We are led by our individual Promoters, Sunil Kumar Aggarwal and Lalit Agarwal, who have individually more than 20 years of experience in the steel industry and have been instrumental in the growth of our Company. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the metal industry. As of June 30, 2024, we had a workforce of 62 personnel comprised permanent employees and labours for our operations.

Our products comply with quality standards of Bureau of Indian Standards (BIS) i.e. IS 1786:2008 and have also been awarded ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) for manufacture of TMT Bars. Our Company has established independent Quality Control and Testing laboratories which is equipped with the latest equipment and technology for the purpose of quality control as well as for research. Different types of equipment are used to check the physical and chemical properties of the raw material as well as the finished product.

## FINANCIAL HIGHLIGHTS

(Rs. In Lakhs, except otherwise mentioned)

Particulars	31-03-2024	31-03-2023	31-03-2022
Total Income	13,809.35	13,590.15	15,531.95
Growth (%)	1.61%	-12.50%	97.17%
Revenue from Operation	13,596.42	13,302.63	15,382.76
EBITDA (Operating Profit)	1,039.37	509.98	511.07
EBITDA Margin (%)	7.64%	3.83%	3.32%
PAT	629.75	237.72	(127.35)
Growth (%)	164.92%	286.67%	-534.59%
PAT Margin (%)	4.56%	1.75%	-0.82%
EPS (Basic & Diluted)	6.22	2.48	(1.33)
Total Borrowings	5,230.18	2,409.67	2,724.85
Total Net Worth (TNW) - Excluding Revaluation Reserve	2,161.46	1,304.82	1,067.11
RONW (%)	29.14%	18.22%	-11.93%
Debt Equity Ratio (Total Borrowing/TNW)	2.42	1.85	2.55

As certified by M/s. S S R V and Associates, Independent Chartered Accountant, having peer review certificate vide their examination report dated July 18, 2024.

## OUR PRODUCT PORTFOLIO



**TMT Bar**

TMT bars or Thermo-Mechanically Treated bars are high-strength reinforcement bars having a tough outer core and a soft inner core. TMT bars are one of them most important construction materials that are widely used for building homes, multi-storied high rise, industrial structure and other civil engineering structures etc. This is because TMT bars ensures high strength to the structures and improve their longevity. The properties of TMT bars include super ductility, superior strength, and weld ability. Moreover, TMT bars are earthquake resistant. This makes them ideal for use in construction industry.

### Advantages of TMT Bars in Construction Industry:

**More strength and ductility** – the high strength of the bars make them an ideal material to be used with concrete for making structures more robust. The unique ribbed pattern on the TMT bars also provides extra strength by bonding them more tightly with concrete. The ductility of the TMT bars makes them easier to work with, and pre-welded meshes can be made off-site reducing the overall construction time.

**Corrosion-resistant** – The TMT manufacturing process imparts anti-rust properties to the bars. Coarse carbides, which are the main culprits for corrosion in steel, are stopped from building up during the water-cooling phase making the structures made from TMT steel more durable.

**Fire-resistant** – due to its high thermal stability, TMT bars can withstand temperatures ranging from 400 to 600 degree Celsius; this ensures the building's structural integrity even during a fire.

**Earthquake proof** – The soft core of the TMT bars imparts a high level of ductility – giving the structures made with TMT more leeway to manage dynamic and seismic loading.

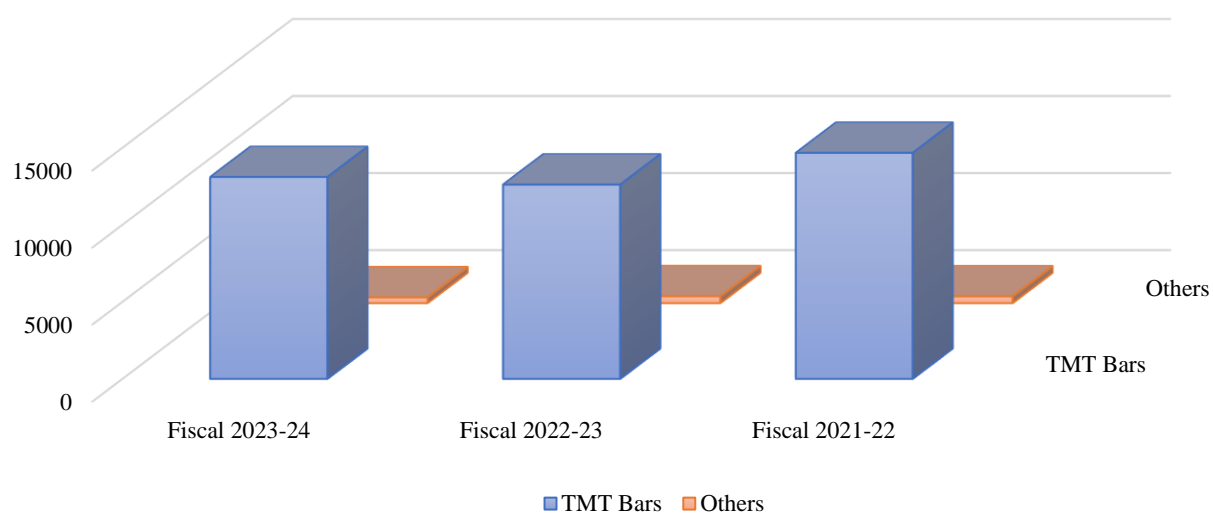
**Cost-effective** – TMT bars have higher tensile strength and better elongation value, which basically means less steel for the same amount of construction. Apart from reducing the cost of raw material, this also saves cost on transportation and storage. TMT steel bars are also easier to manage on-site, which leads to a further cost saving due to reduced construction and fabrication time.

Details of Product-wise Revenue is as follows:

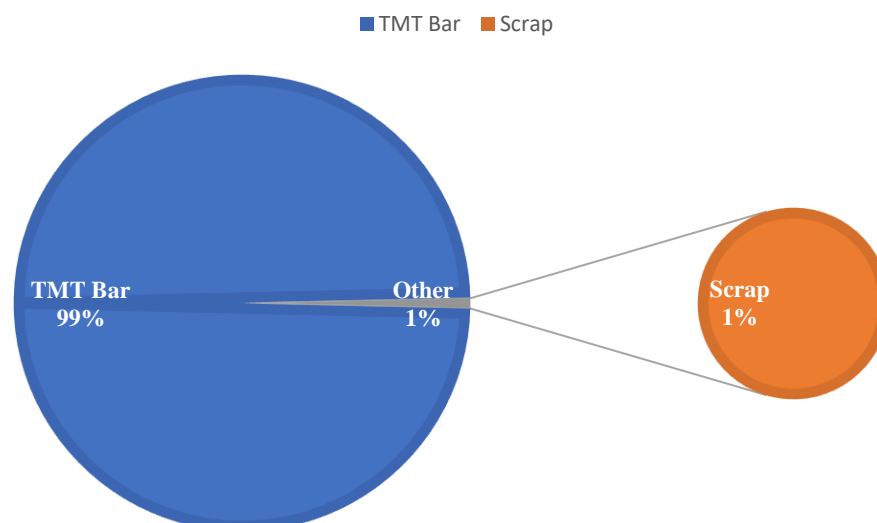
₹ in lakhs

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
<b>Manufacturing</b>			
TMT Bars	13,105.21	12,613.30	14,673.38
Scrap	379.73	449.64	442.53
<b>Total</b>	<b>13,484.94</b>	<b>13,062.94</b>	<b>15,115.91</b>

### Product-wise details of Revenue from Operations



### REVENUE FROM OPERATIONS





## MANUFACTURING PLANT (EXISTING UNIT)



Main Entrance



Raw Material Storage Area



Raw Material Feeding Zone



Reheating Furnace



Roughing Section



Edge Cutting



Intermediate



Repeater





Quenching Zone



Hot Sealing



Sizing Platform



Cold Shearing



Bundling



Finished Goods Storage



Dispatch to Customers



Dust Separator





Wet Scrubber



Stack Chimney



Water Recirculation



Store for Consumable Items



Laboratory for Physical Testing



Laboratory for Chemical Testing



Weigh Bridge



Administrative Block





Residential Accomodation for Workforce

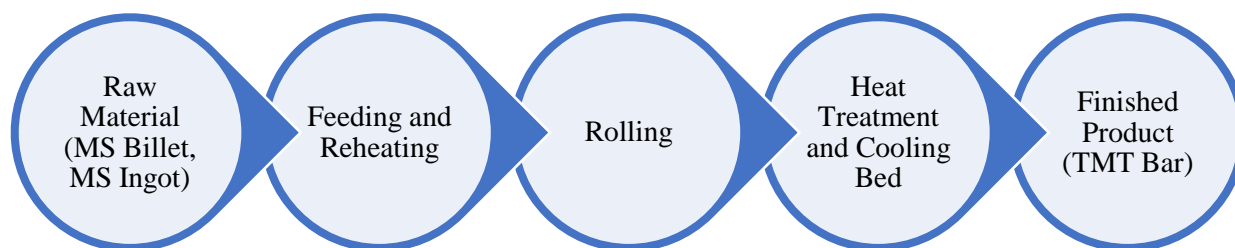


Wellness Centre

### BACKWARD INTEGRATION (PROPOSED UNIT)



## MANUFACTURING PROCESS FLOW (EXISTING UNIT)



### *Raw Material:*

The basic raw materials required for manufacturing TMT Bars are MS Billets, MS Ingots etc. If the raw materials meet the desired specifications, then they are safely stored in the Raw Material Yard.

### *Feeding and Reheating:*

MS Billets are fed into Reheating Furnaces. Furnaces are capable of heating sized Billets up to 1100 – 1150° C. The heated Billets from Reheating Furnaces are conveyed to Rolling Mill by mechanical conveyors.

### *Rolling:*

Rolling results in staged reduction of Billets into long products of desired dimensions. The reduction takes place in three stages in different Mills, which include –

- ☐ Roughing Mill
- ☐ Intermediate Mills
- ☐ Finishing Mills

In Roughing and Intermediate Mills, reduction in size is significant. Even within Roughing and Intermediate Mills, raw material goes through a number of passes and at the end of each pass there is a reduction in size. Further, when the material moves from Roughing to Intermediate Mill the ends are cut by Rotary Shears. In Roughing Mill and Intermediate Mills, Bars can be produced up to 16mm and 12mm diameter.

In Finishing Mill, the reduction in size is not very significant. Even in Finishing Mill, the material moves through several passes to attain the final size. In Finishing Mill, Bars can be produced up to 8mm diameter.

### *Heat Treatment and Cooling Bed:*

In the case of TMT bars, they are produced by a post rolling thermo mechanical treatment process. Two well-known technologies widely employed for TMT bars are:

- ☐ Tempcore process
- ☐ Thermax Process

Both these processes are similar in principle (i.e., Water Quenching Technologies). Thermo processing of steel bars result in higher strength with better ductility than that offered by the Cold Twisted Deformed (CTD) process. This process consists of subjecting the hot rolled steel to an in-line heat treatment in 3 successive stages:

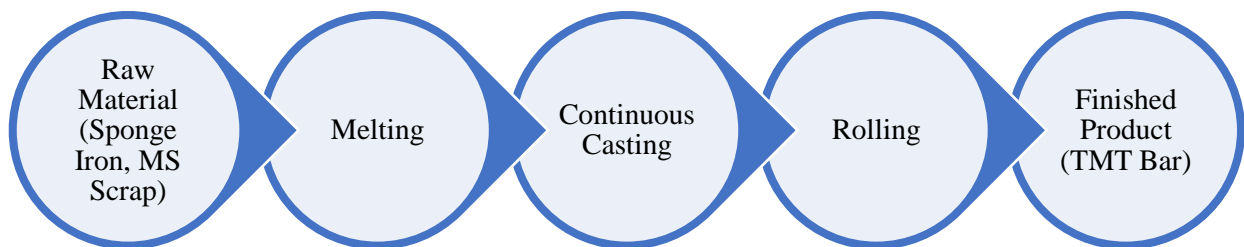
**Quenching stage:** The first Stage consists of a rapid water cooling applied to the bar as it leaves the last finishing stand. The efficiency of the water cooling equipment used at this stage has to be as high as to produce a very hard cooling, on the bar surface, faster than the critical rate to form martensite so as to obtain a surface layer of crude martensite.



**Tempering stage:** In the Second Stage, the bar leaves the water quenching line and is exposed to air. The heat flux from the still hot core reheats the quenched surface by conduction and the martensite formed in the first stage is thus subjected to self-tempering, which ensures adequate ductility while maintaining high Yield Strength levels.

**Final Cooling Stage:** The Third Stage occurs on the cooling bed and it consists of a semi-isothermal transformation of the still untransformed austenite in the core of the bar.

#### MANUFACTURING PROCESS FLOW OF BACKWARD INTEGRATION (PROPOSED UNIT)



##### *Raw Material:*

Our major raw material for this process will comprise of MS scrap, sponge iron and pig iron. All the required raw materials are locally available. After procurement of the required raw materials, it will be kept in the respective raw materials yard and unloaded with the help of magnet crane after quality and chemical composition checking.

##### *Melting in an induction furnace:*

These raw materials will be charged in the furnace through charging magnet cranes in the required ratio so that the composition is to be maintained. Time to time bath samples from each heat will be taken for confirming the composition. After achieving the required temperature of heat recorded through thermo couple temperature recorder by dipping the tips, furnace will be tilted at angle & the molten metal will be poured in to the Ladle.

##### *Continuous Casting:*

Ladle will go to Continuous Casting Machine (CCM) where temperature is confirmed and piercing with nitrogen will be carried to get the material homogeneous. Then nozzle of ladle will be opened through a remote control of hydraulic power pack and metal will go in tundish. Then nozzles of tundish will be opened so that metal will go in to the Mould Tube, metal will catch the dummy bar and DC oscillator will work to level the molten metal. After primary cooling, the Billet will go in to secondary cooling zone in apron and will reach to straighten and through roller table, it will reach to Cooling Bed to both strands. The required length Billet will be cut with the help of hot gas cutter on roller table while continuous casting. Billet will be shifted to the billet yard from cooling bed with the help of crane.

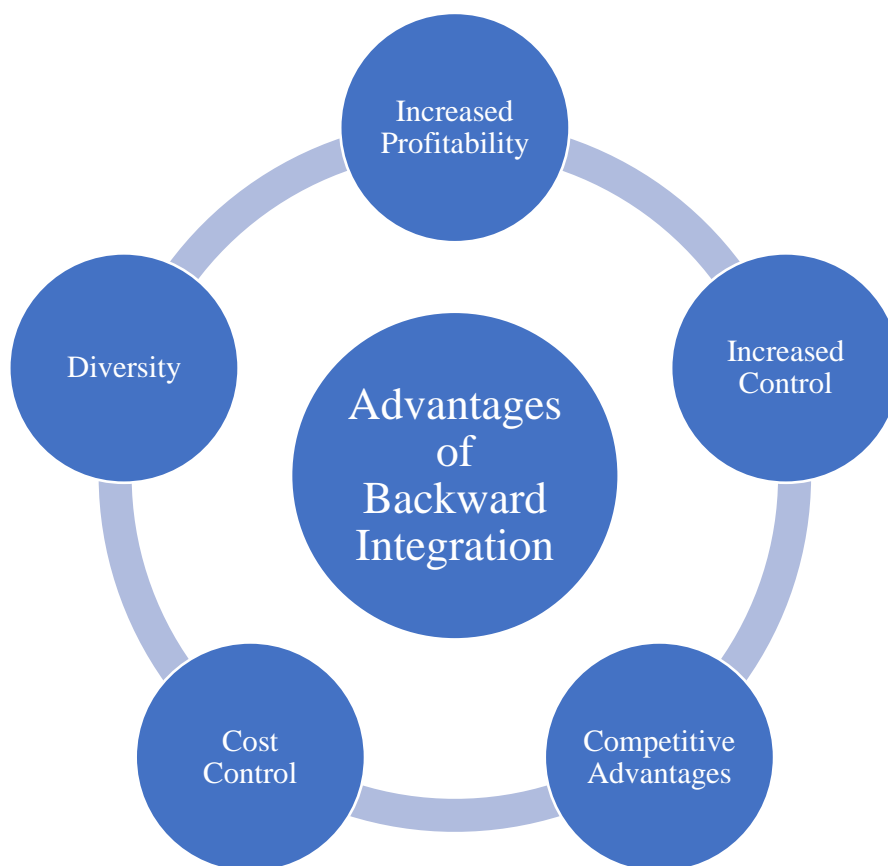
##### *Rolling Mill:*

Raw materials for rolling mill are billet and these will be produced in our Induction Furnace (SMS). Hot Billets will be transferred through transfer table and conveyor table to rolling mill. In addition to direct charging, we shall keep reheating furnace as backup plan where Cold billets can be transferred through transfer table and crane to reheating furnace. Cold billets can be fed inside reheating furnace to process TMT Bars through Feeding, Reheating, Rolling, Heat Treatment and Cooling Bed Process, as mentioned above in Manufacturing Process Flow of Existing Unit. We can also sell Cold billets directly to the customers.

There will be two systems through which we will feed billets to roughing mill such as (1) Hot billet directly from Continuous Casting Machine (CCM) and (2) Reheating furnace.

## ADVANTAGES OF BACKWARD INTEGRATION

This Backward integration will bring in the following benefits for the unit:



### Increased Profitability

By implementing the backward integration unit, our company will have better profit margins due to the reduction in the cost of the raw materials.

### Increased control

Through this process of integrating backward, the unit can control its value chain in a more efficient manner. The number of suppliers of MS Ingots, Billets, Blooms are far more than the suppliers of raw materials currently available. This reduces the dependence for raw material on these few suppliers and the chances of raw material procurement disruption.

### Cost Control

The supply chain process comprises many middlemen, which means that each phase in the supply chain includes a mark-up to allow the middleman to earn a profit. Thus, by the time the raw material gets to the unit's warehouse, the price increases. This will make the finished product more expensive for the consumer.

By backward integration, the company will do away with the middlemen involved in the process and reduce the cost of purchasing the raw materials. Controlling the entire supply chain will also reduce wastages, transport costs, and other costs incurred before the raw materials are delivered to the company's warehouse.

In other words, the unit controlling the entire distribution process brings in enhanced capability leading to optimization of resource utilization.

## Competitive Advantages

Backward integration will help the unit to block competitors from gaining cost advantages.

## Diversity

Backward integration will allow the unit to access an increasing number of production inputs and distribution resources. By effectively leveraging these opportunities, the company can stand out from the competition through efficient marketing. Hence the unit will be able to cater to the changing customer needs more rapidly.

## OUR COMPETITIVE STRENGTHS

- **Brand Recognition**

For success and growth in consumer facing industries, recognition of brand name in the mind of customers is vital. Accordingly, we have continuously focused on creating and improving on the brand image of “SATYAM TMT”. Our products are sold under the brand name of “SATYAM TMT”. To capitalise on the established brand name, we continue to expand our manufacturing capacity. Our industry experience and strong presence in the state of Jammu and Kashmir have positioned our brand with quality products.

- **Wide Customer network**

For deeper market penetration, establishment of strong customer network is an integral part of our business operations. We have been working effortlessly on expanding our customer network. As we continue to introduce newer product in our product range, we need to maintain strong customer network enabling us to achieve market penetration of those products in shorter turnaround time.

- **Large & Integrated manufacturing facility**

Our company has total land area of 29 kanals (1,57,295 sq.ft.) at SICOP Industrial Estate, Kathua, Jammu and Kashmir. Out of which 1,46,415 sq. ft is used for TMT Bar Manufacturing Facility and our Proposed Backward Integration Project and Residential Accommodation for Workers; and 10,880 sq. ft. is used for Workshop for Vehicles. Manufacturing unit is an integrated facility where each process in the manufacturing activity is carried out by the Company in-house without any outsourcing. Our facility has ample space for storage of Raw Material for our existing facility as well as for our proposed facility i.e. Sponge Iron, MS Scrap, MS Billets, Ingots etc. and finished products i.e. TMT Bars. Further, the scraps generated during the entire process of our existing manufacturing are sold outside and after implementation of proposed backward integration unit, the scraps will be used as Raw material in the Induction Furnace.

- **Locational Advantage**

Our manufacturing facility is located in a strategic location that provides easy access to raw materials and transportation. Also, as the factory is located at SICOP Industrial Estate, which is a well-developed area in terms of road, water, electric connectivity, internet connectivity, it will enjoy all the infrastructural facilities like electricity, water, communication, banking etc. very easily. There are many steel industries nearby from where raw materials are easily made available. The location of the project is surrounded by states like Himachal Pradesh and Punjab which are producing ample quantity of iron and steel raw material. So, the basic raw materials for our products are all indigenously available at short notice and in required quantity and quality.

- **Experienced management team**

Our promoters i.e. Sunil Kumar Aggarwal and Lalit Aggarwal are experienced professionals in the TMT Bar industry with prior experience of managing steel trading and other products. Leveraging the experience, they incorporated the Company for full-fledged manufacturing of TMT Bar. Further, we have appointed an experienced management team for each of its domain, where finance, secretarial, sales and marketing team is headed by personnel with requisite technical knowledge and professional qualifications. Promoter demonstrates his experience in TMT Bar Industry along with his team which ultimately results in good quality products meeting the BIS standards.

- **Existing Relationship with our Customer and Supplier**

We have maintained good relationship with our customers. We are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

Also, our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. Our company enjoys excellent relationship with our suppliers.

- **Quality assurance and accreditations**

Quality plays one of the most vital role in the success of any organization. We are focused on providing high quality products. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat services orders from many of them.

Our products comply with quality standards of Bureau of Indian Standards (BIS) i.e. IS 1786:2008 and have also been awarded ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) for manufacture of TMT Bars. Our Company has established independent Quality Control and Testing laboratories which is equipped with the latest equipment and technology for the purpose of quality control as well as for research. Different types of equipment are used to check the physical and chemical properties of the raw material as well as the finished product.

## OUR BUSINESS STRATEGY

- **Increasing TMT Bar production**

We currently operate from our Manufacturing Plant situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir spreading over an area of approx. 27 kanals (1,46, 415 sq. ft). We currently operate at around 33% of our overall TMT Bar production capacity as on March 31, 2024. We have manufactured 24,433.64 tons of TMT Bar during the FY 2023-24. With increased production activity, we will be able to reduce our overhead costs and we will be in a position to meet the growing demand of our customers.

- **Implementation of Backward Integration Unit**

Considering the growing demand of TMT Bars in the regional markets, the company is implementing a backward integration project i.e. Implementation of Steel Melting Shop (SMS) which includes installation of Induction Furnace to manufacture MS Billets and TMT Bars from Sponge Iron and MS Scraps. The proposed backward integration project will be set up with an installed capacity of 1,04,000 Tons per annum (TPA) of Sponge Iron/MS Scrap to manufacture MS Billets and TMT Bars. The expansion project will provide the Company better control over the quality of finished products to be manufactured and will positively impact the margins of the Company. The overall Project cost for the proposed expansion project has been estimated at ₹ 4,960.86 lakhs.

- **Increasing dealership network**

As we plan to increase our production, we understand the need of dealer/distributor network in Jammu and Kashmir as well as to create dealer/distributor network in neighbouring states. We believe to penetrate into newer market, establishment of strong network of distributors, dealers and sub-dealers are vital in the industry. Such network will in turn help us to generate more sales with increased customer base and market reach.

- **Cost reduction initiative**

We have always strived to reduce our cost of operations and accordingly we are proposing to set up a backward integration facility adjacent to our existing facility situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir with project cost of ₹ 4,960.86 lakhs. This Backward integration will bring in the benefits for the unit i.e. increased profitability, increased control, cost control, competitive advantages, diversity etc.

- **Increasing marketing activity**

TMT Bar industry in general has to regularly expend on advertisement and marketing related activity in order to brand building exercise. With plans of launching newer products, increasing production in a steady manner and maintain the brand image we have created over the years, we need to aggressively put efforts on brand building through media, events, seminars, wall painting, hoarding and direct marketing. Further, we have always believed investing in our dealers are the most efficient way of brand building for our Company and as such we will continue to introduce attractive offers, plans and incentives to our dealers which will help in building brand at ground level in the mind of end customers.

- **Automation of manufacturing facility**

Our industry is largely labour intensive with lot of manual activity involved to smoothly operate the machineries. However, as we scale up our business operations, we acknowledge the fact, relying on labour will limit the production. Accordingly, we intend to automate our facility even more so as to minimise the labour involvement in the manufacturing process. Although we plan to automate the facility, we plan to do it in a phase manner and go slow and steady for the same, as has been our formula for growth. We plan to keep replacing older machineries with newer ones having more capacity and advanced features in intervals leading to optimization in manufacturing process and minimization of costs. This will avoid us to incur huge capital investment in any particular year which may lead to financial crunch in future.

## SWOT ANALYSIS

Strengths	Weakness
<ul style="list-style-type: none"> <li>• Quality Products, Quality assurance and Standard</li> <li>• Well Established Manufacturing facility</li> <li>• Huge Demand of Products in Indian Market</li> <li>• Experienced Management Team</li> <li>• Own Transportation Fleet</li> <li>• Existing Clientele Base</li> </ul>	<ul style="list-style-type: none"> <li>• Working Capital Intensive Business</li> <li>• Insufficient market reach</li> <li>• TMT Bars are downstream of Steel Products and demand is cyclical in nature</li> <li>• Heavy dependence on suppliers for right quality of raw materials.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Establishment of market in neighbouring states</li> <li>• Growing acceptance by consumers</li> <li>• Significant demand of finished products proposed to be manufactured</li> <li>• Lucrative investment and initiative taken by Government</li> </ul>	<ul style="list-style-type: none"> <li>• Fluctuations in raw material prices</li> <li>• Intense competitive pressure</li> <li>• Rising labour wages</li> <li>• Generic threat of Slowdown/recessionary trend in global and domestic markets</li> <li>• Entry of new players into the market</li> </ul>

## OUR CUSTOMERS

The company sell its products majorly in Jammu and Kashmir. The following is the breakup of the top five and top ten customers/suppliers of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022:

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	In %	Amount	In %	Amount	In %
Top 5 Customers	6,849.75	50.80%	4,984.92	38.16%	5,616.51	37.16%
Top 10 Customers	8,433.24	62.54%	6,247.89	47.82%	7,477.22	49.47%
Top 5 Suppliers	11,088.12	92.02%	10,410.70	91.11%	12,925.66	96.99%
Top 10 Suppliers	11,878.02	98.57%	11,362.46	99.44%	13,308.24	99.86%

\* Certified by M/s. A. Gupta and Associates, Statutory Auditor vide Certificate dated July 18, 2024



## RAW MATERIAL AND SUPPLIERS

We are manufacturing Thermo Mechanically Treated (TMT) Bars. The principal raw material used in the manufacture of TMT Bar comprises mainly MS Billets/Ingots for our existing manufacturing facility. After implementation of Backward Integration Unit, the raw material for our manufacturing facility will be Sponge Iron, MS Scrap etc. We procure all of our raw materials majorly from the states i.e. Himachal Pradesh, Jammu & Kashmir, Punjab, Haryana, Jharkhand, Uttar Pradesh and Odisha. The raw materials required for manufacturing process are stored in the storage yard.

Details of state-wise purchases are as follows:

₹ in lakhs

State	March 31, 2024	March 31, 2023	March 31, 2022
Jammu and Kashmir	2,560.94	2,464.64	1,182.88
Punjab	94.83	1,439.89	5,342.29
Himachal Pradesh	5,811.21	5,561.60	6,675.05
Haryana	1,814.16	1,034.53	-
Jharkhand	1,084.19	899.65	126.34
Uttar Pradesh	556.37	26.07	-
Odisha	128.63	-	-
Uttarakhand	-	-	-
<b>Total</b>	<b>12,050.33</b>	<b>11,426.38</b>	<b>13,326.57</b>

We enjoy a very good relationship with many of our raw material suppliers, which enables a timely manufacturing and delivery of components. We keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Presently, we have not entered into any long-term supply agreements for sourcing any of our raw materials, and we source our raw materials by entering into short-term supply agreements / purchase orders with our suppliers.

## COMPETITION:

We operate and sell our products in highly competitive markets. Steel being a vast and global industry, we face competition from various domestic and international players. Though being dominated by the large conglomerates, the industry is also unorganized and fragmented with many small and medium sized companies and entities. Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We face pricing pressures from companies that are able to produce the products at competitive costs and consequently, supply their products at cheaper prices. Certain of our competitors may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors across our product portfolio, which may have an adverse impact on our business, financial condition, results of operations and future prospects. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way.

## QUALITY ASSURANCE

We place emphasis on quality control. We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, technical parameters of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

## PRICING

We set the prices for our products based on market demand, our production capacity, transportation costs, inventory levels, competitors' prices and credit terms. A minimum price level is set for each type of products. Our management evaluates the factors affecting our selling price on a regular basis and adjusts our minimum prices when appropriate and also determines the various schemes, offers and discounts applicable on our products. We are generally responsible for transportation costs and include such costs in the sales price. We usually sell our products by prepayment, credit sales etc.

## PRODUCTION MANAGEMENT AND INVENTORY CONTROL

We plan our production and manage the inventory level of our finished products on a monthly basis based on projected sales volumes and make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at our manufacturing facility. We maintain different inventory levels for raw materials depending on lead time required to obtain additional supplies.

## LOGISTICS

Our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers, depending on the order terms, at our own costs. We have own fleet of 27 (twenty-seven) vehicles. We also hire third party logistics companies to transport our raw materials and finished products from/ to our suppliers and customers, respectively. Some of our customers collect their purchases at their own costs at our manufacturing plants.

## INTERNAL CONTROLS

We have put in place a system of internal controls to help ensure that all assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. In addition, the internal financial control and reporting process ensures robust financial monitoring and ensures compliance. We deploy standard policies and procedures, covering relevant business aspects, which are designed to facilitate effective oversight on business operations. Our internal control system is periodically reviewed by the management, and supplemented by an extensive program of internal and external audits. Financial and other records are reliable for preparing financial information, maintaining accountability of assets and providing reliable management information.

## POWER AND FUEL

Coal, Coke and electricity are principal sources of energy for TMT Bar production. Power and fuel account for a certain amount of our total expenses. For the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, the power, fuel and electricity accounted for 3.86%, 2.68% and 2.70% respectively, of our total expenses. We primarily utilize coal as a fuel during the process of TMT production, while electricity is used across all processes.

## ENVIRONMENTAL MANAGEMENT

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the remediation of contaminated sites and natural resource damages. For information regarding applicable environmental laws and regulations, see *“Key Industry Regulations and Policies”* on page 142 of Draft Prospectus.

We have adopted various environmental management practices for operating our manufacturing plants. Conservation of natural resources and pollution control initiatives are integral components of our operational module. Integrated management systems are followed across all of our businesses.

## OCCUPATIONAL HEALTH AND SAFETY

Our activities are subject to the health and safety laws and regulations of India, which govern, among other things, the handling, storage and disposal of hazardous substances and wastes, and employee health and employee safety. For information regarding applicable health and safety laws and regulations, see *“Key Industry Regulations and Policies”* on page 142 of Draft Prospectus.

Our manufacturing plant has obtained quality certifications such as ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System). We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We aim to conduct our operations free from accidents and occupational hazards. We have implemented various practices at our operational units to ensure the safety of our people, including contractors and temporary labourers. Further, we strive to provide a safe working ecosystem for our people and accordingly, aim to follow all statutory requirements.

## REPAIR AND MAINTENANCE

We schedule regular repair and maintenance programs for our manufacturing plants to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the manufacturing plants and machinery on an as-needed basis.

## SALES & MARKETING

Our company is having an Experienced & Customer Centric Business Development Team right from the Top Management till the on-field executive, whose main aim is to bring the business for the organisation in a right full way. We are selling our product majorly within the Union Territory of Jammu and Kashmir as demand in the area for the product is manifold than the production capacity within the state. We sell our product to the private sector only.

Details of State-wise sales are as follows:

₹ in lakhs

State	March 31, 2024	March 31, 2023	March 31, 2022
Jammu & Kashmir	13,381.00	12,628.01	14,462.17
Himachal Pradesh	73.60	56.53	35.58
Punjab	30.35	370.68	595.49
Uttar Pradesh	-	7.73	22.68
<b>Total</b>	<b>13,484.95</b>	<b>13,062.94</b>	<b>15,115.91</b>

\* Certified by M/s. A. Gupta and Associates, Statutory Auditor vide Certificate dated July 18, 2024

The efficiency of the sales and marketing network is critical to success of our Company. Our success lies in the strength of our relationship with the clients who have been associated with our Company. Our team through their experience and good rapport with these clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To get repeat orders from our customers, our team having adequate experience and competence, regularly interact with them and focus on gaining an insight into the additional needs of customers.

## HUMAN RESOURCES

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business and hence we have a structured organization plan to take care of the growth and motivation aspects of our team. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

The total strength of manpower as on date of this prospectus is 62 employees including our Directors. Category wise details are as under:

Department	No of Employees
Whole time/Executive Directors	2
Chief Financial Officer	1
Company Secretary	1
Accountant	4
Human Resource	1
Office Assistant	4
Office Boy	2
Supervisor	7
Engineer	2
Driver	23
Workers	15
<b>Total</b>	<b>62</b>

**INSURANCE POLICIES**

Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured
1016/307950887/00/000	ICICI Bharat Sookshma Udyam Suraksha	27/09/2023 To 26/09/2024	Building (With Plinth and Foundation): ₹ 20.00 lakhs	ICICI Lombard General Insurance Company Limited	₹ 20.00 lakhs
1017/314879520/00/000	ICICI Bharat Laghu Udyam Suraksha	29/10/2023 to 28/10/2024	Building: ₹ 470.00 lakhs Finished Stocks: ₹ 1,545.00 lakhs Plant, Machinery & Accessories: ₹ 1,012.00 lakhs	ICICI Lombard General Insurance Company Limited	₹ 3,027.00 lakhs
2001/317290190/00/000	Marine Open Inland Declaration Policy	23/11/2023 to 22/11/2024	Plant, Machinery & Accessories	ICICI Lombard General Insurance Company Limited	₹ 2,000.00 lakhs
5003/313393061/00/000	Machinery Breakdown Insurance Policy	30/10/2023 To 29/10/2024	Various Machineries	ICICI Lombard General Insurance Company Limited	₹ 291.05 lakhs
1103013123P11756 5438	Miscellaneous and Special Type of Vehicles	30/03/2024 To 29/03/2025	Crane (Reg. No. JK-08-B-6446) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	United India Insurance Company Limited	₹ 3.82 lakhs
P032010231167160	Commercial Goods Carrying Vehicle	24/10/2023 To 23/10/2024	Truck (Reg. No. JK-08-C-2546) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 5.30 lakhs
P032010231167231	Commercial Goods Carrying Vehicle	24/10/2023 To 23/10/2024	Truck (Reg. No. JK-08-C-2548) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 5.30 lakhs
P032010231167294	Commercial Goods Carrying Vehicle	24/10/2023 To 23/10/2024	Truck (Reg. No. JK-08-C-2937) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 5.30 lakhs
P032010231167109	Commercial Goods Carrying Vehicle	24/10/2023 To 23/10/2024	Truck (Reg. No. JK-08-C-2938) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 5.30 lakhs
P030212231253585	Commercial Goods Carrying Vehicle	07/12/2023 To 06/12/2024	Truck (Reg. No. JK-08-C-3509) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.25 lakhs
P030212231253473	Commercial Goods Carrying Vehicle	08/12/2023 To 07/12/2024	Truck (Reg. No. JK-08-C-3624) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.25 lakhs
P030212231253464	Commercial Goods Carrying Vehicle	07/12/2023 To 06/12/2024	Truck (Reg. No. JK-08-C-3625) Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.25 lakhs

Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured
P030503241457853	Commercial Goods Carrying Vehicle	06/03/2024 To 05/03/2025	<u>Truck (Reg. No. JK-08-C-4306)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 5.02 lakhs
P031803241492824	Commercial Goods Carrying Vehicle	20/03/2024 To 19/03/2025	<u>Truck (Reg. No. JK-08-C-4307)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.95 lakhs
P031803241492812	Commercial Goods Carrying Vehicle	20/03/2024 To 19/03/2025	<u>Truck (Reg. No. JK-08-C-4308)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.95 lakhs
P032003241499925	Commercial Goods Carrying Vehicle	22/03/2024 To 21/03/2025	<u>Truck (Reg. No. JK-08-C-4608)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.86 lakhs
P031303241479425	Commercial Goods Carrying Vehicle	22/03/2024 To 21/03/2025	<u>Truck (Reg. No. JK-08-C-5205)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.86 lakhs
P031303241479479	Commercial Goods Carrying Vehicle	15/03/2024 To 14/03/2025	<u>Truck (Reg. No. JK-08-C-5206)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.95 lakhs
P031303241479780	Commercial Goods Carrying Vehicle	27/03/2024 To 26/03/2025	<u>Truck (Reg. No. JK-08-C-5360)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 4.86 lakhs
P032206241658087	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-2764)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658331	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-2765)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658342	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-3119)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658353	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-3120)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658321	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-3328)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658384	Auto Secure - Commercial Vehicle Package	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-4107)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing	TATA AIG General Insurance	₹ 6.03 lakhs



Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured
	Policy - Goods Carrying Vehicle		Disabled Vehicles and Personal Accident Cover (Owner-Driver).	Company Limited	
P032206241658053	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-4108)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658392	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-4507)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658360	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-4508)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.03 lakhs
P032206241658368	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-E-5794)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	TATA AIG General Insurance Company Limited	₹ 6.17 lakhs
P032206241658046	Commercial Goods Carrying Vehicle	23/06/2024 To 22/06/2025	<u>Truck (Reg. No. JK-08-F-8732)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 9.50 lakhs
P030910231143031	Commercial Goods Carrying Vehicle	10/10/2023 To 09/10/2024	<u>Truck (Reg. No. JK-08-F-8733)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 10.50 lakhs
P031707231040180	Commercial Goods Carrying Vehicle	18/07/2023 To 17/07/2024	<u>Truck (Reg. No. JK-08-F-9423)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, Towing Disabled Vehicles and Personal Accident Cover (Owner-Driver).	SBI General Insurance Company Limited	₹ 11.00 lakhs
2302 2057 5341 0400 000	Standalone Motor Own Damage Cover - Private Car	08/10/2023 To 07/10/2024	<u>Fortuner (Reg. No. JK-08-L-3600)</u> Loss or Damage to the Insured Vehicle, Liability to Third Parties, and Personal Accident Cover	HDFC ERGO General Insurance Company Limited	₹ 29.00 lakhs

## PLANT AND MACHINERY DETAILS

### Owned Plant & Machinery:

Name of Equipment	Quantity
Steel Heating Furnace 85 ft length X 12 ft wide, insulated Walls, refractory bricks lined, inspection doors, FO/ Coal fired, installed with Furnace Oil burners, complete with Oil feed pump, Blower, pipes, Nozzles and other accessories. Renovated with refractory bricks lining and insulated material.	01
Pusher unit, supporting structure, conveyors, in working gear box, pulleys, exit available order conveyor, pulleys and other accessories	01
Coal Pulveriser unit, coal blower; pipes, and other working accessories Electric Motors installed complete available order	01
First stage rolling (Rough rolling) with roller installed complete with Fly wheel, V Belts, available order Pulley, Counter Pulley, Reduction Gear Box, Box, Mill pinion Gear Stand, spindles, CI coupling, Chain Sprockets, chains, rolls, Slip ring Electric Motor starter rotary cutter, speed regulator and other accessories	03

Name of Equipment	Quantity
Intermediate stage rolling, Rolls, installed complete 80.00 with Fly Wheel, V Belts E-450, CI Mill stand available order six No. pinion gear, pinion stand, Cross couplings, AC Slip ring Electric motor, Reduction Gear Box, rotary shear and other accessories	06
Final stage rolling installed complete with CI Mill, stand rolls, guide boxes cross coupling, reduction gear box, gear pinion and other accessories. Fly wheel, pulleys, counter pulleys, gear pinion, speed regulator, AC electric slip ring motor	04
Quenching box with water circulation pumps cooling towers, storage tanks connected through bore well, pumps, pipes, fittings, valves and other accessories, cooling bed, civil works, recirculation pumps water softener plant, connecting, pipes, pumps Valve and others accessories	04
Flying sheer cutter auto operated, DC tail breaker pinch roll, gear couplings, pneumatic Air cylinder, air line, SS blade for flying sheer.	01
Transfer chain, gear box, chain sprockets, chain, gear couplings, bed for finished materials.	01
Air compressor with receiver tank, airlines, valve, gauges safety devices and other accessories	02
Electric overhead traveling crane (EOT) (2 number) capacity five ton installed supported on MS columns, girders and steel structure hydraulic crane on wheels	02
Weigh bridge digital reading to weigh 40 ton digital reading MS platform (2 no.)	02
TMT auto mission, PLC control for plant, DC motors, DC control panel, instrument panel, auto and manual control mechanism, computer hardware and advance software	01
Cooling cum sizing platform MS structure fabricated	01
Punch roll installed complete	01
Lubrication system, cylinder, pumps, piping valve etc	01
Cold sheer for cutting	01
Mobile crane hydra 3 set escort 8000	03
Pollution control devices, dust collector, smoke, settler, wet scrubber, suction blower, chimney on foundation, heavy duty ID fans	01
66/11 KV Electric power substation with power transfer of capacity 5.00 MVA, with online tap changing device, control panel, standard fittings, safety devices, capacitor Bank, CT /PT metering equipment and other accessories, earthing etc	01
11/0.415 KV distribution transformer with OLTC device, installed complete with standard fittings changing and accessories safety devices, of capacity for 5 MVA	01
LT electric control panels cubical type complete with copper bus bar, MCCBs, switch fuse, earth fault relay and other accessories including earthing. Main incoming panel, distribution panels for machine operation including safety devices and earthing etc. Main panel distribution panel, sub panel and control panel for control of individuals machine for electrical control of 4000 KVA	01
Cabling from transformer to main panel and from panel to sub panel and to motors starters motors. Three core / four core armoured, unarmoured	01
DC power system, batteries, bank, inverter, control panel relays, cabling, earthing, safety accessories, device and other installed complete	01
Bore well with submersible pumps coupled with motor, water storage tank, pipe valves boosting pumps and electrical connections etc	01
Diesel engine driven generating set, diesel engine coupled with alternator on the common Chases, With control panel and other safety devices with silencer canopy of capacity 250 KVA	01
CNC roll banding machine installed with dies, electric motor, cable and other accessories	01
CNC rib cutting machine installed with dies, electric motor, cable and other accessories	01
Working lathe machine 6 ft Bed installed with electric motor	01
Working lathe machine 10 ft Bed installed with electric motor	01
Working lathe machine 12 ft Bed installed with electric motor (2 number)	01
Working lathe machine 16ft Bed installed with electric motor	01
Power hacksaw 16" stroke installed with electric motor	01
Shaper machine 18" stroke installed with electric motor (2 number)	01
Pedestal drilling machine vertical operated installed with electric motor	01

Name of Equipment	Quantity
Small power tools as bench grinder, portable drills, grinder, buffers, blowers hand tools as spanners, wrenches, fixtures, gauges, calibres etc	01
Ultimate tensile testing machine (UTM) for tensile testing, yield point and elongation testing, and other sensing devices	01
Spectrometer amiteck max 05	01
Bomb calorimeter, muffle furnace, sensitive weighing scale, chemical testing, equipment, hot plate, water bath and other physical and chemical testing equipment, measuring, testing glass ware gauges.	01

\* Certified by S. C. Thukral & Associates, Independent Chartered Engineer vide Certificate dated July 04, 2024

**Leased/Rented Plant & Machinery: Nil**

## INFRASTRUCTURE FACILITIES AND UTILITIES

Our manufacturing facility is situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir spreading over an area of approx. 27 kanals (1,46,415 sq. ft). We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality products. Our manufacturing facility has various automated and semi-automated plant and machinery for the manufacturing process, other material preparation tools, handling equipment and quality control lab. Also, our manufacturing facility and registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Our manufacturing facility is also equipped with requisite utilities including the following:

**Power:** Our manufacturing unit has adequate supply of power from the Jammu Power Distribution Corporation Limited with a sanctioned load of 15,515 KVA. The same is adequate for our current and proposed capacities.

**Water:** For manufacturing of TMT Bars, water quenching is required. The company has its own borewell for all of its water requirements.

## PRODUCTION CAPACITY AND CAPACITY UTILIZATION

**TMT Bar:**

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Installed Capacity (MTPA)	75,000.00	75,000.00	75,000.00
Actual Production (MTPA)	24,433.64	22,092.46	28,093.42
Utilization (%)	32.58%	29.46%	37.46%

\* The installed capacity as mentioned above, has been considered for 3 shifts (24 hours)

# The company operates its production facility generally in 1 shift (8 hours) and extends working hours as and when needed

\*\* Certified by S. C. Thukral & Associates, Independent Chartered Engineer vide Certificate dated July 04, 2024

## PROPERTY DETAILS

**Property Owned by our Company: Nil**

**Property taken on Rent/Lease by our Company**


Details of the Deed/ Agreement	Particulars of the property, description and area	Area	Tenure of Lease	Usage
Deed of Lease dated December 16, 2009 executed between M/s. J&K Small Scale Industries Development Corporation Limited (SICOP) ("Lessor") and M/s. Shree Balaji Pigments Private Limited ("Lessee")*	Land admeasuring about 24 Kanal (1,30,080 sq. ft.) comprising in Khasra No. 21 min, 101/33 & 104/37 situated at Village Chak Khooni, Teh. & Dist Kathua, J&K State	1,30,080 sq.ft.	25 years commencing from December 16, 2009	Factory
Deed of Lease dated May 18, 2023 executed between M/s. J&K Small Scale Industries Development Corporation Limited (SICOP)	Land admeasuring about 3 Kanal situated at Plot No. 201-B, 205 & 206, SICOP Industrial Complex, Kathua, J&K State	16,335 sq.ft.	40 years commencing from May 18, 2023	Factory and Residential Accommodation for Workers

Details of the Deed/ Agreement	Particulars of the property, description and area	Area	Tenure of Lease	Usage
("Lessor") and M/s. Shree Balaji Pigments Private Limited ("Lessee")*				
Supplementary Lease Deed dated February 05, 2021 executed between M/s. J&K Small Scale Industries Development Corporation Limited (SICOP) ("Lessor") and M/s. Shree Balaji Pigments Private Limited ("Lessee")*	Land admeasuring about 2 Kanal (10,880 sq.ft.) situated at Plot No. 36, SICOP Industrial Complex, Kathua, J&K State	10,880 sq.ft.	20 years commencing from December 08, 2007	Workshop for Vehicles
Membership Agreement dated March 20, 2024 executed between M/s. WeWork India Management Private Limited and M/s. Shree Bala Ji Pigments Limited	Office space consisting of hot desking space, common area amenities and conference room usage situated at WeWork DLF Two Horizon Centre, DLF Phase 5, Sector 43, Golf Course Road, Gurugram, Haryana 122002	Virtual Office	12 months commencing from March 21, 2024	Branch Office
Supplementary lease deed dated November 08, 2006 executed between Governor of Jammu & Kashmir acting through General Manager, District Industries Centre Kathua of Jammu & Kashmir ("Lessor") and M/s. Shree Balaji Alloys ("Lessee")**	36-B, Industrial Ext. Area, Near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102	11 Kanal	20 Years	Registered Office

\* The name of our company from "Shree Bala Ji Pigments Private Limited" to "Shree Bala Ji Pigments Limited" has been changed vide Supplementary Lease Deed dated March 20, 2024

\*\* The company is having its registered office in the above land since incorporation of the company in the year 2007 based on NOC taken from the partnership firm M/s. Shree Balaji Alloys wherein one of the promoter of issuer company is partner, for using the said office as registered office purpose only.

#### INTELLECTUAL PROPERTIES

Trademark	Registration No/ Application No	Class of Registration	Trademark Type	Date of Issue/ Application	Status/ Validity till
	3579142*	19	Device	June 27, 2017	Registered June 27, 2027
SATYAM TMT	5742040**	6	Word	December 28, 2022	Accepted & Advertised
SATYAM	5742042**	6	Word	December 28, 2022	Objected
KHYBER	6265070	6	Word	January 19, 2024	Objected

\* Registered in the name of Sunil Kumar Aggarwal and NOC for usage right has been obtained on February 03, 2024 and also our company has applied for transfer of trademark in the name of "Shree Bala Ji Pigments Limited" on April 03, 2024

\*\*Applied in the name of Shree Bala Ji Pigments Private Limited

#### COLLABORATION/TIE-UPS/JOINT VENTURE DETAILS

As on date of this Prospectus, our Company has not entered into any technical or other Collaboration / Tie Ups / Joint Ventures.

#### EXPORT AND EXPORT OBLIGATIONS:

As on date of this Prospectus, our Company does not have any export obligations.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies 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 be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.*

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this draft prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled **“Government and Other Approvals”** beginning on page no 225 of this draft prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company.

### APPROVALS

*For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled **“Government and Other Approvals”** beginning on page number 225 of this draft prospectus.*

#### ***The Factories Act, 1948 (“Factories Act”)***

The Factories Act defines a “factory” to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offer protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the ‘occupier’ or ‘manager’ as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

#### ***The Micro, Small & Medium Enterprises Development Act, 2006 (“MSME Act”)***

The MSME Act aims at facilitating the promotion, development and enhancing the competitiveness of micro, small and medium enterprises and for matters connects therewith or incidental thereto. The MSME Act imposes obligation on those who purchase goods and services from micro, small, and medium sized businesses in addition to providing specific benefits for these businesses. The MSME Act is classified in two categories i.e., manufacturing enterprises and service enterprises. MSME Act defines micro enterprises as those enterprises whose investment in plant and machinery or Equipment is not more than Rs. 1 crore and annual turnover not more than Rs. 5 crores. It defines small enterprises as whose investment in plant and machinery or equipment is not more than Rs. 10 crore and annual turnover is not more than Rs. 50 crore and medium enterprises as whose investment in machinery or equipment is not more than Rs. 50 crore and annual turnover is not more than Rs. 250 crores.



### ***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, water, power, infrastructure and logistics, and environmental management.

### ***The Bureau of Indian Standards Act, 2016 and the applicable quality control orders (“BIS Act”) and the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018 and amendments thereto (“Conformity Regulations”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) as a national standards body of India for the development of activities of standardization, conformity assessment and quality certification of goods, articles, processes, systems, services and matters connected thereto. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. A person may apply for grant of license or certificate of conformity if the goods, article, process, system or service conforms to an Indian Standard. The license holders shall, at all times, remain responsible for conformance of goods, articles, processes, systems or services carrying the standard mark. The Central Government in consultation with BIS has notified various quality control orders which specify the corresponding Indian Standard. The Conformity Regulations deal with inter alia conditions and granting of license to use or apply a standard mark, conditions and granting of certificate of conformity, validity, renewal, suspension and cancellation of licence and conformity certificate.

### ***Steel and Steel Products (Quality Control) Order, 2024***

Steel and Steel Products (Quality Control) Order, 2024 (“QC Order”) was notified by the Ministry of Steel, Government of India, vide Gazette Notification No. S.O. 574(E) dated February 05, 2024 to bring certain steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply for certification and ensure compliance with the QC Order. The QC Order further provides that every steel and steel products stated therein shall bear the standard mark under a license from BIS, as provided in Bureau of Indian Standards (Conformity Assessment) Regulations, 2018.

### ***Jammu and Kashmir Fire Force Act, 1967***

The Jammu and Kashmir Fire Force Act, 1967 provides the legal framework for establishment, organisation, and functioning of the fire department in Jammu and Kashmir. It outlines the powers, duties, and responsibilities of the fire service personnel, including their authority to respond to fires, accidents, and other emergencies. The act also covers aspects such as equipment, training, and coordination with other agencies to ensure effective fire prevention and response measures in Jammu and Kashmir.

### ***Electricity Act, 2003 (“Electricity Act”)***

The Electricity Act, 2003 was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days’ notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid.

### ***Jammu and Kashmir Electricity Act, 2010 (“the Act”) and Jammu and Kashmir Electricity Rules, 1978***

The Act serves as the legal framework governing the generation, transmission, distribution, and use of electricity within the region. It outlines the roles and responsibilities of various entities involved in the electricity sector, including regulatory authorities, utilities, and consumers. The Act establishes provisions for licensing, tariffs, safety standards, and dispute resolution mechanisms.

The Jammu and Kashmir Electricity Rules, 1978 provides detailed regulations and procedures for the implementation of the Act. These rules cover various aspects of electricity generation, transmission, distribution, and consumption in the region. They specify standards for equipment, installations, and safeguard measures to be followed by electricity suppliers and consumers. Additionally, the rules outline procedures for obtaining licenses, connection approvals, tariff determination, metering, billing, and dispute resolution.

### ***Legal Metrology Act, 2009 (“LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”)***

The LM Act 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 in 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.

The Packaged Commodity Rules regulate the pre-packing and the sale of commodities in a packaged form, and provide certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual maximum retail price and bringing e-commerce within the ambit of these rules.

### ***The Sale of Goods Act, 1930 (“Sale of Goods Act”)***

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

### ***Central and state shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable to the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments’ acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

### ***Industrial Disputes Act, 1947 (the “ID Act”) and Industrial Dispute (Central) Rules, 1957 (the “ID Rules”)***

The ID Act provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit and declare strikes and lock-outs as illegal and provisions relating to lay-off and retrenchment and closure. Conciliation and adjudication of industrial disputes by the conciliation officers, a board of conciliation, courts of inquiry, labour courts, industrial tribunals and a national industrial tribunal. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The ID Rules specify procedural guidelines for lock-outs, closures, lay- offs and retrenchment.

### ***The Consumer Protection Act, 2019 (“COPRA”) and the rules thereunder***

The COPRA was enacted to provide for protection of the interests of consumers and to provide for the establishment of the Central Consumer Protection Authority (the “CCPA”) to promote, protect and enforce the rights of consumers, make interventions when necessary to prevent consumer detriment arising from unfair trade practices and to initiate class action including enforcing recall, refund and return of products, etc. COPRA further provides for product liability action on account of harm caused to consumers due to a defective product or by deficiency in services and provision for mediation as an alternative dispute resolution mechanism. The act inter alia seeks to protect consumers from false or misleading advertisements, adulterated products, spurious goods, unfair trade practices in e-commerce, direct selling, etc. It also contains provisions for liability of product manufacturer, product service provider and product seller. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA Act has, inter alia, introduced a Central Consumer Protection Council to promote, protect and enforce the rights of consumers and to provide relief to a class of consumers.

The Consumer Protection (E-Commerce) Rules, 2020, issued under the COPRA apply to, among other things, goods and services bought or sold over digital or electronic networks, all models of e-commerce and all forms of unfair trade practice across e-commerce models. The Rules specify the duties of sellers, duties and liability of e-commerce entities and inventory ecommerce entities.

### **Intellectual property laws**

#### ***The Trademarks Act, 1999 (“Trademarks Act”)***

The Trademarks Act governs the registration, statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trademarks Act, an application for trademark registration may be made with the Trademarks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, after which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trademarks Act. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trademarks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

### **Foreign investment and trade laws**

#### ***Foreign investment regulations***

Foreign investment in India is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the RBI thereunder (“FEMA”), and the consolidated FDI policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the “FDI Policy”). Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Foreign investment in our Company is governed inter alia by the FEMA, as amended, Non-Debt Instrument Rules, as amended, the FDI Policy and the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

#### ***Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2023 (“Foreign Trade Policy”)***

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export without obtaining an importer exporter Code Number (“IEC”) granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange.

The FTDR also imposes penalties on any person for violation of its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDR empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The foreign trade policy, inter alia, governs the import and export of goods, sets out mandatory documentation required for the import and export of goods, principles of restriction and prohibitions of trade with certain identified jurisdictions and groups. The foreign trade policy also sets out a framework to promote cross border trade in the digital economy and a mechanism of settlement of complaints in connection with the quality of goods and other trade disputes.

### Labour law legislations

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:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- Code on Wages, 2019\*;
- Code on Social Security, 2020\*;
- The Employee's Compensation Act, 1923;
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948#;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Trade Unions Act, 1926;
- Employees Pension Scheme 1995;
- The Equal Remuneration Act, 1976\*\*;
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.

*\*Certain provisions of the Code on Wages, 2019 and the Code on Social Security, 2020 have been notified as on date.*

*\*\*The Code on Wages, 2019, once the relevant provisions are notified, will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936.*

*#The Code on Social Security, 2020, once notified will repeal, inter alia, the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972.*

### Environment protection laws

#### ***Environment Protection Act, 1986 ("EP Act") the Environment Protection Rules, 1986 ("EP Rules") and the Notification, 2006 ("EIA Notification")***

The EP Act is the umbrella legislation in respect of the various environmental protection laws in India. Under the EP Act, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the EP Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EP Act include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EP Act continues beyond a period of one year after the date of conviction. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of government analysts. The responsibility of primary environmental oversight authority is given to the Ministry of Environment and Forest ("MoEF"), the Central Pollution Control Board and the State Pollution Control Board ("SPCB"). Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources. In addition, the MoEF also looks into Environment Impact

Assessment (“EIA”), wherein it assesses the impact that proposals for expansion, modernization and setting up of projects would have on the environment before granting clearances.

***The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act mandates that previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or an extension or addition thereto, which is likely to discharge waste or trade effluents into a stream, well, sewer or onto land, bring into use any new or altered outlet for the discharge of sewage, or begin to make any new discharge of sewage.

***The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act was enacted for the prevention, control and abatement of air pollution. The relevant State Government may declare any area as an “air pollution control area” and the previous consent of the SPCB is required for establishing or operating any industrial plant in an area so declared. Further, no person operating any industrial plant in any such area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by the SPCB. The SPCB may also apply to the Court to restrain persons causing air pollution. Whoever contravenes any of the provisions of the Air Act or any order or direction issued is punishable with imprisonment for a term which may extend to 3 months or with a fine of ₹10,000 or with both, and in case of a continuing offence, with an additional fine which may extend to ₹5,000 for every day during which such contravention continues after initial conviction.

***Public Liability Insurance Act, 1991 (“Public Liability Act”)***

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification under the EPA. The owner or handler is also required to take out an insurance policy that insures against liability under the legislation. The rules notified under the Public Liability Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium payable to the insurer on the policies taken.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste”, inter alia, means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. 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 or third party resulting from the improper handling and management 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***

The Noise Pollution (Regulation and Control) Rules, 2000 aims to regulate and control noise producing and generating sources with the objective of maintaining ambient air quality standards with respect to noise. It provides for classification of different areas/zones into industrial, commercial, residential or silence zone by the state government. The ambient air quality standards depend on the area and time of the day. The Noise Pollution (Regulation and Control) Rules, 2000 put restrictions on the use of loud speaker, public address system, horns, sound emitting construction equipment and provides penalty for violation of rules in silence area/zones.

***Steel Scrap Recycling Policy, 2019***

The Steel Scrap Recycling Policy aims to promote circular economy in the steel sector by promoting formal and scientific collection, dismantling and processing activities for end of life products that are sources of recyclable scrap. It further aims to produce high quality ferrous scrap for quality steel production by processing and recycling products in an organized, safe and environment friendly manner, thus minimising the dependency on imports. The policy provides for a hub and the spoke model which includes a dismantling center which would handover dismantled end of life vehicles (ELV), white goods and scrap to authorised scrap processing centre without any legal liabilities or encumbrances. The Steel Scrap Recycling Policy also promotes aggregators to associate themselves with the dismantling and/or scrap processing center to assist in initial segregation and sorting of scraps and setup value yards.



## **Tax laws**

### ***Income-tax Act, 1961 (“Income Tax Act”)***

Income tax is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including, but not limited to, those relating to tax deduction at source, advance tax and minimum alternative tax. In 2019, the Government also passed an amendment to the Income Tax Act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

### ***Goods and Service Tax (“GST”)***

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by central and state governments. GST is levied as dual GST separately but concurrently by the Union (central tax –CGST) and the States (including Union Territories with legislatures) (State tax –SGST) or Union Territories without legislatures (Union territory tax-UTGST). The Parliament has exclusive power to levy GST (integrated tax IGST) on inter-State trade or commerce (including imports) in goods or services. GST was introduced by the enactment of the Constitution (One Hundred and First Amendment) Act, 2017, following the passage of the Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014 by the Parliament. The GST is governed by a GST council whose chairman is the Finance Minister of India.

### ***Central Goods and Services Tax Act, 2017 (“CGST Act”)***

The CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs.

### ***The Integrated Goods and Services Tax Act, 2017 (“IGST Act”)***

The IGST Act regulates the levy and collection of tax on the inter-State supply of goods and services by the Central Government or State Governments. It also includes the import and export of goods and services. The IGST Act mandates every supplier providing the goods or services to be registered within the State or the Union Territory it falls under, within 30 days from the day on which they become liable for such registration.

### ***The Customs Act, 1962 (“Customs Act”)***

The Customs Act regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any company requiring to import or export goods is first required to get registered under the Customs Act and obtain an ‘Importer-Exporter Code’ in accordance with the Foreign Trade Act. Customs duties are administered by the Central Board of Indirect Tax and Customs under the Ministry of Finance. The Customs Act also provides for the interest on levy of or exemption of customs duty. In accordance with the provisions of the Customs Act, the clearance of imported goods and export does not apply to baggage and goods imported or to be exported by post.

## **Other laws and legislations**

### ***Indian Contract Act, 1872 (“Indian Contract Act”)***

The Indian Contract Act governs the conditions for validity of contracts formed through electronic means, communication and acceptance of proposals, competency of people to contract, additionally, revocation and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the Indian Contract Act.

In addition to the above, we also comply with the provisions of the Companies Act and rules framed thereunder, the Competition Act, 2002; Negotiable Instruments Act, 1881; Registration Act, 1908; Indian Stamp Act, 1899 and other applicable and regulation imposed by the Central Government, State Governments and other authorities for our day-to-day business, operations, and administration.

## OUR HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our Company was originally incorporated as a Private Limited Company under the name '**Shree Bala Ji Pigments Private Limited**' on January 25, 2007 under the provision of the Companies Act, 1956 bearing Corporate Identification Number U27109JK2007PTC002731 issued by Registrar of Companies, Jammu and Kashmir. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to "**Shree Bala Ji Pigments Limited**" vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated January 04, 2024 bearing Corporate Identification Number U27109JK2007PLC002731 issued by Registrar of Companies – Jammu.

### REGISTERED OFFICE

36-B, Industrial Ext. Area, Near Halti Marg, Kathua – 184102, Jammu & Kashmir, India

### CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

There has not been any change in our Registered Office since inception of the Company till the date of the Draft Prospectus.

### MAIN OBJECTS OF OUR COMPANY:

The Main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. *To manufacture, buy, sell, import, export and deal in all types pigments, colours, paints, enamels, ferrous and non-ferrous metals.*
2. *To carry on the business of manufacturers of dealers in exporters, importers, agents, stockiest, broker and producers of all varieties of steel, special steel, carbon steel, alloy steel, mild steel ferro alloys and any other kind or grades of steel and to carry on and execute the work of steel engineers including manufacturing and dealing in steel billets, steel roads steel ingots, steel sheets, steel wires and in all kinds of steel products whether forged, rolled or drawn, and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products.*
3. *To manufacture, buy, sell, deal, import, export, pig iron, cast iron, sponge iron, ferro silicon, ferro chrome and other ferrous substance and metals of every description and grades and to manufacture, deal, import, export all kinds and varieties of non-ferrous raw metals such as brass, bronze, aluminium, copper, tin load etc. and by-products so obtained in processing and manufacturing these raw metals.*
4. *To carry on the business of manufacture buyer, sellers, founders, dealers, importers and exporters of high quality of casting of all materials.*

The main objects clause as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND ARTICLE OF ASSOCIATION OF OUR COMPANY

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association and Article of Association:

Date of Amendment / Shareholders' resolution	Nature of Amendment
June 08, 2010	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10/- each to ₹1,60,00,000 divided into 16,00,000 Equity Shares of ₹10/- each.</li> </ul>
November 10, 2011	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹1,60,00,000 divided into 16,00,000 Equity Shares of ₹10/- each to ₹3,70,00,000 divided into 37,00,000 Equity Shares of ₹10/- each.</li> </ul>

Date of Amendment / Shareholders' resolution	Nature of Amendment
November 12, 2011	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹3,70,00,000 divided into 37,00,000 Equity Shares of ₹10/- each to ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10/- each.</li> </ul>
November 30, 2012	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10/- each to ₹5,50,00,000 divided into 55,00,000 Equity Shares of ₹10/- each.</li> </ul>
June 25, 2015	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹5,50,00,000 divided into 55,00,000 Equity Shares of ₹10/- each to ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10/- each.</li> </ul>
July 05, 2023	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10/- each to ₹10,80,00,000 divided into 1,08,00,000 Equity Shares of ₹10/- each.</li> </ul>
December 04, 2023	<ul style="list-style-type: none"> <li>Clause I of Memorandum of Association and Articles of Association was amended to reflect change in name from "Shree Bala Ji Pigments Private Limited" to "Shree Bala Ji Pigments Limited" pursuant to conversion of our Company from Private Limited to Public Limited Company.</li> </ul>
January 17, 2024	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹10,80,00,000 divided into 1,08,00,000 Equity Shares of ₹10/- each to ₹15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹10/- each.</li> <li>Adoption of new set of Articles of Association</li> </ul>
February 05, 2024	<ul style="list-style-type: none"> <li>Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹10/- each to ₹15,50,00,000 divided into 1,55,00,000 Equity Shares of ₹10/- each.</li> </ul>

## CORPORATE PROFILE OF OUR COMPANY

Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, launch of key products, entry in new geographies, capacity built-up, location of manufacturing facilities, 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 120, 153 and 212 respectively, of this Draft Prospectus.

## MAJOR EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Key Events & Milestones
2007	<ul style="list-style-type: none"> <li>Company incorporated as "Shree Bala Ji Pigments Private Limited"</li> </ul>
2011	<ul style="list-style-type: none"> <li>Started Commercial Operation of TMT Bar Manufacturing Facility</li> </ul>
2024	<ul style="list-style-type: none"> <li>Company converted from Private Limited Company to Public Limited Company i.e. "Shree Bala Ji Pigments Limited"</li> </ul>

## SIGNIFICANT FINANCIAL AND STRATEGIC PARTNERSHIPS

As on the date of this Draft Prospectus, our Company does not have any significant strategic or financial partners.

## TIME/COST OVERRUN IN SETTING UP PROJECTS

As on the date of this Draft Prospectus, there has been no time and cost overruns in the Company.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/FACILITY CREATION OR LOCATION OF STORES**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation and location of stores, see *“Our Business”* and *“History and Certain Corporate Matters”* on pages 120 and 149 of this draft prospectus.

## **DEFAULTS, RESCHEDULING OR RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

As on the date of this Draft Prospectus, there has been no default, rescheduling or restructuring of borrowings with financial institutions or banks.

## **DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS, ETC. IN THE LAST 10 YEARS**

Except as mentioned in chapter *“History and Certain Corporate Matters”* beginning on page no. 149, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Draft Prospectus.

## **HOLDING COMPANY**

As on the date of this Draft Prospectus, our Company does not have a holding company.

## **JOINT VENTURES OF OUR COMPANY**

As on the date of this Draft Prospectus, our Company does not have any joint ventures.

## **SUBSIDIARIES OF OUR COMPANY**

As on the date of this Draft Prospectus, our Company does not have any subsidiaries.

## **ASSOCIATES OF OUR COMPANY**

As on the date of this Draft Prospectus, our Company does not have any associates.

## **DETAILS OF SHAREHOLDERS’ AGREEMENT**

As on date of this Draft Prospectus, there are no subsisting shareholders’ agreements among our shareholders vis-à-vis our Company.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT, DIRECTORS, PROMOTERS OR ANY OTHER EMPLOYEE**

Neither our Promoters, nor any of the Key Managerial Personnel or Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

## **MATERIAL AGREEMENTS**

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

For details on business agreements of our Company, see *“Our Business”* beginning on page 120 of this Draft Prospectus.

## **GUARANTEES GIVEN BY OUR PROMOTERS**

Our Promoters have not given any guarantee to any third parties as on the date of this Draft Prospectus except in favour of Lending Bank as collateral security for the Borrowings of the Company.

## **CAPITAL RAISING (DEBT / EQUITY)**

Except as set out in the Sections titled ***“Capital Structure”*** and ***“Financial Indebtedness”*** beginning on page no 60 and 210 respectively of this Draft prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

## **INJUNCTION OR RESTRAINING ORDER**

Our company is not operating under any injunction or restraining order.

## **DETAILS REGARDING PAST PERFORMANCE OF THE COMPANY.**

For details in relation to our past financial performance in the previous 3 (three) financial years, please refer to Section titled ***“Financial Statements as restated”*** beginning on page no. 176 of this Draft prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST TEN (10) YEARS**

Except as mentioned in chapter ***“Our History and Certain Corporate Matters”*** beginning on page no. 149, there have been no changes in the activity of our Company during the last ten (10) years preceding as on the date of this Draft prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

## **SHAREHOLDERS OF OUR COMPANY**

As on the date of this Draft Prospectus, our Company has 15 (Fifteen) shareholders. For further details in relation to the current shareholding pattern, please refer to Section titled ***“Capital Structure”*** beginning on page no. 60 of this Draft Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

As on the date of Draft Prospectus, our Company has 5 (Five) Directors on our Board consisting 1 (one) Managing Director, 1 (one) Executive Director, 1 (One) Non-Executive Non-Independent Director, and 2 (Two) Non-Executive Independent Directors. There is 1 (One) Women Director in our Board.

The details of the Directors are as follows:

Sl. No.	Name of the Director	DIN	Current Designation	Date of Joining#
1	Lalit Aggarwal	06732667	Managing Director	29/06/2021
2	Sunil Kumar Aggarwal	01013441	Executive Director	25/01/2007
3	Neeru Aggarwal	02645366	Non-Executive Director	25/11/2023
4	Dhruv Dwivedi	10541951	Independent Director	20/03/2024
5	Tarun Kumar Sharma	10542304	Independent Director	20/03/2024

# Original date of appointment as per MCA database.

The following table sets forth details regarding the Board of Directors as on the date of this draft prospectus:

Sl. No.	Particulars	Details
1	Name of the Director	<b>Lalit Aggarwal</b>
	Father's Name	Ram Kumar Lakhmi Chand Aggarwal
	Residential Address	36-B, Industrial Extension Area, Kathua, Jammu, India, 184102
	Date of Birth	19-08-1965
	Age	58 Years
	Designation	Managing Director
	DIN	06732667
	Occupation	Business
	Nationality	Indian
	Qualification	Intermediate
	No. of Years of Experience	35 years
	Date of Appointment	29-06-2021; Re-designated as Managing Director w.e.f. 11-01-2024
	Terms of Appointment	For the period of 3 years till 10-01-2027; Liable to retire by rotation
	Directorship in other companies	Amritanshu Infrastructure & Management Private Limited
	Other Ventures	Nil

Sl. No.	Particulars	Details
2	Name of the Director	<b>Sunil Kumar Aggarwal</b>
	Father's Name	Ram Kanwar Aggarwal
	Residential Address	House No-313-A, Beverly Park-1, Near Time Tower, M.G Road, DLF Phase-2, Gurgaon, Galleria, DLF-IV, Gurgaon, Haryana, India, 122009
	Date of Birth	22-10-1967
	Age	56 Years
	Designation	Executive Director
	DIN	01013441
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Commerce from Delhi University
	No. of Years of Experience	20 years
	Date of Appointment	25-01-2007
	Terms of Appointment	Liable to retire by rotation
	Directorship in other companies	1. SBA Greentech Private Limited 2. Shree Bala Ji Cables Private Limited 3. Kalinga Developers Private Limited 4. Shree Balaji Alumnicast Private Limited 5. Shree Bala Ji Manufacturing Private Limited 6. Balaji Auto Components Private Limited
	Other Ventures	Nil

Sl. No.	Particulars	Details
3	Name of the Director	<b>Neeru Aggarwal</b>
	Father's Name	Prem Rattan Gupta
	Residential Address	1205A, Beverly Park 2, DLF Phase 2, Gurgaon, Haryana, India, 122002
	Date of Birth	07-03-1968
	Age	56 Years
	Designation	Non-Executive Non-Independent Director
	DIN	02645366
	Occupation	Business
	Nationality	Indian
	Qualification	Intermediate
	No. of Years of Experience	16 years
	Date of Appointment	25-11-2023
	Terms of Appointment	Liable to retire by rotation
	Directorship in other companies	1. Fizzy Softwares Private Limited 2. Supp Nutrition Private Limited
	Other Ventures	Nil

Sl. No.	Particulars	Details
4	Name of the Director	<b>Tarun Kumar Sharma</b>
	Father's Name	Ajit Kumar
	Residential Address	Ward No. 2, Near Ramleela Ground, Kathua, Jammu & Kashmir, India, 184101
	Date of Birth	23-10-1979
	Age	44 Years
	Designation	Independent Director
	DIN	10542304
	Occupation	Advocate
	Nationality	Indian
	Qualification	Bachelor of Laws, Master of Commerce, Bachelor of Commerce, Diploma in International Trade Law including ADRs
	No. of Years of Experience	18 years
	Date of Appointment	20-03-2024
	Terms of Appointment	For 5 years till 19-03-2029; Not liable to retire by rotation
	Directorship in other companies	Nil
	Other Ventures	Nil

Sl. No.	Particulars	Details
5	Name of the Director	<b>Dhruv Dwivedi</b>
	Father's Name	Yagyesh Sundar Dwivedi
	Residential Address	B 4/150/3 Basement VTC Safdarjung, Enclave South West Delhi, New Delhi, Delhi, India, 110029
	Date of Birth	21-08-1991
	Age	32 Years
	Designation	Non-Executive Independent Director
	DIN	10541951
	Occupation	Advocate
	Nationality	Indian
	Qualification	Bachelor of Laws (Honours)
	No. of Years of Experience	10 years
	Date of Appointment	20-03-2024
	Terms of Appointment	For 5 years till 19-03-2029; Not liable to retire by rotation
	Directorship in other companies	Nil
	Other Ventures	Nil

## BRIEF BIOGRAPHIES OF THE DIRECTORS:

**Mr. Lalit Aggarwal**, aged about 58 years, is the Promoter and Managing Director of our Company. Mr. Aggarwal has vast experience of more than 35 years across various industries and geographies. He joined his family business of Metal scrap trading way back in the year 1984 in a very young age of 19 years old. Later on, he has been involved with many family business dealing in Metals, Computer hardware and accessories, Construction material trading, Machinery rental etc. He became a director in company in the year 2013 for the first time and become a director in this company in the year 2021. He has been involved in the metal sector since starting his career and has been instrumental in taking major policy decisions of the Company and been promoted as Managing Director in January 2024. He is playing a vital role in formulating business and sales strategies and effective implementation of the same. He has also formulated the sales and marketing strategies of the company. His leadership and past experiences of taking projects all the way from conceptualization to execution and scaling will be a key aspect in the future plans of the company.

**Mr. Sunil Kumar Aggarwal**, aged about 56 years, is the Promoter and Executive Director of our Company. He has been involved with our company since inception and in the metal industry throughout his professional career. He has vast experience of more than 35 years across various industries and geographies. He joined his family business of Metal scrap trading way back in the year 1987 in a very young age of 20 years old. He became a director in company in the year 2006 for the first time and since then managing many companies as a director. He is the Promoter Director of this company since inception and his wealth of knowledge and experience encompasses various aspects of organizational product sales. He possesses a deep understanding of procuring raw materials for the organization at competitive prices. He excels in bridging the gap between customers and the organization, ensuring the delivery of top-tier products and services.

**Mrs. Neeru Aggarwal**, aged about 56 years, is the Promoter and Non-Executive Director of our Company since November 25, 2023. She is having more than 16 years of experience in managing company overall operation and finance with their family members. She became a director in company in the year 2008 for the first time and since then she is in Board of Directors for three companies now. Being a non-executive director in this company, her overall experience and knowledge will help the company. Throughout her illustrious career, spanning both technology and health sectors, Mrs. Aggarwal has consistently demonstrated her exceptional leadership prowess. Within various organizations, she has expertly navigated financial landscapes, spearheaded dynamic business development initiatives, and crafted robust growth strategies. Moreover, her invaluable insights and adept guidance have not only shaped critical business decisions but have also been instrumental in driving overall organizational success.

**Mr. Tarun Kumar Sharma**, aged about 44 years, is the Non-Executive Independent Director of our Company since March 20, 2024. Currently he is enrolled with Bar Council of Jammu and Kashmir since May 23, 2011. He is enrolled with the Bar Council of Jammu and Kashmir since May 23, 2011. Mr. Sharma holds a Bachelor of Commerce from Guru Nanak Dev University (2001), a Master of Commerce from the same university (2003), a Diploma in International Trade Law including ADRs from The Indian Law Institute (2004), and a Bachelor of Laws from the University of Delhi (2006). His extensive educational background and legal expertise contribute to informed discussions on legal compliance and trade practices, ensuring robust governance. As an independent director, Mr. Sharma brings a valuable perspective to the board, offering impartial advice and oversight without being involved in the day-to-day decision-making processes. His role is pivotal in ensuring transparency, accountability, and adherence to regulatory standards, thereby safeguarding the interests of stakeholders and promoting the long-term sustainability of our company.

**Mr. Dhruv Dwivedi**, aged about 32 years, is the Non-Executive Independent Director of our Company since March 20, 2024. He holds a Bachelor of Arts Bachelor of Laws (Honours) degree from Kurukshetra University in 2014 and is registered with the Bar Council of Delhi as an Advocate. Mr. Dwivedi's extensive education, combined with over a decade of litigation and arbitration experience, enriches our strategic decision-making processes. He brings a formidable legal background to the board, adept in regulatory compliance, risk management, and dispute resolution. Furthermore, Mr. Dwivedi's successful handling of diverse legal matters, including cases challenging governmental policies and representation in various tribunals and courts across India, underscores his adept navigation of complex legal landscapes. His appointment reinforces our commitment to sound governance and legal adherence, instilling confidence in prospective investors regarding our management's capability to protect shareholder interests and mitigate legal risks.

## FAMILY RELATIONSHIPS BETWEEN THE DIRECTORS

Director	Other Director	Relation
Lalit Aggarwal	Sunil Kumar Aggarwal	Brother
Neeru Aggarwal	Lalit Aggarwal	Spouse

## **ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a Senior Management as on the date of this draft prospectus.

## **SERVICE CONTRACTS**

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

## **COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN/WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGE DURING HIS/HER TENORS FOR A PERIOD BEGINNING FROM FIVE (5) YEARS PRIOR TO THE DATE OF THIS DRAFT PROSPECTUS**

None of the Directors are/were directors of any company whose shares were suspended from being 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 (5) years or to the extent applicable.

## **DIRECTOR'S ASSOCIATION WITH THE SECURITIES MARKET**

None of the Directors of our Company are associated with securities market.

## **COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES THAT HAVE BEEN/WERE DELISTED FROM STOCK EXCHANGES IN INDIA DURING THEIR TENURE**

None of the Directors are/were directors of any entity whose shares were delisted from any Stock Exchange(s). Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

## **BORROWING POWERS OF THE BOARD**

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The Board of Director vide the special resolution passed at their Extra Ordinary General Meeting dated January 17, 2024, allowed to borrow and that the total outstanding amount so borrowed (apart from temporary loans obtained from the Company' bankers in the ordinary course of business) shall not at any time exceed the limit of ₹ 100 Crores.

## **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

## **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on EMERGE Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited.

## **COMPENSATION OF OUR MANAGING DIRECTOR AND WHOLETIME DIRECTOR**

The compensation payable to Managing Director and Wholetime Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).



The following compensation has been approved for Managing Director and Whole Time Directors

Particulars	Lalit Aggarwal
Appointment/Change in Designation	Originally appointed on 29-06-2021 and Designation changed to Managing Director w.e.f. 11-01-2024
Current Designation	Managing Director
Terms of Appointment	3 years till 10-01-2027; Liable to retire by rotation
Remuneration, Perquisites and Benefits	<u>Remuneration</u> Salary, perquisites and allowances not exceeding ₹ 24.00 lakhs per annum
Compensation paid in the FY 2023-24	Nil

#### BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

We have no bonus or profit-sharing plan for our Directors.

#### PAYMENT OR BENEFIT TO NON-EXECUTIVE DIRECTORS OF OUR COMPANY

Apart from the remuneration to Executive Directors, if any as provided, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

#### THE DETAILS OF THE SHAREHOLDING OF OUR DIRECTORS AS ON THE DATE OF THIS DRAFT PROSPECTUS ARE AS FOLLOWS:

Sl. No.	Name of the Director Shareholder	Category/ Status	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Lalit Aggarwal	Managing Director	54,05,809	50.44%	36.24%
2	Sunil Kumar Aggarwal	Executive Director	41,87,514	39.07%	28.07%

#### INTEREST OF OUR DIRECTORS

Our Directors may be deemed to be interested to the extent of their remunerations paid to them for services rendered and with the reimbursement of expenses payable to them as mentioned above. For further details, please refer to section titled ***“Our Promoters and Promoter Group”*** beginning on page no. 167 of this draft prospectus.

Further, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this draft prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section ***“Shareholding of Directors in our Company”*** above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. 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 held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as stated above and except as stated in the sections titled ***“Financial Information as Restated”*** and ***“Our Promoters and Promoter Group”*** beginning on pages 176 and 167 respectively of this draft prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our directors have been appointed to a place or office of profit in our Company other than mentioned elsewhere in the Draft prospectus. For further details, please refer to section titled ***“Our Management”*** on page no. 153 of this draft prospectus.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. Some of the directors also hold directorships in Promoter Group and Group Entities of our Company.

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 said Equity Shares. Except as stated in this section **“Our Management”** or the section titled **“Financial Information – Related Party Transactions”** beginning on page no 153 and 208 respectively of this draft prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

**CHANGES IN THE BOARD OF DIRECTORS OF OUR COMPANY IN THE LAST THREE (3) YEARS OR TO THE EXTENT APPLICABLE ARE AS FOLLOWS:**

Name	Date	Designation	Reason
Lalit Agarwal	29-06-2021	Additional Non-Executive Director	Appointment
	30-11-2021	Non-Executive Director	Re-Designation
	11-01-2024	Managing Director	Re-Designation
Neeru Aggarwal	25-11-2023	Additional Non-Executive Director	Appointment
	17-01-2024	Non-Executive Director	Re-Designation
Mahesh Kumar	15-10-2021	Non-Executive Director	Removal u/s 169
Dhruv Dwivedi	20-03-2024	Independent Director	Appointment
Tarun Kumar Sharma	20-03-2024	Independent Director	Appointment

**OTHER CONFIRMATIONS:**

- None of our Directors are on the RBI List of wilful defaulters or fraudulent borrowers as on the date of this draft prospectus.
- None of our Directors of our Company are a fugitive economic offender.
- Further, none of our directors are or were directors of any listed company whose shares.
  - (a) have been or were suspended from trading on any of the stock exchanges during the five years prior to the date of filing this draft prospectus or.
  - (b) delisted from the stock exchanges.
- None of the directors of our Company are debarred from accessing the capital market by SEBI.
- None of the Directors 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.

## CORPORATE GOVERNANCE

*In terms of Regulation 15(2)(b) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations shall not apply, in respect of listed entity which has listed its specified securities on the SME Exchange.*

*Furthermore, in terms of Regulation 15(3) of the SEBI Listing Regulations, notwithstanding Regulation 15(2) of the SEBI Listing Regulations, the provisions of the Companies Act, 2013 shall continue to apply, wherever applicable.*

*As per the abovementioned provisions of the Listing Regulations, we are not required to comply with the requirements of corporate governance relating to the composition of its board of directors, constitution of committees such as audit committee, nomination and remuneration committee, stakeholders' relationship committee, etc., as provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

Our Board has been duly constituted in compliance with the Companies Act. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act, our Board of Directors consists of 5 (Five) Directors (including One Women Director).

Sl. No.	Name of the Director	DIN	Current Designation
1	Lalit Aggarwal	06732667	Managing Director
2	Sunil Kumar Aggarwal	01013441	Executive Director
3	Neeru Aggarwal	02645366	Non-Executive Director
4	Dhruv Dwivedi	10541951	Independent Director
5	Tarun Kumar Sharma	10542304	Independent Director

## COMMITTEES OF OUR BOARD

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

### ❖ Audit Committee

*As per section 177 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statements.*

Our Audit Committee was constituted pursuant to a resolution of our Board Meeting dated April 22, 2024. The Audit Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Tarun Kumar Sharma	Chairperson	Independent Director
Dhruv Dwivedi	Member	Independent Director
Neeru Aggarwal	Member	Non-Executive Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and the rules made thereunder.

**Powers of Audit Committee:** The Audit Committee shall have powers, including the following:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;

- monitoring the end use of funds raised through public offers and related matters.
- To investigate any activity within its terms of reference;
- The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- To have full access to information contained in the records of the company;
- To invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee;
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board of Directors and discuss any related issues with the internal and statutory auditors and the management of the company;
- any other responsibility as may be assigned by the board from time to time;
- Such powers as the Board may deem fit in accordance with the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and any other rules and regulations to the extent applicable.

**Role of Audit Committee:** The role of the Audit Committee shall include the following:

- oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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 Act;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle bower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee and
- statement of deviations:
  - (i) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015;
  - (ii) annual statement of funds utilized for purposes other than those stated in the draft prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

The Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

#### ❖ **Stakeholders' Relationship Committee**

***As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board***

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board Meeting dated April 22, 2024. The Stakeholders' Relationship Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Neeru Aggarwal	Chairperson	Non-Executive Director
Lalit Aggarwal	Member	Managing Director
Sunil Kumar Aggarwal	Member	Executive Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

#### **Role of the Stakeholders Relationship Committee**

- Resolving the grievances of the security holders of the listed entity 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;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- To carry out any other function as may be decided by the Board and as stated in the Companies Act, 2013 including rules framed thereunder and Listing Regulations to the extent applicable.

The Stakeholders' Relationship Committee shall meet at least once in a financial year.



### ❖ **Nomination and Remuneration Committee**

***As per section 178 (1) of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.***

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board Meeting dated April 22, 2024. The Nomination and Remuneration Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Neeru Aggarwal	Chairman	Non-Executive Director
Dhruv Dwivedi	Member	Independent Director
Tarun Kumar Sharma	Member	Independent Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

### ***Role of the Nomination and Remuneration Committee***

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with rules framed thereunder.

Set forth below are the role of our Nomination and Remuneration Committee:

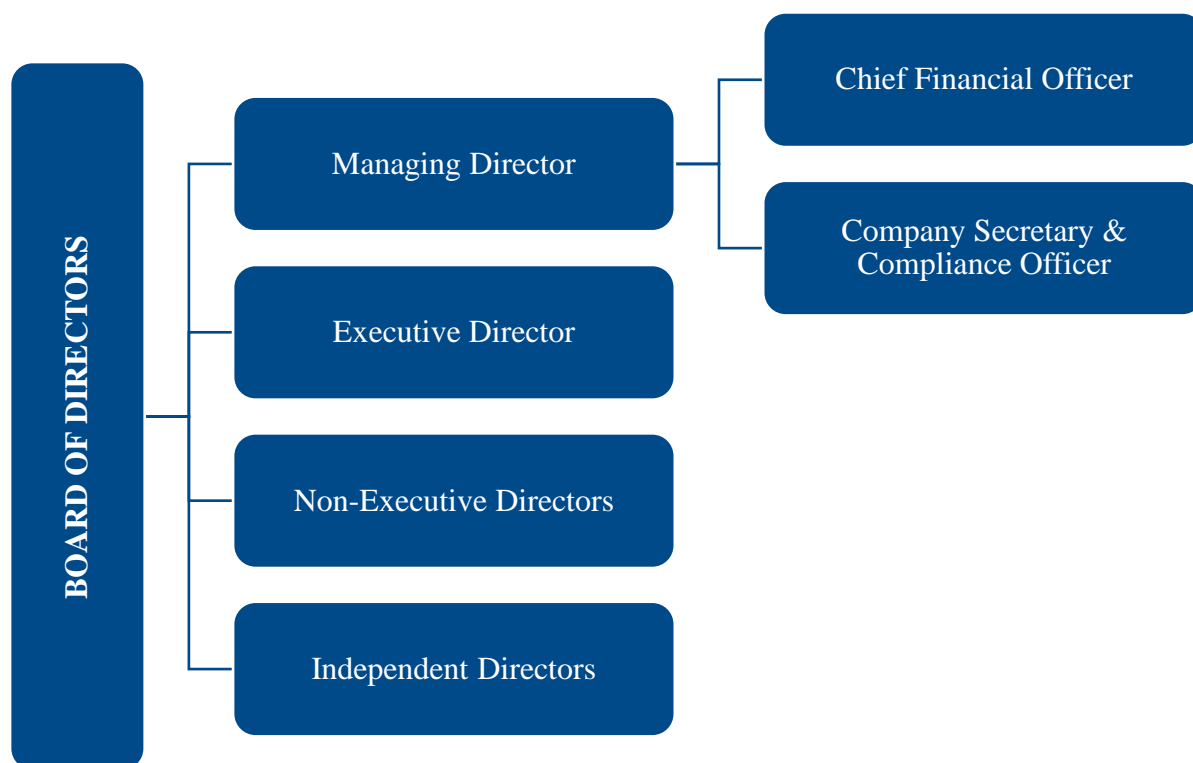
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, 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:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors, the board of directors, committees of the board and reviewing implementation and compliance;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Committee shall meet at least once in a financial year and quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

### ❖ **Corporate Social Responsibility Committee:**

***As per section 135 (1) of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.***

The Corporate Social Responsibility committee is not applicable to our company till the date of this draft prospectus. We will comply with the requirement as and when the CSR is applicable to us.

**MANAGEMENT ORGANIZATIONAL STRUCTURE:****OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The details of the Key Managerial Personnel and Senior Management as on the date of this draft prospectus are set out below. All the Key Managerial Personnel and Senior Management are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel and Senior Management.

1. **Mr. Lalit Aggarwal**, aged about 58 years, is the Promoter and Managing Director of our Company. For details, please refer section titled **“Our Management”** beginning on page no. 153 of this Draft Prospectus.
2. **Mr. Sunil Kumar Aggarwal**, aged about 56 years, is the Promoter and Executive Director of our Company. For details, please refer section titled **“Our Management”** beginning on page no. 153 of this Draft Prospectus.
3. **Mr. Daljeet Singh Rana**, aged 61 Years, is the Chief Financial Officer in our Company effective from July 01, 2024. He has been associated with our company since 2017 and handling accounts and finance for the company. He is having 40 years of rich experience in the manufacturing industry. Before joining our organisation, he has worked for textile industries and held multiple position gaining hands on experience in the field of production, procurement, Stores, Material Management, Administration, Finance and Banking, Merger and Acquisition, Setting up multiple new Industries etc. He is highly educated and has done Masters in History in 1990 and Executive MBA in 2009. Presently he is handling finance, accounting, taxation, banking and budgeting including financial reporting and internal control system of our company.
4. **Ms. Vasundhra Gupta**, aged about 29 years, is the Company Secretary and Compliance Officer of our Company. She has joined our Company on April 17, 2024. She is an Associate member of the Institute of Company Secretaries of India (“ICSI”) having membership no. A66980 since 2021. She also holds a Bachelor’s degree in Commerce, Honors in Finance, from University of Jammu in the year 2015. Before joining our Company, Ms. Gupta was a Company Secretary in Practice where she gained valuable experience in Corporate Secretarial matters, Corporate Compliance, Legal and related Regulatory matters for 2 years. As a proprietor at her own firm, she solely managed incorporations, strike off, e filings, drafting notices and resolution for Board and General meetings, and related compliance projects. She was also a

Company Secretary Consultant to other private limited company and was associated with a Practicing Chartered Accountant firm for ensuring Corporate and statutory compliances, and also assisting in financial and accounting matters. While working as a professional, she was also into Teaching at ICSI NIRC and RTI, Indian Audit and Account. She also gained invaluable Legal and Secretarial experience during her Company Secretary apprenticeship training of 2 years with a Law Firm and a Practicing Company Secretary firm. In her current role, she diligently ensures adherence to all legal and regulatory requirements, playing a pivotal role in upholding corporate governance standards and managing regulatory matters effectively.

## STATUS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY

Except for the Managing Director, all our key managerial personnel or Senior Management are permanent employees of our Company.

## SHAREHOLDING OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY

The details of the shareholding of our Key Management Personnel or Senior Management as on the date of this draft prospectus are as follows: -

Sl. No.	Name of the Director Shareholder	Category/ Status	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Lalit Aggarwal	Managing Director	54,05,809	50.44%	36.24%
2	Sunil Kumar Aggarwal	Executive Director	41,87,514	39.07%	28.07%

## BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Management Personnel or Senior Management. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel or Senior Management of our Company.

## INTERESTS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT

Except as mentioned above in this draft prospectus, the Key Management Personnel or Senior Management do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

## PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except as disclosed in this draft prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "*Financial Information as Restated*" beginning on page no 176 of this draft prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

## RELATIONSHIP AMONGST THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

None of the Key Managerial Personnel or Senior Management are related to each other.

## RELATIONSHIP BETWEEN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Director	Other Director	Relation
Lalit Aggarwal	Sunil Kumar Aggarwal	Brother
Neeru Aggarwal	Lalit Aggarwal	Spouse

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS/CUSTOMERS/ SUPPLIERS

None of the above Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

## DETAILS OF SERVICE CONTRACTS OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Except for the terms set forth in the appointment letters, the Key Managerial Personnel or Senior Management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

## EMPLOYEE STOCK OPTION OR EMPLOYEE STOCK PURCHASE

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this draft prospectus.

## LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

None of the Directors or Key Managerial Personnels or Senior Management have availed loan from our Company which is outstanding as on the date of this draft prospectus.

## CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Personnel or Senior Management of our Company in the last three (3) years are as follows:

Name	Date	Designation	Reason
Lalit Agarwal	29-06-2021	Additional Non-Executive Director	Appointment
	30-11-2021	Non-Executive Director	Re-Designation
	11-01-2024	Managing Director	Re-Designation
Kashish	18-03-2024	Chief Financial Officer	Appointment
	01-07-2024	Chief Financial Officer	Resignation
Vasundhra Gupta	17-04-2024	Company Secretary and Compliance Officer	Appointment
Daljeet Singh Rana	01-07-2024	Chief Financial Officer	Appointment


## OUR PROMOTERS AND PROMOTER GROUP

### 1. Our Promoters:

The Promoters of our Company are (i) **Mr. Lalit Aggarwal**, (ii) **Mr. Sunil Kumar Aggarwal** and (iii) **Mrs. Neeru Aggarwal**.


As on the date of this draft prospectus, our Promoters jointly hold 95,93,323 Equity Shares which in aggregate, almost constitutes 89.52% of the pre issued paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*", on page 60 of this Draft Prospectus.

#### (i) Details of Individual Promoters of our Company

	<p><b>Mr. Lalit Aggarwal</b>, aged 58 years, is the Promoter and Managing Director of the company. For further personal details, please also refer to section titled "<i>Our Management</i>" beginning on page 153 of this draft prospectus.</p>
<b>Name of Promoter</b>	<b>Lalit Aggarwal</b>
<b>Father's Name</b>	Ram Kumar Lakhmi Chand Aggarwal
<b>Date of Birth</b>	19-08-1965
<b>Age</b>	58 years
<b>Qualification</b>	Intermediate
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Address</b>	Shree Balaji Alloys, Industrial Area, Kathua, Jammu and Kahmir, 184101
<b>DIN</b>	06732667
<b>PAN</b>	AABPA7622H
<b>Directorship in other companies</b>	Amritanshu Infrastructure & Management Private Limited
<b>Other Ventures</b>	Nil



	<p><b>Mr. Sunil Kumar Aggarwal</b>, aged 56 years, is the Promoter and Executive Director of the company. For further personal details, please also refer to section titled <b><i>“Our Management”</i></b> beginning on page 153 of this draft prospectus.</p>
<b>Name of Promoter</b>	<b>Sunil Kumar Aggarwal</b>
<b>Father’s Name</b>	Ram Kanwar Aggarwal
<b>Date of Birth</b>	22-10-1967
<b>Age</b>	56 years
<b>Qualification</b>	Bachelor of Commerce from Delhi University
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Address</b>	House No-313-A, Beverly Park-1, Near Time Tower, M.G Road, DLF Phase-2, Gurgaon, Galleria, DLF-IV, Gurgaon, Haryana, India, 122009
<b>DIN</b>	01013441
<b>PAN</b>	ACEPA8974F
<b>Directorship in other companies</b>	<ol style="list-style-type: none"> <li>1. SBA Greentech Private Limited</li> <li>2. Shree Bala Ji Cables Private Limited</li> <li>3. Kalinga Developers Private Limited</li> <li>4. Shree Balaji Alumnicast Private Limited</li> <li>5. Shree Bala Ji Manufacturing Private Limited</li> <li>6. Balaji Auto Components Private Limited</li> </ol>
<b>Other Ventures</b>	Nil

	<p><b>Mrs. Neeru Aggarwal</b>, aged about 56 years, is the Non-Executive Director of our Company since November 25, 2023. For further personal details, please also refer to section titled <b><i>“Our Management”</i></b> beginning on page 153 of this draft prospectus.</p>
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<b>Name of Promoter</b>	Neeru Aggarwal
<b>Father's Name</b>	Prem Rattan Gupta
<b>Date of Birth</b>	07-03-1968
<b>Age</b>	56 years
<b>Qualification</b>	Intermediate
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Address</b>	1205A, Beverly Park 2, DLF Phase 2, Gurgaon, Haryana, India, 122002
<b>DIN</b>	02645366
<b>PAN</b>	AACPA1530H
<b>Directorship in other companies</b>	1. Fizzy Softwares Private Limited 2. Supp Nutrition Private Limited
<b>Other Ventures</b>	Nil

*Our Company confirms that it will submit the details of the PAN, Bank Account Number, Passport number, Aadhaar card number and driving license number of our Promoters to NSE separately at the time of filing the draft prospectus.*

**(ii) Details of Body Corporate Promoters of our Company:**

We don't have any Body Corporate Promoters.

**CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY**

Mr. Lalit Aggarwal, one of the promoters, acquired 54,05,809 equity shares of the Company on March 28, 2022. Except this, there has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

**EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled ***"Our Management"*** beginning on page 153 of this Draft Prospectus.

**INTERESTS OF OUR PROMOTERS**

***Interest in the Promotions of our Company:***

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their respective equity shareholding in our Company and any dividend distribution that may be made by our Company with respect to their equity shares in the future. For details pertaining to our Promoter's shareholding, please refer to chapter titled ***"Capital Structure"*** beginning on page 60 of this Draft Prospectus.

***Interest in the property of our Company:***

Except as given in the chapter titled ***"Our Business"*** beginning on page 120 of this Draft Prospectus, our Promoters or Group Company do not have any interest in any property acquired by our Company in the preceding three (3) years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

***Interest as Member of our Company:***

As on the date of this Draft Prospectus, our Promoter and Promoter Group collectively hold 95,98,323 equity shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits as provided in the section titled ***"Our Management"*** in that Remuneration details of our Directors on page 153 of this Draft Prospectus, our Promoter does not hold any other interest in our Company.

***Interest in transactions for acquisition of land, construction of building and supply of machinery:***

None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or

supply of machinery.

***Interest of Promoters in Sales and Purchases:***

There are no sales/purchases between our Company and our Group Entity other than as stated in the section titled ***“Financial Information - Related Party Transactions”*** beginning on page no. 208 of this draft prospectus.

***Other Interests in our Company:***

For transactions in respect of loans and other monetary transactions entered in past please refer ***“Financial Information - Related Party Transactions”*** beginning on page no. 208 of this draft prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company’s Bankers. For the details of Personal Guarantee given by Promoters towards Financial facilities availed by our Company, please refer to ***“Financial Indebtedness”*** and ***“Financial Statements as Restated”*** on page 210 and 176 respectively of this Draft Prospectus.

Except as disclosed in this draft prospectus, our Promoters have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

***Confirmations:***

Our Company hereby confirms that:

- None of our Promoters or Directors have been declared as a wilful defaulter or fraudulent borrower or is a fugitive economic offender.
- Neither our Company nor our Promoters, Promoter Group and Directors our Company are debarred from accessing the Capital Market by SEBI
- None of the promoters or directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.

**PAYMENT OR BENEFITS TO THE PROMOTERS IN THE LAST TWO (2) YEARS**

No payment or benefit has been made to the Promoters except as disclosed in the related party transaction. For further details, please refer to section titled ***“Financial Information - Related Party Transactions”*** beginning on page no. 208 of this draft prospectus.

**LITIGATION DETAILS PERTAINING TO OUR PROMOTERS**

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled ***“Outstanding Litigations and Material Developments”*** beginning on page no. 220 of this draft prospectus.

**DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS**

None of our Promoters have disassociated themselves from any of the entities in the last three years.

**MATERIAL GUARANTEES PROVIDED BY OUR PROMOTERS**

Except as stated in the chapter titled ***“Financial Indebtedness”*** beginning on page 210 of this Draft Prospectus, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

**EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled ***“Our Management”*** beginning on page 153 of this Draft Prospectus.

**COMMON PURSUITS OF PROMOTERS AND PROMOTER GROUP ENTITIES**

As on the date of this Draft Prospectus, none of our Promoters and Promoter Group Entities have any common pursuits.

## 1. Our Promoter Groups:

In compliance with SEBI Guideline, “**Promoter Group**” pursuant to the regulation 2(1)(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we confirm that following persons are part of promoter group:

### A) Promoter

As per Regulation 2(1)(pp)(i) of the SEBI ICDR Regulations, the following are the Promoters:

- ☐ Lalit Aggarwal
- ☐ Sunil Kumar Aggarwal
- ☐ Neeru Aggarwal

### B) Immediate Relatives of the Promoter

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

Relationship	Name of the Promoters		
	Lalit Aggarwal	Sunil Kumar Aggarwal	Neeru Aggarwal
<b>Father</b>	Late Ram Kumar Aggarwal	Late Ram Kumar Aggarwal	Prem Rattan Gupta
<b>Mother</b>	Late Umravati Devi	Late Umravati Devi	Late Indra Rani
<b>Brother</b>	Sunil Kumar Aggarwal Anil Kumar Aggarwal	Lalit Aggarwal Anil Kumar Aggarwal	Naresh Aggarwal Ashish Aggarwal
<b>Sister</b>	Santosh Devi Gupta Veena Gupta Sunita Singla Anita Jain* Vanita Aggarwal	Santosh Devi Gupta Veena Gupta Sunita Singla Anita Jain* Vanita Aggarwal	Charu Bansal* Neha Singhal Manisha Gupta
<b>Spouse</b>	Neeru Aggarwal	Sarla Aggarwal	Lalit Aggarwal
<b>Son</b>	Sudhanshu Aggarwal	Tushar Aggarwal Utkarsh Aggarwal	Sudhanshu Aggarwal
<b>Daughter</b>	Sunakshi Gupta	--	Sunakshi Gupta
<b>Spouse's Father</b>	Prem Rattan Gupta	Late Shri Chanan Mal Bansal	Late Ram Kumar Aggarwal
<b>Spouse's Mother</b>	Late Indra Rani	Late Smt Geeta Devi Bansal	Late Umravati Devi
<b>Spouse's Brother</b>	Naresh Aggarwal Ashish Aggarwal	Pankaj Bansal Late Sanjeev Bansal	Sunil Kumar Aggarwal Anil Kumar Aggarwal
<b>Spouse's Sister</b>	Charu Bansal* Neha Singhal Manisha Gupta	Urmila Aggarwal Sneh Lata Monika Shorewala Shalini Chaudhry Anju Gupta* Shakuntla Goel* Manju Aggarwal*	Santosh Devi Gupta Veena Gupta Sunita Singla Anita Jain* Vanita Aggarwal

\* Our Company filed an exemption application under Regulation 300(2) read with Regulation 300(1)(c) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“SEBI ICDR Regulation”) for limited disclosure w.r.t Promoter Groups as mentioned under regulation 2(1)(pp) of the SEBI ICDR Regulation for (i) Anita Jain (Sister of our Promoter); (ii) Charu Bansal (Sister-in-Law of our Promoter Mr. Lalit Aggarwal); (iii) Anju Goel, (iv) Shakuntala Goel, (v) Manju Agarwal, (Sister-in-Law of our Promoter Mr. Sunil Kumar Aggarwal). SEBI, pursuant to its letter dated April 03, 2024 directed our Company to include immediate relatives and their related entities, as part of the Promoter Group of the Company based on information available in the public domain. Therefore, details of such immediate relative and his entities are limited to the information available in the public domain. Please refer “**Risk Factors**” on Page 22 of Draft Prospectus.

**C) Entities forming part of Promoter Group**

As per Regulation 2(1)(pp)(iii) of the SEBI ICDR Regulations, in case Promoter is a Body Corporate

Nature of Relationship	Entity
Subsidiary or holding company of Promoter Company.	Nil
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	Nil

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, in case Promoter is an Individual

Nature of Relationship	Entity
Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	<ul style="list-style-type: none"> <li>o Amritanshu Infrastructure &amp; Management Private Limited</li> <li>o R. Kay Grinding Jammu Private Limited.</li> <li>o Shree Balaji Alumnicast Private Limited</li> <li>o SBA Greentech Private Limited</li> <li>o J K Renewable Energy Private Limited</li> <li>o Kalinga Developers Private Limited (Strike Off)</li> <li>o Shree Bala Ji Manufacturing Private Limited (Strike Off)</li> <li>o Shree Bala Ji Cables Private Limited (Strike Off)</li> <li>o Balaji Auto Components Private Limited (Strike Off)</li> <li>o Stark Lifesciences Private Limited</li> <li>o Quickli Technologies Private Limited</li> <li>o Fizzy Softwares Private Limited</li> <li>o Supp Nutrition Private Limited</li> <li>o SBA Recycling Private Limited</li> <li>o Bansal Recycler Private Limited</li> <li>o SBA Metals and Steel Private Limited</li> <li>o Arya Sabun Udyog Private Limited</li> <li>o Haryana Tube MFG Company Limited</li> <li>o Hissar Poles Limited</li> <li>o Pankaj Towers Limited</li> </ul>
Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	<ul style="list-style-type: none"> <li>o SBA Greentech Private Limited</li> </ul>
Any Hindu Undivided Family or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than twenty percent of total capital.	<ul style="list-style-type: none"> <li>o Shree Balaji Engineering Works</li> <li>o Cemcom Cements</li> <li>o Aggarwal Equipments Supplier</li> <li>o VGS Stone Crusher</li> <li>o Shree Balaji Alloys</li> <li>o Satyam Cements</li> <li>o Shri Ram Industries</li> <li>o Balaji Developers</li> <li>o Bansal Iron &amp; Steel Traders</li> <li>o Elixir Metal Works</li> <li>o Bansal Iron &amp; Sheet Traders</li> <li>o Harkaran Dass Deep Chand</li> <li>o Prem Motors</li> <li>o Global Enterprises</li> <li>o Manisha Creations</li> <li>o Bansal Iron and Steel Industries</li> <li>o Pankaj Bansal HUF</li> </ul>

**D) As per Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations, all persons whose shareholding under the heading “shareholding of the promoter group”:**

- Sarla Aggarwal



## **GROUP COMPANIES OF OUR COMPANY**

In compliance with SEBI Guideline, “Group Companies” pursuant to the regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018, shall include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Based on the above, we confirm that we don’t have any Group Companies.

## RELATED PARTY TRANSACTIONS

For details on related party transactions (As per the requirement under Accounting Standard 18 “Related Party Disclosure” issued by ICAI) of our Company during the restated audit period as mentioned in this draft prospectus i.e., for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 please refer to Section titled, **“Financial Information - Related Party Transactions”**, beginning on page 208 of this draft prospectus.

## DIVIDEND POLICY

Our Company does not have any formal dividend policy for the equity shares. Our Company can pay Final dividends upon a recommendation by Board of Directors and approval by majority of the members at the Annual General Meeting subject to the provisions of the Articles of Association and the Companies Act, 2013. The Members of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to Board of Directors to declare and pay interim dividends.

The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. The declaration and payment of dividend will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions, contractual obligations and restrictions, restrictive covenants under the loan and other financing arrangements to finance the various projects of our Company and other factors considered relevant by our Board of Directors.

Our Company has not paid / declared any dividend in last three financial years from date of this Draft Prospectus and the period between last audited financial statements and the date of the filing this Draft Prospectus.

## SECTION IX: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS AS RESTATED

#### Independent Auditor's Report on Restated Financial Statements

To,  
**The Board of Directors,**  
**Shree Bala ji Pigments Limited**  
*(Formerly known as Shree Bala ji Pigments Private Limited)*  
 36-B, Industrial Ext. Area,  
 Near Halti Marg, Kathua, Jammu,  
 Jammu & Kashmir, India, 184102

We, **M/s. S S R V and Associates**, Chartered Accountants, ("we" or "us") have examined the attached Restated summary statement of assets and liabilities of **Shree Bala ji Pigments Limited**, as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated summary statement of profit and loss, the Restated summary statement of cash flows Statement for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") annexed to this report and initialled by us for identification purposes. These Restated financial statements have been prepared by the management of the Company and approved by the Board of Directors of the Company at their meeting held on 18/07/2024 for the purpose of inclusion in the Draft Prospectus/ Prospectus in connection with its proposed Initial Public Offer of equity shares at SME Platform ("**SME IPO**").

1. These Restated summary statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Draft Prospectus/ Prospectus ("Offer Document") to be filed with Securities and Exchange Board of India ("SEBI"), Stock Exchange and Registrar of Companies (Jammu) in connection with the proposed **SME IPO**. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in **Annexure IV** to the Restated Financial Statements. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. 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 Statements taking into consideration:
  - (i) The terms of reference to our engagement letter dated 03/07/2023 with the company requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform ("**IPO**" or "**SME IPO**"); and
  - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements;

- (iv) 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. The Restated financial statements of the Company have been compiled by the management from the audited financial statements of the Company for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 which has been approved by the Board of Directors.
    - a) The audited financial statement of the Company, prepared by the company in accordance with Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO.
    - b) The audits for the financial year ended 31st March, 2024 were conducted by the Company's Statutory auditors M/s. A. Gupta & Associates, Chartered Accountant (FRN No: 014914N) which has been approved by the Board of Directors at their meeting held on 28/06/2024 and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss, statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and examined by them for the said year.
    - c) The audits for the financial years ended March 31, 2023 and March 31, 2022 were conducted by the Company's previous auditors M/s. Aman Mahajan and Associates, Chartered Accountant (FRN No: 029629N) which has been approved by the Board of Directors at their meeting held on 13/06/2023 and 30/08/2022 respectively and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss, statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and examined by them for the said years.
    - e) We have Re-audited the financial statements of the company for the financial year ended on March 31, 2024 for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to the proposed IPO.
  5. For the purpose of our examination, we have also relied on auditor reports as mentioned in point 4 above.
  6. Based on our examination, we are of the opinion that:
    - a) The Restated Summary Statement have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Note.
    - b) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
    - c) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments.
    - d) The extra-ordinary items that need to be disclosed separately in the accounts have been disclosed wherever required.
    - e) There are no audit qualifications in the audit reports issued by the statutory auditors for the financial year ended on March 31, 2024 March 31, 2023, and March 31, 2022 which would require adjustments in the Restated financial statements of the Company.



- f) Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this report.
- g) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Summary Statements.
- h) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements.
- i) There were revaluation reserves, which has been disclosed separately in the Restated Financial Statements as and where required and excluded from the calculation of Net Worth.
- j) The company has not proposed any dividend in past effective for the said period.
7. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (i) The “**Restated statement of asset and liabilities**” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The “**Restated statement of profit and loss**” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “**Restated statement of cash flows**” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
8. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year ended as at March 31, 2024, March 31, 2023, and March 31, 2022 proposed to be included in the Prospectus (“**Offer Document**”).

Annexure No.	Particulars
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Deferred Tax Liabilities/Assets
I.5	Restated Statement of Other Long Term Liabilities
I.6	Restated Statement of Long Term Provisions
I.7	Restated Statement of Short-Term Borrowings
I.8	Restated Statement of Current Maturity of Long Term Borrowings
I.9	Restated Statement of Trade Payable
I.10	Restated Statement of Other Current Liabilities
I.11	Restated Statement of Short-Term Provisions
I.12	Restated Statement of Fixed Assets & Depreciations

Annexure No.	Particulars
I.13	Restated Statement of Non-Current Investment
I.14	Restated Statement of Long-Term Loans and Advances
I.15	Restated Statement of Other Non-Current Assets
I.16	Restated Statement of Current Investment
I.17	Restated Statement of Inventories
I.18	Restated Statement of Trade Receivable
I.19	Restated Statement of Cash & Cash Equivalent
I.20	Restated Statement of Short-Term Loans and Advances
I.21	Restated Statement of Other Current Assets
<b>II</b>	<b>Restated Statement of Profit &amp; Loos</b>
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Cost of Material Consumed
II.4	Restated Statement of Changes in Inventories
II.5	Restated Statement of Employees Benefit Expenses
II.6	Restated Statement of Other Expenses
II.7	Restated Statement of Financial Charges
II.8	Restated Statement of Provision for Taxation
Other Annexures:	
III	Cash Flow Statement, as Restated
IV	Statement of Significant Accounting Policies and Notes to Accounts as Restated
V	Statement of Accounting & Other Ratios, As Restated
VI	Statement of Capitalization, As Restated
VII	Statement of Tax Shelter, As Restated
VIII	Statement of Related Parties & Transactions, as Restated
IX	Statement of Dividends
X	Statement of Contingent Liabilities & Commitment, as Restated

9. We, **M/s. S S R V and Associates**, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI which is valid till 31/12/2025.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.
11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. In our opinion, the above financial information contained in Annexure I to III of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV 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.

14. Our report is intended solely for use of the management and for inclusion in the offer document to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Jammu in connection with the proposed IPO. Our report should not be used, referred to, distributed or adjusted for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For M/s S S R V & Associates**

*Chartered Accountants*

**FRN.: 135901W**

Sd/-

**Vishnu Kant Kabra**

*Partner*

**Membership Number: 403437**

**Place: Mumbai**

**Date: 18 July 2024**

**UDIN: 24403437BKAJWK9243**

**ANNEXURE - I**  
**STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED**

Particulars	Note No.	As on (Rs. In Lakhs)		
		31-03-2024	31-03-2023	31-03-2022
<b>I. EQUITY &amp; LIABILITIES</b>				
<b>(1) Shareholders Fund</b>				
a) Share capital	I.1	1,071.67	959.83	959.83
b) Reserves and surplus	I.2	1,675.81	1,016.18	722.71
c) Money received against share warrants		-	-	-
<b>Total Shareholder's Fund</b>		<b>2,747.48</b>	<b>1,976.02</b>	<b>1,682.54</b>
<b>(2) Share application money pending allotment</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Non-Current Liabilities</b>				
a) Long-Term Borrowings	I.3	2,663.45	425.87	596.60
b) Deferred Tax Liability (Net)	I.4	-	-	-
c) Other Long Term Liabilities	I.5	-	-	-
d) Long Term provisions	I.6	27.94	22.39	17.75
<b>Total Non Current Liabilities</b>		<b>2,691.39</b>	<b>448.26</b>	<b>614.35</b>
<b>(4) Current Liabilities</b>				
a) Short Term Borrowings	I.7	2,470.03	1,715.98	1,847.21
b) Current Maturity of Long Term Borrowings	I.8	96.70	267.82	281.04
c) Trade Payables	I.9	38.72	321.72	359.47
d) Other Current Liabilities	I.10	-	-	-
e) Short Term Provisions	I.11	74.92	245.09	109.20
<b>Total Current Liabilities</b>		<b>2,680.37</b>	<b>2,550.61</b>	<b>2,596.93</b>
<b>Total Equity &amp; Liability</b>		<b>8,119.24</b>	<b>4,974.89</b>	<b>4,893.82</b>
<b>II. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
<b>a) Fixed Assets</b>				
(i) Property, Plant and Equipments	I.12	1,106.55	1,227.69	1,182.83
(ii) Intangible Assets		-	-	-
(iii) Capital Work-In-Progress		2,507.49	95.23	-
(iv) Intangible assets under development				
<b>Total Fixed Assets</b>		<b>3,614.03</b>	<b>1,322.91</b>	<b>1,182.83</b>
b) Non - current Investments	I.13	-	-	-
c) Deferred Tax Assets (Net)	I.14	50.82	273.89	517.17
d) Long Term Loans and Advances	I.14	57.74	57.11	54.62
e) Other Non- current Assets	I.15	-	-	-
<b>Total Non Current Assets</b>		<b>108.55</b>	<b>331.00</b>	<b>571.78</b>
<b>(2) Current assets</b>				
a) Current investments	I.16			
b) Inventories	I.17	1,612.56	826.60	808.38
c) Trade Receivables	I.18	1,894.27	1,594.32	1,549.09
d) Cash and Cash Equivalents balances	I.19	48.41	114.97	113.36
e) Short Term Loans and advances	I.20	53.19	8.81	-
f) Other Current Assets	I.21	788.22	776.29	668.37
<b>Total Current Assets</b>		<b>4,396.65</b>	<b>3,320.98</b>	<b>3,139.21</b>
<b>Total Assets</b>		<b>8,119.24</b>	<b>4,974.89</b>	<b>4,893.82</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

**ANNEXURE - II**  
**STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED**

Particulars	Note No.	For the Period/Year ended on (Rs. In lakhs)		
		31-03-2024	31-03-2023	31-03-2022
<b>Income</b>				
Revenue from Operations	II.1	13,596.42	13,302.63	15,382.76
Other Income	II.2	212.93	287.51	149.19
<b>Total Income</b>		<b>13,809.35</b>	<b>13,590.15</b>	<b>15,531.95</b>
<b>Expenditure</b>				
Cost of Material Consumed	II.3	12,242.29	11,619.53	13,664.57
Change in Inventories	II.4	(845.73)	100.10	(31.89)
Employee Benefit Expenses	II.5	86.89	85.99	69.25
Other Expenses	II.6	1,062.19	982.72	1,162.13
<b>Total Expenses</b>		<b>12,545.63</b>	<b>12,788.35</b>	<b>14,864.06</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>1,263.72</b>	<b>801.80</b>	<b>667.89</b>
Depreciation & Amortisation Expenses	I.12	138.92	149.75	170.44
<b>Profit Before Interest and Tax</b>		<b>1,124.80</b>	<b>652.05</b>	<b>497.45</b>
Financial Charges	II.7	271.97	171.06	274.66
<b>Profit before Taxation</b>		<b>852.82</b>	<b>480.99</b>	<b>222.79</b>
Provision for Taxation	II.8	-	-	-
Provision for Deferred Tax		(223.07)	(243.28)	(350.13)
<b>Total</b>		<b>(223.07)</b>	<b>(243.28)</b>	<b>(350.13)</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>
Extraordinary Items		-	-	-
Profit Attributable to Minority Shareholders		-	-	-
<b>Net Profit after adjustments</b>		<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.



**ANNEXURE - III**  
**STATEMENT OF STANDALONE CASH FLOW, AS RESTATED**

PARTICULARS	For the Period/Year ended on (Rs. In lakhs)		
	31-03-2024	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax as per Profit & Loss A/c	852.82	480.99	222.79
Adjusted for :			
a. Depreciation	138.92	149.75	170.44
b. Interest Expenses & Finance Cost	271.97	171.06	274.66
c. Other Adjustments	(93.16)	(130.28)	(82.99)
<b>Operating profit before working capital changes</b>	<b>1,170.56</b>	<b>671.51</b>	<b>584.90</b>
Adjusted for :			
a. Decrease /(Increase) in Inventories	(785.96)	(18.22)	167.59
b. Decrease / ( Increase ) in trade receivable	(299.96)	(45.22)	(222.75)
b. Decrease / ( Increase ) in Current Investments	-	-	-
c. ( Increase ) / Decrease in short term loans and advances	(44.38)	(8.81)	0.53
d. Increase / ( Decrease ) in Trade Payables	(282.99)	(37.76)	(315.29)
e. Increase / (Decrease) in short term provisions	(170.18)	135.89	61.89
f. Increase / ( Decrease ) in other current liabilities	-	-	-
g. ( Increase ) / Decrease in Other Current Assets	(11.93)	(107.92)	179.72
<b>Cash Generated from Operation</b>	<b>(1,595.40)</b>	<b>(82.03)</b>	<b>(128.31)</b>
Net Income Tax (Paid)/Refund	-	-	-
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>(424.84)</b>	<b>589.49</b>	<b>456.58</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
a-1 (Increase) / Decrease of Fixed Assets	(17.79)	(8.56)	(67.45)
a-2 (Increase) / Decrease of Capital Work in Progress	(2,412.26)	(95.23)	-
b. (Increase) / Decrease of non-current investment	-	-	-
c. ( Increase ) / Decrease in Long term loans and advances	(0.63)	(2.49)	0.07
d. Increase / ( Decrease ) in Long Term Provisions	5.55	4.64	0.43
e. ( Increase ) / Decrease in Other Non Current Assets	-	-	-
f. (Increase) in Misc. Expenses	-	-	-
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(2,425.12)</b>	<b>(101.64)</b>	<b>(66.95)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
a. Interest & Finance Cost	(271.97)	(171.06)	(274.66)
b. Proceeds from share issued including Premium	234.86	-	-
c. ( Repayments ) / proceeds of long term borrowings	2,237.58	(170.73)	(303.13)
d. ( Repayments ) / proceeds of short term borrowings	582.93	(144.46)	283.84
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>2,783.40</b>	<b>(486.25)</b>	<b>(293.96)</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents (A+B+C)</b>	<b>(66.56)</b>	<b>1.60</b>	<b>95.67</b>
Cash and cash equivalents at the beginning of the year	114.97	113.36	17.69
<b>Cash and cash equivalents at the end of the year</b>	<b>48.41</b>	<b>114.97</b>	<b>113.36</b>

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year
2. The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

## Annexure IV

## Statement of Significant Accounting Policies and Notes to Accounts as Restated

## Note 1: Statement of Significant Accounting Policies

## 1 Company Overview

**Shree Bala Ji Pigments Limited (Formerly known as Shree Bala Ji Pigments Private Limited)** was incorporated on 25<sup>th</sup> January 2007 under provisions of Companies Act, 1956 bearing Corporate Identification Number U27109JK2007PTC002731 issued by Registrar of Companies, Jammu & Kashmir. Subsequently, the company was converted into Public Limited Company under the Companies Act, 2013 and the name of Company was changed to “Shree Bala Ji Pigments Limited” vide a fresh Certificate of Incorporation dated January 04, 2024 bearing Corporate Identification Number U27109JK2007PLC002731 issued by Registrar of Companies – Jammu. The company is engaged in the business of manufacturing of TMT Bars, Miss Roll, Iron Scrap and Iron Dust having its registered office at 36-B, Industrial Ext. Area near Halti Marg, Kathua, Jammu, Jammu & Kashmir, India, 184102.

## 2 Basis of Preparation

- (a) The financial statement are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principals are going concern. GAAP Comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the companies (Accounting) Rules, 2014. The accounting policies are consistently applied by the company.
- (b) The financial statement are prepared to comply in all material respect with the Accounting standards specified under section 133 of the act, read with rule 7 of the companies (Account) Rules, 2014 and provisions of Companies Act, 2013.
- (c) The preparation of the financial statement requires estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual result and estimates are recognized in the period in which the result are known / materialize.
- (d) The Restated financial information of the **Shree Bala Ji Pigments Limited** comprise of Restated financial statement of assets and liabilities as at March 31, 2024, March 31, 2023, and March 31, 2022, the Restated statement of profit and loss account, and Restated cash flows statement for the period ended March 31, 2024, March 31, 2023, and March 31, 2022 and summary of significant accounting policies and explanatory notes and notes to the restated financial information. This Restated financial information has been prepared by the management of the company for the purpose of inclusion in the Draft Prospectus / Prospectus prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) 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 India (issue of Capital and Disclose Requirements) Regulations, 2018, as amended (“ICDR Regulations”)
  - c) The Guidance Note on Reports in company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the “Guidance Note”).

The Restated Standalone Financial Information have been complied by the management form:

The Audited Restated financial statement of the **Shree Bala Ji Pigments Limited** as at and for the period ended at March 31, 2024, March 31, 2023, and March 31, 2022, prepared in accordance with the Accounting standard prescribed under section 133 of the companies’ act, 2013, read with companies (Indian Accounting Standard) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

The Restated Standalone Financial Information have been prepared so as to contain information / Disclosure and incorporating adjustment set out below in accordance with the ICDR Regulations.

- a. Adjustment for audit qualification requiring corrective adjustment in the financial statement, if any;
- b. Adjustment for reclassification of the corresponding items of incomes, expenses, assets and liabilities, in order to bring them in line with the grouping/disclosures as per the audited financial statement of the **Shree Bala Ji Pigments Limited** as at and for the period ended March 31, 2024, March 31, 2023, and March 31, 2022, and the requirements of the SEBI Regulations, if any;
- c. The resultant impact of tax due to the aforesaid adjustment, if any.

### 3 Use of estimates

The preparation of financial statement in conformity with GAAP requires judgements, estimates and assumptions to be made that affect the report amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues & expenses during the reporting period. Difference between the actual results and estimated are recognized in the period in which the result are known / materialized.

### 4 Revenue Recognition

- (a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the Revenue can be reliably measured.
- (b) Revenue from sale is normally recognized on dispatch of goods to customers. Sales are net of GST, and are net of sales returns and trade discounts. All expenses are charged to the statement of profit and loss as and when they are incurred. Provisions are made for all known losses and liabilities.
- (c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate Applicable.

### 5 Property, Plant & Equipments

- (i) **Tangible Assets:** Property, Plant and Equipment are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any Attributable cost of bringing the asset to its working condition for its intended use.

Further Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective on completion of construction / erection of the capital project / fixed assets.

- (ii) **Intangible Assets:** Company do not have any kind of Intangible asset

### 6 Depreciation and Amortisation

Depreciation on all property, plant & equipment is provided on WDV method as per the useful life prescribed under schedule II of Companies Act 2013.

Further, a depreciation charged on revaluation of fixed asset was transferred to other income in profit & loss statement by minimizing reserves as per Guidance note on treatment of reserve created on Revaluation of fixed asset, 1982 issued by ICAI

### 7 Revaluation Reserve

A revaluation reserve on account of revaluation of factory building of unit at Kathua and electrical fittings and fixtures and plant and machinery was made in previous financial years as per Accounting Standard-10 on the basis of Valuation report of approved Valuer. Depreciation has been charged on such revalued assets every year and the same amount has been transferred accordingly from the revaluation reserve account to Profit and loss account as per Para 9 of Guidance Note on treatment of reserves created on revaluation of assets issued by ICAI.

The unit is following the model of revaluation whereby the revaluation is periodically carried out after every three to five years.

## 8 **Impairment of Assets**

The Carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

## 9 **Inventories**

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost, calculated on 'First in First Out Basis' or net realizable value. Cost includes taxes and duties and other incidental expenses but excludes taxes and duties that are subsequently recoverable from taxing authorities.

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Goods-in-transit at Cost. Cost includes materials, labor and a proportion of appropriate overheads. Cost of materials has determined on First in first out basis.

## 10 **Employee Benefits**

Employee benefits are all forms of consideration given by an enterprise in exchange of services rendered by employees. Short term Employee benefits include items such as wages, salaries, bonus, Current Year's Gratuity Provision and etc

- (i) **Defined Contribution Plan:** Contributions as per the Employee's Provident Funds and Miscellaneous Provision Act, 1952 towards provident fund and pension fund are charged to the statement of profit and loss for the year when the contributions to the respective funds are due. In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions, 1952, eligible employees of the company are entitled to receive benefits with respect to Provident Fund, a defined contribution plan in which both the company and the employee contribute monthly at a determined rate. Company's contribution to Provident Fund is charged to the profit & Loss Account.
- (ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity are considered as defined benefits obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance sheet.

## 11 **Lease**

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term over the non-cancellable period.

## 12 **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss.

## 13 **Taxes on income**

- (i) **Current Taxes:** Current income tax is measured at the amount expected to be paid to taxation authorities in accordance with the Income Tax Act, 1961 enacted in India by using tax laws that are enacted at the reporting date.
- (ii) **Deferred Taxes:** Deferred Tax arising on account of "timing differences" and which are capable of reversal of reversal in one or more subsequent periods is recognizes, using the tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect of the same in future years as a matter of prudence.

- (iii) **Minimum Alternate Tax:** Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period

#### 14 **Earning 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity share.

#### 15 **Prior Period Items**

Prior Period and Extraordinary items and changes in Accounting Policies having material impact on the financials affairs of the company are disclosed in financial statements.

#### 16 **Related Party Disclosure**

Related party disclosure as per AS-18 of Companies (Accounting Standard) Rules, 2006 is described in Annexure VIII.

#### 17 **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Constructive obligation is an obligation that derives from an entity's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities, and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities

Contingent liabilities are recognized in the financial statements under Annex. X. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

#### 18 **Segment Reporting**

Based on the principles for determination of segments given in Accounting Standard 17 "Segment Reporting" issued by accounting standard notified by Companies (Accounting Standard) Rules, 2008, the company is mainly engaged in the activity surrounded with main business of the Company hence there is no reportable segment.

#### 19 **Government Grants**

- a) Government grants of the nature of capital subsidy are being credited to capital reserve and treated as a part of shareholders' funds. Such grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged as per AS- 12.



- b) The Unit is eligible for budgetary support of GST as per SRO 63 of Jammu & Kashmir Government dated 5th Feb, 2018.
- c) The Unit is eligible for turnover Incentive as per Jammu & Kashmir Industrial Policy 2021-2030 dated 19-04-2021 (Order No 117-Ind of 2021) @ 2% of turnover. Hence, any amount received for the same is recognised as Income on accrual basis during the year.
- d) The Unit is eligible for Working Capital Interest subvention as per new central sector scheme amounting to Rs 20 lakh per annum. Thus any amount received for the same is recognised as Income on accrual basis during the year.

## **20 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated

**Note 2: Notes to Accounts as Restated and Other Explanatory Note****I. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**II. Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

**III. Material Adjustments in Restated Profit & Loss and Reserve & Surplus Account:**

(All Rs. In Lakhs)

Particulars	For the Period/FY ended		
	31-03-2024	31-03-2023	31-03-2022
<b>Profit After Tax as per Books of Accounts</b>	<b>629.75</b>	<b>245.62</b>	<b>(124.19)</b>
Adjustment for provision of Depreciation	-	-	-
Adjustment for provision of Income Tax	-	-	-
Adjustment for provision of Deferred Tax	-	-	-
Adjustment for provision of Gratuity	-	(7.90)	(3.16)
<b>Profit After Tax as per Restated</b>	<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>

Particulars	For the Period/FY ended		
	31-03-2024	31-03-2023	31-03-2022
<b>Reserve &amp; Surplus as per Books of Accounts</b>	<b>1,675.81</b>	<b>1,045.32</b>	<b>743.94</b>
Adjustment in Profit & Loss Accounts	-	(29.15)	(21.25)
Adjustment in opening Balance	-	-	-
Adjustment in reserves for Short MAT Provision	-	-	-
Rounding off difference to convert values in lakh	-	0.01	0.02
<b>Reserve &amp; Surplus as per Restated</b>	<b>1,675.81</b>	<b>1,016.18</b>	<b>722.71</b>

**IV. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The Company has disclosed the status of MSME creditors in FY 2023-24 to the extent identified. There were certain suppliers which are due for more than specific timeline which are disputed and company has disclosed the same with reasons in MSME Form-I filed with ROC

**V. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.****VI. The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, and Current Liabilities are subject to confirmation and reconciliation.****VII. As required under SEBI (ICDR) Regulations, the statement of assets and liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.****VIII. Expenditure in Foreign Currency:**

Particulars	For the Period/FY ended		
	31-03-2024	31-03-2023	31-03-2022
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**IX. Earnings in Foreign Exchange:**

Particulars	For the Period/FY ended		
	31-03-2024	31-03-2023	31-03-2022
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**X. Leave Encashment [AS-15]**

Accounting Standard (AS) – 15 issued by ICAI is Mandatory. Retirement benefits in the form of Gratuity are considered as defined benefits obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance sheet.

**XI. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits**

Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.

**XII. Re-grouping/re-classification of amounts**

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

**XIII. Examination of Books of Accounts & Contingent Liability**

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

**XIV. Director Personal Expenses**

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

**XV. Deferred Tax Asset / Liability: [AS-22]**

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22.

**XVI. Other Key Notes**

- In the opinion of the management the value on realization of current assets, Loans and Advance in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- The company does not have any Benami property, where any proceedings has been initiated or pending against the company for holding any Benami property.
- The Company does not have any transactions with the Companies struck off.
- The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company has not traded or invested in Crypto currency or Virtual currency during the financial period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 security or the like to or on behalf of the Ultimate Beneficiaries.
- 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.

- h) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- i) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
- j) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act
- k) The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

**In terms of our report of even date**

**For S S R V and Associates**  
*Chartered Accountants*  
**FRN: 135901W**

**Sd/-**

**Vishnu Kant Kabra**  
*Partner*  
**Mem No: 403437**  
**Place: Mumbai**  
**Date: 18 July, 2024**  
**UDIN: 24403437BKAJWK9243**

**Annexure – I.1****Restated Statement of Share Capital****(Rs. In lakhs)**

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Authorised Capital</b>			
Equity shares of ₹10/- each	1,080.00	1,000.00	1,000.00
No. of Equity Shares	1,08,00,000	1,00,00,000	1,00,00,000
<b>Issued, Subscribed &amp; Fully Paid-up</b>			
Equity shares of ₹10/- each	1,071.67	959.83	959.83
No. of Equity Shares fully paidup	1,07,16,723	95,98,323	95,98,323

Note: The Company has only one class of equity shares of par value ₹10/- each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding.

**Reconciliation of No. of Shares Outstanding at the end of the year****(No. of Equity Shares)**

Particulars	31-03-2024	31-03-2023	31-03-2022
Shares outstanding at the beginning of the year	95,98,323	95,98,323	95,98,323
Shares issued during the year	11,18,400	-	-
<b>Share outstanding at the end of the year</b>	<b>1,07,16,723</b>	<b>95,98,323</b>	<b>95,98,323</b>

**Details of Shareholding more than 5% of the aggregate shares in the company**

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Sunil Kumar Aggarwal</b>			
No. of Shares	41,87,514	41,87,514	41,87,514
% Holding	39.07%	43.63%	43.63%
<b>Lalit Aggarwal</b>			
No. of Shares	54,05,809	54,05,809	54,05,809
% Holding	50.44%	56.32%	56.32%
<b>Ashok Dilip Kumar Jain</b>			
No. of Shares	6,00,000	-	-
% Holding	5.60%	-	-

**Details of Shareholding of Promoters**

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Sunil Kumar Aggarwal</b>			
No. of Shares	41,87,514	41,87,514	41,87,514
% Holding	39.07%	43.63%	43.63%
% change during the year	4.55%	0.00%	56.35%
<b>Lalit Aggarwal</b>			
No. of Shares	54,05,809	54,05,809	54,05,809
% Holding	50.44%	56.32%	56.32%
% change during the year	5.88%	0.00%	0.00%

**Annexure – I.2****Restated Statement of Reserve & Surplus****(Rs. In lakhs)**

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Statement of Profit &amp; Loss</b>			
Opening balance	304.82	67.10	194.45
Add: Profit for the year	629.75	237.72	(127.35)
Less: Prior Period Adjustment	(7.96)	-	-
<b>Balance as at the end of the year for Profit &amp; Loss</b>	<b>926.61</b>	<b>304.82</b>	<b>67.10</b>



<b>Security Premium Reserve</b>			
Opening balance	40.17	40.17	40.17
Add: During the year	123.02	-	-
<b>Balance as at the end of the year for Security Premium</b>	<b>163.19</b>	<b>40.17</b>	<b>40.17</b>
<b>Revaluation Reserves</b>			
Opening balance	596.89	529.12	598.16
Add: During the year	-	151.76	-
Less: Utilised/Transfer to P&L during the year	(74.84)	(84.00)	(69.05)
<b>Balance as at the end of the year for Revaluation Reserves</b>	<b>522.04</b>	<b>596.89</b>	<b>529.12</b>
<b>Capital Subsidy Receivable</b>		-	
Opening balance	74.31	86.31	100.26
Add: During the year	(10.34)	(12.01)	(13.95)
Less: Utilised/Transfer to P&L during the year	-	-	-
<b>Balance as at the end of the year for Capital Subsidy</b>	<b>63.97</b>	<b>74.31</b>	<b>86.31</b>
<b>Total Reserve &amp; Surplus</b>	<b>1,675.81</b>	<b>1,016.18</b>	<b>722.71</b>

**Annexure – I.3****Restated Statement of Long Term Borrowings***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Secured Loans from Bank/FIs</b>			
Yes Bank Term Loan	1,812.24	-	-
Kotak Mahindra Bank Commercial Vehicle Loan	-	-	51.85
HDFC Bank Ltd Vehicle Loan	12.57	18.41	25.26
<b>Total of Secured Loans from Bank/Fis</b>	<b>1,824.81</b>	<b>18.41</b>	<b>77.11</b>
<b>Unsecured Loans from Bank/FIs</b>			
Bank of India- Guaranteed Emergency Credit Line	102.28	134.50	244.53
<b>Total of Unsecured Loans from Bank/FIs</b>	<b>102.28</b>	<b>134.50</b>	<b>244.53</b>
<b>Unsecured Loans from Related Parties</b>			
Lalit Aggarwal ( USL)	622.90	270.00	270.00
Sarla Aggarwal	0.50	0.50	0.50
Sunil Kumar Aggarwal USL	112.96	2.46	4.46
<b>Total of Unsecured Loans from Related Parties</b>	<b>736.36</b>	<b>272.96</b>	<b>274.96</b>
<b>Total Long Term Borrowings</b>	<b>2,663.45</b>	<b>425.87</b>	<b>596.60</b>

*Note: There were no rescheduling or defaults in the repayment of loan taken by the Company*

A term loan from Yes Bank Ltd was taken in FY 23-24 with sanction limit of INR 24.00 Crore '@ of 9.75% Interest rate for a tenure of 84 months (EMI starts from Nov.-2024 i.e.12 month from first disbursement in Oct.,2023) with 30% margine & a charge on machineries & other asset to be purchased through this term loan along with director's personal guarantee & parpasu charge on residential & Industrial plots located at Pathankot & Kathua in the state of J&K

Two working capital limits of Bank of India in the form of GECL is renewed & enhanced with limit of Rs.5.29 crore from 3.22 Crore as earlier limit for a tenure of 36 months (after moratorium of 12 months) @ Interest rate of 9.90% p.a. against hypothication of stock & debtors, with colletral of lease hold land & building located at 36B, Chak Khooni Halti, SICOP Complex, Kathua and further personal gurantee of directors as per sanction letter dt 25.03.2023

The Compnay also have obtained of Cash credit limit from Bank of India for Rs.27.50 (Enhance with 10.00 Cr in FY 23-24) Crore at Interest rate of 12.51% and against the Security of hypothication stock & debtors and collatral security of lease hold land & building situated at 36B, Chak Khooni Halti more SICOP Complex, Kathua, Plant & machinery & other miscellaneous fixed assets (except vehicles), Industrial land & building admeasuring 2 Kanal situated at Plot No.36,Halti more SICOP Industrial Estate, Kathua, and Industrial land admeasuring 3 Kanal situated at Plot No.201-B-205-206, SICOP Industrial Estate, Kathua

Vehicle loan of Rs. 38.16 Lac received from HDFC Banl Ltd was tooked on 16-08-21 for a period of five years against four wheeler car " Toyota Fortuner" @ 7.30% fixed interest rate, further commercial vehicle loan received from Kotak Mahindra Bank of Rs.144.35 Lac @ 9.59%pa in Mar,2021 & Apr,2021

**Annexure – I.4****Restated Statement of Deferred Tax Liabilities/Assets***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Deferred Tax Assets/Liabilities Provision</b>			
WDV as Per Companies Act 2013 after Revaluation reserve	584.50	630.80	653.71
WDV as Per Income tax Act	459.98	510.79	610.59
Difference in WDV	<b>124.53</b>	<b>120.01</b>	<b>43.13</b>
<b>(DTA)/DTL-A</b>	<b>32.38</b>	<b>31.20</b>	<b>11.21</b>
C/fd Losses		-	(791.38)
C/fd Unabsorbed Depreciation	319.98	(1,173.43)	(1,240.85)
<b>Total</b>	<b>319.98</b>	<b>(1,173.43)</b>	<b>(2,032.22)</b>
<b>(DTA)/DTL-B</b>	<b>83.19</b>	<b>(305.09)</b>	<b>(528.38)</b>
<b>(DTA)/DTL</b>	<b>(50.82)</b>	<b>(273.89)</b>	<b>(517.17)</b>
<b>Deferred Tax Assets Provision</b>			
Opening Balance of (DTA)/DTL	(273.89)	(517.17)	(867.30)
Add: Provision for the year	(50.82)	(273.89)	(517.17)
<b>(DTA)/DTL Charged to P&amp;L</b>	<b>(223.07)</b>	<b>(243.28)</b>	<b>(350.13)</b>

**Annexure – I.5****Restated Statement of Other Long Term Borrowings***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Nil	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure – I.6****Restated Statement of Long Term Provisions***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Provision for Gratuity	27.94	22.39	17.75
<b>Total</b>	<b>27.94</b>	<b>22.39</b>	<b>17.75</b>

**Annexure – I.7****Restated Statement of Short Term Borrowings***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Secured Loans from Bank/FIs</b>			
Bank of India Cash Credit	2,449.47	1,715.98	1,847.21
<b>Total of Secured Loans from Bank/FIs</b>	<b>2,449.47</b>	<b>1,715.98</b>	<b>1,847.21</b>
<b>Unsecured Loans from Bank/FIs</b>			
HDFC - Purchase Money Back - 94587	19.99	-	-
HDFC - SBPPL REGALIA - CC - 0416	0.58	-	-
<b>Total of Unsecured Loans from Bank/FIs</b>	<b>20.56</b>	<b>-</b>	<b>-</b>
<b>Total Short Term Borrowings</b>	<b>2,470.03</b>	<b>1,715.98</b>	<b>1,847.21</b>

**Annexure – I.8****Restated Statement of Current Maturity of Long Term Borrowing***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
HDFC Bank Ltd Vehicle Loan	7.61	9.13	9.13
Kotak Mahindra Bank Commercial Vehicle Loan	6.54	61.22	74.44
Bank Of India Loan Account-0018 (GECL)	51.12	66.82	66.82
Bank Of India Loan Account-0016 (GECL)	31.42	130.65	130.65
<b>Total of Current Maturity of Long Term Borrowing</b>	<b>96.70</b>	<b>267.82</b>	<b>281.04</b>

**Annexure – I.9****Restated Statement of Trade Payables***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Outstanding Dues for MSME Creditors	21.74	-	-
Outstanding Dues for Other than MSME Creditors	16.98	321.72	359.47
Disputed Creditors, if any	-	-	-
<b>Total</b>	<b>38.72</b>	<b>321.72</b>	<b>359.47</b>

Note: MSME status of the trade creditors is given to the extent identified

**Note: Trade Payable Ageing schdeule***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>For MSME Creditors</b>			
Less Than 1 Years	3.84	-	-
1 - 2 Years	5.33	-	-
2 - 3 Years	-	-	-
More Than 3 Years	12.58	-	-
<b>Total</b>	<b>21.74</b>	<b>-</b>	<b>-</b>
<b>For Other than MSME Creditors</b>			
Less Than 1 Years	16.98	321.72	359.47
1 - 2 Years	-	-	-
2 - 3 Years	-	-	-
More Than 3 Years	-	-	-
<b>Total</b>	<b>16.98</b>	<b>321.72</b>	<b>359.47</b>

**Annexure – I.10****Restated Statement of Other Current Liabilities***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Nil	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure – I.11****Restated Statement of Short Term Provision***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
E.S.I. Payable	0.20	0.20	0.16
P.F Payable	0.48	0.49	0.34
Provision for Gratuity	8.84	6.76	3.50
Power & Electricity Payable	50.50	57.65	59.06
Salary Payable	6.91	5.54	4.76
TDS Payable	1.72	1.69	1.88
TCS Payable	0.35	1.00	0.30
Wages Payable A/ C	4.69	6.12	4.06
Administrative Charges Payable	0.02	-	-
Audit Fee Payable	-	1.80	1.80
GST Payable	1.20	82.92	2.96
Income Tax Payable	-	80.94	30.38
<b>Total</b>	<b>74.92</b>	<b>245.09</b>	<b>109.20</b>

**Annexure – I.12****Restated Statement of Fixed Assets***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Tangible Assets</b>			
Land (Leasehold)	58.55	58.55	29.40
Building	584.65	633.44	605.95
Commercial Vehicle	17.28	25.68	20.46
Vehicle	28.65	36.98	40.83
Plant & Machinery	354.46	394.93	458.76
Airconditioner	1.76	1.54	1.97
Furniture & fittings	0.42	0.22	0.24
Electrical Fittings	55.00	70.16	18.77
Lab Equipments	0.99	1.34	1.36
Office Equipment	0.69	0.89	0.95
Tools	0.06	0.08	0.10
Computers, Printers & Other Accessories	0.87	0.71	0.81
Other Assets	3.17	3.18	3.22
<b>Total Net Block of Tangible Assets</b>	<b>1,106.55</b>	<b>1,227.69</b>	<b>1,182.83</b>
<b>B) Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Capital Work-In-Progress</b>	<b>2,507.49</b>	<b>95.23</b>	<b>-</b>

**Annexure – I.13****Restated Statement of Non - current Investments***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Nil	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure – I.14****Restated Statement of Long Term Loans & Advances***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Security Deposits	57.74	57.11	54.62
<b>Total</b>	<b>57.74</b>	<b>57.11</b>	<b>54.62</b>

**Annexure – I.15****Restated Statement of Other Non-current Assets***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Nil	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure – I.16****Restated Statement of Current Investments***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Nil	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure – I.17****Restated Statement of Inventories***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Raw Materials	146.42	223.28	109.78
Finished Goods	1,082.10	223.61	317.66
Stores & Spares	333.00	315.91	311.09
Work-In-Progress	51.05	63.80	69.85
<b>Total</b>	<b>1,612.56</b>	<b>826.60</b>	<b>808.38</b>

**Annexure – I.18****Restated Statement of Trade Receivables***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Undisputed Trade receivables – considered good	1,894.27	1,594.32	1,549.09
Undisputed Trade receivables – considered doubtful	-	-	-
Disputed Trade receivables – considered good	-	-	-
Disputed Trade receivables – considered doubtful	-	-	-
Other Trade Receivables	-	-	-
<b>Total</b>	<b>1,894.27</b>	<b>1,594.32</b>	<b>1,549.09</b>

**Note: Trade Receivable Ageing schedule***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Less Than 6 Months	1,894.27	1,594.32	1,549.09
6 Months - 1 Years	-	-	-
1 - 2 Years	-	-	-
2 - 3 Years	-	-	-
More Than 3 Years	-	-	-
<b>Total</b>	<b>1,894.27</b>	<b>1,594.32</b>	<b>1,549.09</b>

**Annexure – I.19****Restated Statement of Cash and Cash Equivalents***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Cash In Hand	14.74	11.09	12.04
Balance With Bank (in Current Accounts)	0.70	0.02	1.14
Balance in Cash credit A/c (Yes Bank)	0.98	-	-
HDFC - Purchase Money Back - 4421490000087847	0.02	-	-
Fixed Deposit in Bank	31.97	103.86	100.19
<b>Total</b>	<b>48.41</b>	<b>114.97</b>	<b>113.36</b>

**Annexure – I.20****Restated Statement of Short Term Loans and Advances***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Loans and Advances to others Unsecured, Considered good</b>			
Prepaid Insurance	7.14	8.81	-
Other Advances	46.04	-	-
<b>Total</b>	<b>53.19</b>	<b>8.81</b>	<b>-</b>



**Annexure – I.21****Restated Statement of Other Current Assets****(Rs. In lakhs)**

<b>Particulars</b>	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Cenvat on Rawmaterial	1.82	1.82	1.82
P.L.A Excise Duty	38.09	38.09	38.09
Advance Lease Rent	17.77	-	-
Insurance Claim Recoverable	6.78	8.47	-
Insurance Premium Subsidy Receivable from Govt of J&K, Indu & Comm Dept	18.67	23.34	23.34
MAT Credit	129.40	129.40	48.79
Refund Claim of Edu & H&S Edu Cess Writtenoff	91.88	114.85	229.71
Capital Subsidy Receivable from Govt of J&K, Indu & Comm Dept	114.64	133.62	133.62
Gst Tds Input	4.29	5.36	-
Gst Cash Ledger	0.55	0.60	-
Gst Input Unclaimed	43.40	-	5.39
GST Refund	36.52	87.99	66.96
TDS Receivables	6.33	4.65	4.65
Turnover Incentive Receivable from Govt of J&K, Indu & Comm Dept	150.00	100.00	-
Interest Subsidy Recoverable	40.00	40.00	116.00
Penal Interest / Extra Interest Recoverable / Charges Recoverable	88.08	88.08	-
<b>Total</b>	<b>788.23</b>	<b>776.29</b>	<b>668.37</b>

## Property, plant and equipment

Description of assets	Leasehold Land	Air Conditioner	Electrical Installation	Factory Building	Lab Equipments	Plant & Machinery	Tools & Equipments	Vehicle	Office Equipments	Computer & Accessories	Furniture & Fixture	Other Assets	Commercial Vehicle	Total
<b>As at April 1, 2021</b>	<b>25.00</b>	<b>8.12</b>	<b>345.54</b>	<b>1,042.24</b>	<b>26.35</b>	<b>1,324.79</b>	<b>1.01</b>	<b>61.27</b>	<b>10.32</b>	<b>10.38</b>	<b>3.87</b>	<b>63.24</b>	<b>625.50</b>	<b>3,547.62</b>
Additions	4.40	0.71	2.53	4.39	-	15.72	-	41.38	0.08	0.27	-	-	-	<b>69.49</b>
Disposals/ reclassifications/Insurance Claim	-	-	-	-	-	-	-	-	-	-	-	-	(2.04)	<b>(2.04)</b>
<b>As at March 31, 2022</b>	<b>29.40</b>	<b>8.83</b>	<b>348.07</b>	<b>1,046.63</b>	<b>26.35</b>	<b>1,340.52</b>	<b>1.01</b>	<b>102.66</b>	<b>10.40</b>	<b>10.64</b>	<b>3.87</b>	<b>63.24</b>	<b>623.46</b>	<b>3,615.07</b>
<b>As at April 1, 2022</b>	<b>29.40</b>	<b>8.83</b>	<b>348.07</b>	<b>1,046.63</b>	<b>26.35</b>	<b>1,340.52</b>	<b>1.01</b>	<b>102.66</b>	<b>10.40</b>	<b>10.64</b>	<b>3.87</b>	<b>63.24</b>	<b>623.46</b>	<b>3,615.07</b>
Additions	29.15	-	0.48	-	-	-	-	6.59	0.26	0.18	-	-	12.97	<b>49.62</b>
Revaluation of Asset	-	-	74.76	77.01	-	-	-	-	-	-	-	-	-	<b>151.76</b>
Disposals/ reclassifications/Insurance Claim	-	-	(3.26)	-	-	-	-	-	-	-	-	-	(200.59)	<b>(203.85)</b>
<b>As at March 31, 2023</b>	<b>58.55</b>	<b>8.83</b>	<b>420.04</b>	<b>1,123.64</b>	<b>26.35</b>	<b>1,340.52</b>	<b>1.01</b>	<b>109.24</b>	<b>10.66</b>	<b>10.82</b>	<b>3.87</b>	<b>63.24</b>	<b>435.84</b>	<b>3,612.61</b>
<b>As at April 1, 2023</b>	<b>58.55</b>	<b>8.83</b>	<b>420.04</b>	<b>1,123.64</b>	<b>26.35</b>	<b>1,340.52</b>	<b>1.01</b>	<b>109.24</b>	<b>10.66</b>	<b>10.82</b>	<b>3.87</b>	<b>63.24</b>	<b>435.84</b>	<b>3,612.61</b>
Additions		0.61	0.71			14.86		1.06		0.31	0.24			<b>17.79</b>
Disposals/ reclassifications/Insurance Claim														
<b>As at March 31, 2024</b>	<b>58.55</b>	<b>9.44</b>	<b>420.75</b>	<b>1,123.64</b>	<b>26.35</b>	<b>1,355.38</b>	<b>1.01</b>	<b>110.31</b>	<b>10.66</b>	<b>11.14</b>	<b>4.11</b>	<b>63.24</b>	<b>435.84</b>	<b>3,630.40</b>

<b>Depreciation</b>														
<b>As at April 1, 2021</b>	-	<b>6.26</b>	<b>305.31</b>	<b>391.18</b>	<b>23.52</b>	<b>808.81</b>	<b>0.88</b>	<b>53.11</b>	<b>8.69</b>	<b>9.82</b>	<b>3.44</b>	<b>57.00</b>	<b>593.78</b>	<b>2,261.81</b>
Depreciation expense for the year	-	0.60	23.99	49.49	1.47	72.95	0.03	8.73	0.76	0.02	0.18	3.02	9.22	<b>170.44</b>
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	<b>6.86</b>	<b>329.30</b>	<b>440.68</b>	<b>24.99</b>	<b>881.76</b>	<b>0.91</b>	<b>61.83</b>	<b>9.45</b>	<b>9.83</b>	<b>3.62</b>	<b>60.02</b>	<b>603.00</b>	<b>2,432.25</b>
Depreciation expense for the period	-	0.43	20.59	49.52	0.03	63.83	0.02	10.43	0.31	0.28	0.03	0.04	4.23	<b>149.75</b>
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	(197.07)	<b>(197.07)</b>
<b>As at March 31, 2023</b>	-	<b>7.29</b>	<b>349.89</b>	<b>490.19</b>	<b>25.01</b>	<b>945.59</b>	<b>0.93</b>	<b>72.26</b>	<b>9.76</b>	<b>10.12</b>	<b>3.65</b>	<b>60.06</b>	<b>410.16</b>	<b>2,384.93</b>
Depreciation expense for the period	-	0.39	15.86	48.79	0.35	55.32	0.02	9.39	0.21	0.15	0.04	0.01	8.40	<b>138.92</b>
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2024</b>	-	<b>7.68</b>	<b>365.75</b>	<b>538.98</b>	<b>25.36</b>	<b>1,000.91</b>	<b>0.95</b>	<b>81.65</b>	<b>9.97</b>	<b>10.27</b>	<b>3.69</b>	<b>60.07</b>	<b>418.56</b>	<b>2,523.85</b>
<b>As at March 31, 2024</b>	58.55	1.76	55.00	584.65	0.99	354.46	0.06	28.65	0.69	0.87	0.42	3.17	17.28	<b>1,106.55</b>
<b>As at March 31, 2023</b>	58.55	1.54	70.16	633.44	1.34	394.93	0.08	36.98	0.89	0.71	0.22	3.18	25.68	<b>1,227.69</b>
<b>As at March 31, 2022</b>	29.40	1.97	18.77	605.95	1.36	458.76	0.10	40.83	0.95	0.81	0.24	3.22	20.46	<b>1,182.83</b>

**Annexure –II.1****Restated Statement of Revenue from operations***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Sale from Manufacturing Activities</b>			
<b>- Domestic Sales</b>			
Gross Sale	15,888.20	15,410.28	17,836.78
Less; GST Charged on Sales	(2,403.25)	(2,347.34)	(2,720.86)
<b>Total Sales</b>	<b>13,484.95</b>	<b>13,062.94</b>	<b>15,115.91</b>
Add; GST Refund	111.48	239.69	266.85
<b>Net Domestic Sales</b>	<b>13,596.42</b>	<b>13,302.63</b>	<b>15,382.76</b>
<b>- Export Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue from Operations</b>	<b>13,596.42</b>	<b>13,302.63</b>	<b>15,382.76</b>

**Note-1: Details of Product wise Turnover***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
TMT Bar	13,105.21	12,613.30	14,673.38
Scrap Sale	379.73	449.64	442.53
<b>Total of Revenue</b>	<b>13,484.94</b>	<b>13,062.94</b>	<b>15,115.91</b>

**Note-2: Details of Contribution from Customers**

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Turnover from Top 10 largest Customers</b>	<b>8,433.24</b>	<b>6,247.89</b>	<b>7,477.22</b>
<b>in % of Total Turnover</b>	<b>62.54%</b>	<b>47.83%</b>	<b>49.47%</b>
<b>Turnover from Related Party</b>	<b>554.00</b>	<b>650.07</b>	<b>23.89</b>
<b>in % of Total Turnover</b>	<b>4.11%</b>	<b>4.98%</b>	<b>0.16%</b>

**Note-3: Details of Statewise Turnover**

Particulars	31-03-2024	31-03-2023	31-03-2022
Jammu & Kashmir	13,381.00	12,628.01	14,462.17
Himachal Pradesh	73.60	56.53	35.58
Punjab	30.35	370.68	595.49
Uttar Pradesh	-	7.73	22.68
<b>Total of Revenue</b>	<b>13,484.95</b>	<b>13,062.94</b>	<b>15,115.91</b>

**Annexure –II.2****Restated Statement of Revenue from Other Income***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Interest Earned	5.30	6.84	61.33
Hire Income	-	1.98	-
Incentive Receivable on Turnover from State Government of J&K	70.00	120.00	-
Reversal of Revaluation Reserve	74.84	84.00	69.05
Deferred Revenue on Capital Subsidy Receivable	10.34	12.01	13.95
Discount Received	1.74	20.11	4.94
Loading & Unloading Charges Collected	50.71	-	-
Short & Excess	-	(0.17)	(0.07)
Insurance Claim- Plant & Machinery	-	8.47	-
Profit on Sale of truck	-	34.28	-
<b>Total</b>	<b>212.93</b>	<b>287.51</b>	<b>149.19</b>

**Annexure –II.3****Restated Statement of Cost of Materials Consumed***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Opening Stock of Raw Material</b>	9.11	57.55	286.76
Add: Purchase during the Years	12,050.33	11,426.38	13,326.57
Add: Freight Inwards	170.61	120.62	90.51
Add: Toll Tax	22.07	24.09	18.28
<b>Total</b>	<b>12,252.12</b>	<b>11,628.64</b>	<b>13,722.12</b>
Less: Closing Stock	(9.83)	(9.11)	(57.55)
<b>Cost of Material Consumed</b>	<b>12,242.29</b>	<b>11,619.53</b>	<b>13,664.57</b>

**Note-1: Details of Contribution from Suppliers**

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Turnover from Top 10 largest Suppliers</b>	<b>11,878.02</b>	<b>11,362.46</b>	<b>13,308.24</b>
<b>in % of Total Turnover</b>	<b>98.57%</b>	<b>99.44%</b>	<b>99.86%</b>

**Note-3: Details of Statewise Purchase**

Particulars	31-03-2024	31-03-2023	31-03-2022
Jammu & Kashmir	2,560.94	2,464.64	1,182.88
Punjab	94.83	1,439.89	5,342.29
Himachal Pradesh	5,811.21	5,561.60	6,675.05
Haryana	1,814.16	1,034.53	-
Jharkhand	1,084.19	899.65	126.34
Uttar Pradesh	556.37	26.07	-
Odisha	128.63	-	-
Uttarakhand	-	-	-
<b>Total of Purchase</b>	<b>12,050.33</b>	<b>11,426.38</b>	<b>13,326.57</b>

**Annexure –II.4****Restated Statement of Change in Inventory***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Opening Balance:</b>			
Finished Product	223.61	317.66	304.47
Work in Progress	63.80	69.85	51.15
<b>Total Opening Balance</b>	<b>287.41</b>	<b>387.51</b>	<b>355.62</b>
<b>Closing Balance:</b>			
Finished Product	1,082.10	223.61	317.66
Work in Progress	51.05	63.80	69.85
<b>Total Closing Balance</b>	<b>1,133.14</b>	<b>287.41</b>	<b>387.51</b>
<b>Net (Increase)/Decrease in Stocks</b>	<b>(845.73)</b>	<b>100.10</b>	<b>(31.89)</b>



**Annexure –II.5****Restated Statement of Employees Benefit Expenses***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Directors Remuneration	-	-	-
Salaries, Wages & Bonus	70.41	65.75	58.34
PF Contributions	2.68	2.67	2.37
Gratuity Provision	7.63	7.90	3.16
ESIC Contribution	1.84	1.78	1.75
Staff Welfare	0.07	7.89	3.63
Admin Charges	0.22	-	-
Bonus and Compensation	4.03	-	-
<b>Total</b>	<b>86.89</b>	<b>85.99</b>	<b>69.25</b>

**Annexure –II.6****Restated Statement of Other Expenses***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Direct Manufacturing Expenses</b>			
<b>Consumables, Stores &amp; Spare Expense</b>	<b>41.31</b>	<b>30.77</b>	<b>28.90</b>
Opening Balance	315.91	311.09	286.72
Add: Purchase	58.40	35.59	53.27
Less: Closing Stock	(333.00)	(315.91)	(311.09)
<b>Hard Coke &amp; Furance Oil Expense</b>	<b>310.33</b>	<b>189.04</b>	<b>259.07</b>
Opening Balance	214.17	52.23	46.87
Add: Purchase	232.75	350.98	264.43
Less: Closing Stock	(136.59)	(214.17)	(52.23)
<b>Other Manufacturing Expense</b>	<b>265.99</b>	<b>238.07</b>	<b>236.52</b>
Testing & Calibration	1.23	2.30	6.11
Power & Electricity	174.80	154.19	142.35
Daily Wages	64.70	65.45	57.46
Repair & Maintenance	25.26	16.13	30.60
<b>Total of Direct Manufacturing Expenses</b>	<b>617.64</b>	<b>457.88</b>	<b>524.49</b>
<b>Selling &amp; Distribution Charges</b>			
Hydra & Freight Charges	303.61	300.54	423.48
<b>Administrative &amp; Other Expenses</b>			
Lease Expense	3.46	1.00	0.77
Amount Written Off	67.25	158.39	171.83
Audit Fees	0.88	2.00	2.00
Telephone Expense	1.30	1.23	1.41
Advertisement Expense	0.25	3.78	-
Computer/Internet Exp	0.43	0.83	2.23
Car Expense	0.48	1.02	0.62
Interest & Penalty	6.21	24.89	11.42
Interest on Income tax payable	-	6.03	3.02
Printing & Stationery	0.35	0.71	2.49
General Expenses	0.49	0.00	0.08
Legal & Professional Fees	6.71	5.94	1.33
Fees & Taxes	8.76	4.59	6.85
Round off	0.07	(0.02)	0.45
Insurance Expense	19.62	8.18	8.81
Donation	0.82	-	0.60
Tours & Travelling	7.30	5.70	-
Office Equipment & Building Repair Expense	16.28	-	-
E-Tender Expense	0.30	-	-
Water Rent	-	0.03	0.27
<b>Total of Administrative &amp; Other Expenses</b>	<b>444.56</b>	<b>524.84</b>	<b>637.64</b>
<b>Total Other Expenses</b>	<b>1,062.19</b>	<b>982.72</b>	<b>1,162.13</b>

**Annexure –II.7****Restated Statement of Financial Charges***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Bank Charges	11.43	4.30	7.63
Interest On Loan	260.55	166.75	267.03
<b>Total</b>	<b>271.97</b>	<b>171.06</b>	<b>274.66</b>

**Annexure –II.8****Restated Statement of Provision For Taxation***(Rs. In lakhs)*

Particulars	31-03-2024	31-03-2023	31-03-2022
Current Tax	-	-	-
Deferred Tax	(223.07)	(243.28)	(350.13)

## ANNEXURE –V

## Statement of Accounting &amp; Other Ratios, As per SEBI ICDR

(Rs. In lakhs)

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Total Revenue from Operation (A)</b>	<b>13,596.42</b>	<b>13,302.63</b>	<b>15,382.76</b>
<b>Net Profit as Restated (B)</b>	<b>629.75</b>	<b>237.72</b>	<b>(127.35)</b>
Add: Depreciation	138.92	149.75	170.44
Add: Interest on Loan	260.55	166.75	267.03
Add: Income Tax	223.07	243.28	350.13
Less: Other Income	(212.93)	(287.51)	(149.19)
<b>EBITDA - Operating Profit (C)</b>	<b>1,039.37</b>	<b>509.98</b>	<b>511.07</b>
<b>EBITDA Margin (in %) (A/C)</b>	<b>7.64%</b>	<b>3.83%</b>	<b>3.32%</b>
Share Capital	1,071.67	959.83	959.83
Add: Rerves & Surplus	1,675.81	1,016.18	722.71
Less: Revaluation Reserves	(522.04)	(596.89)	(529.12)
Less: Capital Redemption reserve	(63.97)	(74.31)	(86.31)
<b>Net Worth as Restated (D)</b>	<b>2,161.46</b>	<b>1,304.82</b>	<b>1,067.11</b>
<b>Return on Net worth (in %) as Restated (B/D)</b>	<b>29.14%</b>	<b>18.22%</b>	<b>-11.93%</b>
<b>Equity Share at the end of year/period (in Nos.) (E) (In Lakh)</b>	<b>107.17</b>	<b>95.98</b>	<b>95.98</b>
Weighted No. of Equity Shares (G) (In Lakh)	101.22	95.98	95.98
<b>Earnings per Equity Share as Restated (B/G)</b>	<b>6.22</b>	<b>2.48</b>	<b>(1.33)</b>
<b>- Basic &amp; Diluted</b>			
<b>Net Asset Value per Equity share as Restated (D/E)</b>	<b>20.17</b>	<b>13.59</b>	<b>11.12</b>
<b>Note:-</b>			
EBITDA Margin = EBITDA/Revenue from Operation			
Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year			
Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.			
Return on Net worth (%) = Restated Profit after taxation / Net worth x 100			
Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) - Revaluation Reserve - Capital Redemption Reserve			
Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY			
The Company has a revaluation reserves and disclosed as and where required			
The figures disclosed above are based on the Restated Financial Statements of the Company			

## Statement of Other Accounting Ratios, as per Companies Act, 2013

Particulars	31-03-2024	31-03-2023	31-03-2022
Current Ratio	1.64	1.30	1.21
Debt-Equity Ratio	1.90	1.22	1.62
Debt Service Coverage Ratio	4.65	4.69	2.43
Return on Equity Ratio	14.74	2.08	(0.64)
Inventory turnover ratio	8.07	14.21	15.32
Trade Receivables turnover ratio	7.84	8.46	10.70
Trade payables turnover ratio	91.02	33.55	25.77
Net capital turnover ratio	4.95	6.73	9.14
Net profit ratio	0.05	0.02	(0.01)
Return on Capital employed	0.23	0.18	0.16
Return on investment	0.05	0.17	(0.11)

## ANNEXURE –VI

## Statement of Capitalization, As Restated

Particulars	Pre-Issue	Post Issue*
	31-03-2024	
<b>Debt :</b>		
Short Term Debt	2,566.73	2,566.73
Long Term Debt	2,663.45	2,663.45
<b>Total Debt</b>	<b>5,230.18</b>	<b>5,230.18</b>
<b>Shareholders Funds</b>		
Equity Share Capital	1,071.67	1,491.67
Reserves and Surplus	1,675.81	4,657.81
Less: Misc. Expenditure		-
<b>Total Shareholders' Funds</b>	<b>2,747.48</b>	<b>6,149.48</b>
<i>Long Term Debt/ Shareholders' Funds</i>	<i>0.97</i>	<i>0.43</i>
<i>Total Debt / Shareholders Fund</i>	<i>1.90</i>	<i>0.85</i>

\* Assuming Full Allotment of IPO shares

## ANNEXURE –VII

## Statement of Tax Shelter, As Restated

Particulars	As At		
	31-03-2024	31-03-2023	31-03-2022
<b>Profit as per books</b>	<b>852.82</b>	<b>480.99</b>	<b>222.79</b>
Add: Inadmissible Expense	20.78	23.95	12.61
Add: Dep as per Co. Act	138.92	149.75	170.44
Less: Dep as per IT Act	(68.60)	(76.79)	(93.42)
Less: Inadmissible Income Deff Rev	(10.34)	(12.01)	(13.95)
Less: Inadmissible Income Rev Res	(74.84)	(84.00)	(69.05)
Less: Inadmissible Income Int Income	(5.30)	(6.84)	(2.83)
Less: Inadmissible Income from sale of FA	-	(34.27)	-
<b>Gross Taxable Income</b>	<b>853.45</b>	<b>440.79</b>	<b>226.60</b>
Less: Set off with B/fd Loss		(394.13)	(232.79)
Less: Set off with B/fd Uabso. Dep.	(853.45)	(60.58)	
<b>Net Taxable Income</b>	<b>0.00</b>	<b>(13.92)</b>	<b>(6.19)</b>
MAT	As At		
	31-03-2024	31-03-2023	31-03-2022
PAT	629.75	237.72	(127.35)
Add: Deff Tax	223.07	243.28	350.13
Add: Prov for Tax			-
Add: Dep - Companies	138.92	149.75	170.44
	<b>991.75</b>	<b>630.74</b>	<b>393.23</b>
Less: Rev Res + Deff Rev	(85.18)	(96.00)	(82.99)
Less: Admissible Depr	(64.08)	(65.75)	(101.39)
<b>Adjusted Book Profit u/s 115JB</b>	<b>842.49</b>	<b>468.99</b>	<b>208.84</b>
<b>MAT Tax payable</b>	<b>131.43</b>	<b>74.17</b>	<b>33.09</b>
<b>Surcharge</b>	<b>9.20</b>	<b>5.12</b>	<b>2.29</b>
Less: TDS	-	(5.70)	(8.53)
	<b>140.63</b>	<b>73.59</b>	<b>26.85</b>
Add: Int U/s234A	-	-	-
Add: Int U/s234B	-	5.24	1.91
Add: Int U/s234C	-	3.78	1.38
<b>Gross MAT Liability</b>	<b>140.63</b>	<b>82.61</b>	<b>30.14</b>
Less: SA Tax Paid 29-11-21			
Less: SA Tax Paid 31-10-22			(30.66)
Less: SA Tax Paid 31-10-23		(83.93)	
<b>Balance MAT tax payable</b>	<b>140.63</b>	<b>(1.32)</b>	<b>(0.52)</b>



**ANNEXURE –VIII****Statement of Related Parties & Transactions**

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

<b>Name of the key managerial personnel/Entity</b>	<b>Relationship</b>
Lalit Aggarwal	Managing Director
Sunil Kumar Aggarwal	Director
Mahesh Kumar	Director
M/s.Shree Balaji Alloys	Director's Partnership Concern
M/s.Shri Ram Industries	Director's Partnership Concern
M/s. JBD Sales Corporation	Relative of Director
Sudhanshu Aggarwal	Son of Managing Director
M/s. Cemcom Cements	Director Proprietorship
M/s. Aggarwal Equipment Suppliers	Director's Partnership Concern
M/s. Satyam Cements	Director's Partnership Concern

**Transactions with Related Parties:**

<b>Particulars</b>	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Remuneration paid to Relative of Directors</b>			
Sudhanshu Aggarwal	18.00	-	-
<b>Total</b>	<b>18.00</b>	<b>-</b>	<b>-</b>
<b>Sale with related parties</b>			
Satyam Cements (Inclusive of GST)	121.90	41.47	5.89
Cemcom Cements (Inclusive of GST)	432.10	608.60	10.17
Shri Ram Industries	-	-	7.83
<b>Total</b>	<b>554.00</b>	<b>650.07</b>	<b>23.89</b>
<b>Purchase</b>			
Satyam Cements - Purchase of Vehicle	-	6.59	-
Satyam Cements - Hire Charges Paid	-	2.34	-
Satyam Cements - Factory Building Work	13.28	-	-
Shri Ram Industries - Purchase of Truck	-	12.97	-
Shri Ram Industries - Hire Charges Paid	-	-	5.30
Cemcom Cements (Inclusive of GST)	18.12	74.27	57.63
Aggarwal Equipments Suppliers (Inclusive of GST)	438.08	498.67	91.01
Aggarwal Equipments Suppliers - Hire Charges Paid	-	-	8.84
Shree Balaji Engineering	16.21	-	-
<b>Total</b>	<b>485.68</b>	<b>594.84</b>	<b>162.78</b>
<b>Unsecured Loans Received/(Paid)</b>			
Sunil Aggarwal	110.50	(2.00)	(316.50)
JBD Steel Corporation	-	-	-
Lalit Aggarwal	352.90	-	95.00
Others	-	-	(66.90)
<b>Total</b>	<b>463.40</b>	<b>(2.00)</b>	<b>(288.40)</b>
<b>Closing Balance of Related Parties</b>			
Sunil Aggarwal	112.96	2.46	4.46
JBD Steel Corporation	-	-	-
Lalit Aggarwal	622.90	270.00	270.00
Sarala Aggarwal	0.50	0.50	0.50
<b>Total</b>	<b>736.36</b>	<b>272.96</b>	<b>274.96</b>

## ANNEXURE –IX

## Statement of Dividends

Particulars	31-03-2024	31-03-2023	31-03-2022
No Dividend paid till date	N/A	N/A	N/A

## ANNEXURE –X

## Statement of Contingent Liabilities &amp; Commitment:

Particulars	31-03-2024	31-03-2023	31-03-2022
<b>Contingent Liabilities</b>			
Claims against the company not acknowledged as debt	-	-	-
Corporate Guarantees Given	-	-	-
Bank Guarantees Given	-	-	-
Other money for which the company is contingently liable	-	-	-
<b>Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,453.37	3,889.77	-
Other commitments (specify nature).	-	-	-

## FINANCIAL INDEBTEDNESS

### STATEMENT OF FINANCIAL INDEBTEDNESS

In terms of the Articles of Association of the Company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Banks / Financial Institution in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount subject to members approval from time to time.

Our Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities wherever applicable. As on 31<sup>st</sup> March 2024, our Company has total outstanding borrowings aggregating to ₹5230.18 lakhs.

(₹ in Lakhs)

Name of the Person / Institution / Company	Type of Loan	Purpose	Nature of Tenure	Rate of Interest	Loan Amount Sanctioned	Outstanding as on 31 <sup>st</sup> March, 2024
Yes Bank Ltd	Secured Loan	Term Loan	Repayable in 84 equal monthly installments commencing from November, 2024	9.75%	2400.00	1812.24
Yes Bank Ltd	Secured Loan	Cash Credit	On Demand	9.35%	90.00	Nil
HDFC Bank Ltd	Secured Loan	Vehicle Loan	Repayable in 60 equal monthly Installments commenced from September, 2021	7.30%	38.16	20.18
Kotak Mahindra Bank Ltd	Secured Loan	Commercial Vehicle Loan	Repayable in 36 equal monthly Installments commenced from 31 <sup>st</sup> March, 2021 & 30 <sup>th</sup> April, 2021	9.59%	144.35	6.54
Bank of India	Unsecured Loan	Guaranteed Emergency Credit Line	Repayable in 36 equal monthly Installments commenced from 30 <sup>th</sup> June, 2021 & 30 <sup>th</sup> October, 2023	9.90%	529.00	184.82
Bank of India	Secured Loan	Cash Credit	On demand	11.74%	2750.00	2449.47
Lalit Aggarwal	Unsecured Loan	Business Purpose	On demand	Nil	N.A.	622.90
Sarla Aggarwal	Unsecured Loan	Business Purpose	On demand	Nil	N.A.	0.50
Sunil Kumar Aggarwal	Unsecured Loan	Business Purpose	On demand	Nil	N.A.	112.96

Name of the Person / Institution / Company	Type of Loan	Purpose	Nature of Tenure	Rate of Interest	Loan Amount Sanctioned	Outstanding as on 31 <sup>st</sup> March, 2024
HDFC Bank Ltd	Unsecured Loan (Corporate Credit Card)	Business Purpose	45 Days	2.75%	N.A.	20.56
<b>TOTAL BORROWINGS</b>						<b>5230.18</b>

For S S R V and Associates  
Chartered Accountants  
Firm Reg. No. 135901W

Sd/-

Vishnu Kant Kabra  
Partner  
Mem. No.: 403437  
Place: Mumbai  
Date: 18 July 2024  
UDIN: 24403437BKAJQ4448

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Draft prospectus. You should also see the section titled **“Risk Factors”** beginning on page 22 of this Draft prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.*

*These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated July 18, 2024 which is included in this Draft prospectus under the section titled **“Financial Information as Restated”** beginning on page 176 of this Draft prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under **“Risk Factors”** and **“Forward Looking Statements”** beginning on pages 22 and 16 respectively, and elsewhere in this draft prospectus*

*Accordingly, the degree to which the financial statements in this draft prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled **“Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation”** beginning on page 14 of this draft prospectus.*

### BUSINESS OVERVIEW

Our Company was originally incorporated as Private Limited Company in the name of “Shree Bala Ji Pigments Private Limited” on January 25, 2007 under the provision of the Companies Act, 1956 bearing Corporate Identification Number U27109JK2007PTC002731 issued by Registrar of Companies, Jammu and Kashmir. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to “Shree Bala Ji Pigments Limited” vide a fresh Certificate of Incorporation dated January 04, 2024 bearing Corporate Identification Number U27109JK2007PLC002731 issued by Registrar of Companies – Jammu.

Shree Bala Ji Pigments Limited is primarily engaged in manufacturing of TMT Bars (Thermo Mechanically Treated Bars) which is used in Construction Purposes. Our TMT Bars are sold under the brand “SATYAM TMT”. We manufacture TMT Bars of different sizes of from 8mm to 25mm & Grades i.e. Fe 415, 415D, 500 & 500D. Our products have been used in are buildings, homes, multi-storied high rise, industrial structure and other civil engineering structures etc.

We currently operate from our Manufacturing Plant situated at SICOP Industrial Estate, Kathua, Jammu and Kashmir spreading over an area of approx. 27 kanals (1,46,415 sq. ft). As of March 31, 2024, the aggregate installed capacity of our manufacturing plant of TMT Bar was 75,000 tonnes per annum (TPA). The plant is fully geared with latest technologies to provide good quality steel products and the plant is operating smoothly since 2011. Over the period, after establishing ourselves as a TMT Bars manufacturer in Jammu and Kashmir, we have regularly optimized our machineries in our existing manufacturing facility.

Considering the growing demand of TMT Bars in the regional markets, the company is implementing a backward integration project i.e. Implementation of Steel Melting Shop (SMS) which includes installation of Induction Furnace to manufacture MS Billets and TMT Bars from Sponge Iron and MS Scraps. The proposed backward integration project will be set up with an installed capacity of 1,04,000 Tons per annum (TPA) of Sponge Iron/MS Scrap to manufacture MS Billets and TMT Bars at our existing facility. The expansion project will provide the Company better control over the quality of finished products to be manufactured and will positively impact the margins of the Company. The overall Project cost for the proposed expansion project has been estimated at ₹ 4,960.86 lakhs. The proposed expansion project is expected to become operational by September’ 2024.

We are led by our individual Promoters, Sunil Kumar Aggarwal and Lalit Agarwal, who have individually more than 20 years of experience in the steel industry and have been instrumental in the growth of our Company. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the metal industry. As of June 30, 2024, we had a workforce of 62 personnel comprised permanent employees and labours for our operations.

Our products comply with quality standards of Bureau of Indian Standards (BIS) i.e. IS 1786:2008 and have also been awarded ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) for manufacture of TMT Bars. Our Company has established independent Quality Control and Testing laboratories which is equipped with the latest equipment and technology for the purpose of quality control as well as for research. Different types of equipment are used to check the physical and chemical properties of the raw material as well as the finished product.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD**

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e. March 31, 2024 as disclosed in this draft prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors have decided to get their equity shares listed on EMERGE Platform of National Stock Exchange of India Limited and pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on March 18, 2024 proposed the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on March 20, 2024 authorized the Initial Public Offer.

### **KEY FACTORS AFFECTING OUR RESULTS OF OPERATION**

1. Covid-19 pandemic.
2. Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
3. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Impact of any reduction in sales of our services/products;
6. Rapid Technological advancement and inability to keep pace with the change;
7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
12. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
13. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

### **SIGNIFICANT ACCOUNTING POLICIES:**

Our significant accounting policies are described in the section entitled “*Financial Statements as Restated*” beginning from page no. 176 of the draft prospectus.



**FINANCIAL KPIs OF THE COMPANY:**

(Rs. In Lakhs, except otherwise mentioned)

Particulars	31-03-2024	31-03-2023	31-03-2022
Total Income	13,809.35	13,590.15	15,531.95
Growth (%)	1.61%	-12.50%	97.17%
Revenue from Operation	13,596.42	13,302.63	15,382.76
EBITDA (Operating Profit)	1,039.37	509.98	511.07
EBITDA Margin (%)	7.64%	3.83%	3.32%
PAT	629.75	237.72	(127.35)
Growth (%)	164.92%	286.67%	-534.59%
PAT Margin (%)	4.56%	1.75%	-0.82%
EPS (Basic & Diluted)	6.22	2.48	(1.33)
Total Borrowings	5,230.18	2,409.67	2,724.85
Total Net Worth (TNW) - Excluding Revaluation Reserve	2,161.46	1,304.82	1,067.11
RONW (%)	29.14%	18.22%	-11.93%
Debt Equity Ratio (Total Borrowing/TNW)	2.42	1.85	2.55

As certified by M/s. S S R V and Associates, Independent Chartered Accountant, having peer review certificate vide their examination report dated July 18, 2024.

**SUMMARY OF THE RESULTS OF OPERATION:**

The following table sets forth select financial data from restated profit and loss accounts for the financial years ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 and the components of which are also expressed as a percentage of total income for such periods.

Particulars	For the period ended (₹ in lakhs)					
	31-03-2024	% of Total Turnover	31-03-2023	% of Total Turnover	31-03-2022	% of Total Turnover
<b>Income</b>						
Revenue from Operations	13,596.42	98.46%	13,302.63	97.88%	15,382.76	99.04%
Other Income	212.93	1.54%	287.51	2.12%	149.19	0.96%
<b>Total Income</b>	<b>13,809.35</b>	<b>100.00%</b>	<b>13,590.15</b>	<b>100.00%</b>	<b>15,531.95</b>	<b>100.00%</b>
<b>Expenditure</b>						
Cost of Material Consumed	12,242.29	88.65%	11,619.53	85.50%	13,664.57	87.98%
Change in Inventories	(845.73)	-6.12%	100.10	0.74%	(31.89)	-0.21%
Employee Benefit Expenses	86.89	0.63%	85.99	0.63%	69.25	0.45%
Other Expenses	1,062.19	7.69%	982.72	7.23%	1,162.13	7.48%
<b>Total Expenses</b>	<b>12,545.63</b>	<b>90.85%</b>	<b>12,788.35</b>	<b>94.10%</b>	<b>14,864.06</b>	<b>95.70%</b>
<b>Profit Before Interest, Depreciation and Tax</b>	<b>1,263.72</b>	<b>9.15%</b>	<b>801.80</b>	<b>5.90%</b>	<b>667.89</b>	<b>4.30%</b>
Depreciation & Amortisation Expenses	138.92	1.01%	149.75	1.10%	170.44	1.10%
<b>Profit Before Interest and Tax</b>	<b>1,124.80</b>	<b>8.15%</b>	<b>652.05</b>	<b>4.80%</b>	<b>497.45</b>	<b>3.20%</b>
Financial Charges	271.97	1.97%	171.06	1.26%	274.66	1.77%
<b>Profit before Taxation</b>	<b>852.82</b>	<b>6.18%</b>	<b>480.99</b>	<b>3.54%</b>	<b>222.79</b>	<b>1.43%</b>
Provision for Taxation	-	-	-	-	-	-
Provision for Deferred Tax	(223.07)	-1.62%	(243.28)	-1.79%	(350.13)	-2.25%
<b>Total</b>	<b>(223.07)</b>	<b>-1.62%</b>	<b>(243.28)</b>	<b>-1.79%</b>	<b>(350.13)</b>	<b>-2.25%</b>
<b>Profit After Tax but Before Extra-ordinary Items</b>	<b>629.75</b>	<b>4.56%</b>	<b>237.72</b>	<b>1.75%</b>	<b>(127.35)</b>	<b>-0.82%</b>
Extraordinary Items	-	-	-	-	-	-
Profit Attributable to Minority Shareholders	-	-	-	-	-	-
<b>Net Profit after adjustments</b>	<b>629.75</b>	<b>4.56%</b>	<b>237.72</b>	<b>1.75%</b>	<b>(127.35)</b>	<b>-0.82%</b>
<b>Net Profit Transferred to Balance Sheet</b>	<b>629.75</b>	<b>4.56%</b>	<b>237.72</b>	<b>1.75%</b>	<b>(127.35)</b>	<b>-0.82%</b>

**MAIN COMPONENTS OF PROFIT AND LOSS ACCOUNT****Total Income**

Our total income comprises of Revenue from Operations and Other Income

### ***Revenue from Operations***

Our revenue from operations comprises of Sale of TMT Bars from Manufacturing Activities (Domestic Sales) and Refund from GST department against the same.

### ***Other Income***

Our other income comprises of Interest Earned, Freight Collected, Hire Income, Incentive Receivable on Turnover from State Government of J&K, Reversal of Revaluation Reserve, Deferred Revenue on Capital Subsidy Receivable, Discount Received, Loading & Unloading Charges Collected, Short & Excess, Insurance Claim- Plant & Machinery, Profit on Sale of truck

### ***Expenditure***

Our total expenditure primarily consists of Cost of Material Consumed, Change in Inventories, Employee Benefit Expenses, Depreciation & Amortisation Expenses, Financial Charges, Other Expenses

### ***Cost of Material Consumed***

Cost of materials consumed comprises of difference in opening and closing balance of stock, purchases.

### ***Changes in Inventories***

Change in Inventories comprises of difference in opening and closing balance of finished goods, work-in-progress

### ***Employee Benefit Expenses***

Employee benefit expenses comprises of Directors Remuneration, Salaries, Wages & Bonus, PF Contributions, ESI Contributions, Provision for Gratuity, Staff welfare expenses, Admin Charges, Bonus & Compensation

### ***Financial Charges***

Financial Charges comprises of Bank Charges, Interest on Loan, other financial charges

### ***Depreciation and Amortization Expenses***

Depreciation and Amortization Expenses comprises of depreciation on the Tangible assets of our company i.e. Leasehold Land, Air Conditioner, Electrical Installation, Factory Building, Lab Equipment , Plant & Machinery, Tools & Equipment, Vehicle, Office Equipment, Computer & Accessories, Furniture & Fixture, Other Assets, Commercial Vehicle

### ***Other Expenses***

Other expenses comprise of Direct Manufacturing Expenses i.e. Consumables, Stores & Spare Expense, Hard Coke & Furnace Oil Expense, Other Manufacturing Expense i.e. Testing & Calibration, Power & Electricity, Daily Wages, Electric Items, Repair & Maintenance; Selling & Distribution Charges i.e. Hydra & Freight Charges; Administrative & Other Expenses i.e. Lease Expense, Amount Written Off, Audit Fees, AMC Charges, Telephone Expense, Advertisement Expense, Computer/Internet Exp, Car Expense, Interest & Penalty, Interest on Income tax payable, Printing & Stationery, General Expenses, Legal & Professional Fees, Fees & Taxes, Electronic Expense Round off, Insurance Expense, Donation, Tours & Travelling, Office Equipment & Building Repair Expense, E-Tender Expense, Water Rent

### ***Provision for Taxation***

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2024 WITH FISCAL 2023

### Total Revenue

The total revenue consist of revenue from operation and other income for the FY 2023-24 was increased to ₹ 13809.35 Lakhs as against ₹ 13590.15 Lakhs in the FY 2022-23 i.e. the total revenue has been increased by ₹ 219.21 Lakhs (1.61% for the said period YOY). The main reason for increase in total revenue are as mentioned below:

**Revenue from Operations:** The revenue from operations of the company for FY 2023-24 was increased to ₹ 13596.42 Lakhs as against ₹ 13302.63 Lakhs in the FY 2022-23 i.e. the revenue from operations has been increased by ₹ 293.79 Lakhs (2.21% for the said period YOY). The reason for increase in revenue from operation was mainly due to increase in demand of our products from our customers and the major focus for our company has been on further improving the profitability of the unit by optimizing the customer base, improving customer relations, marketing and payment cycles.

**Other Income:** The other income of the company for FY 2023-24 was decreased to ₹ 212.93 Lakhs as against ₹ 287.51 Lakhs in the FY 2022-23 i.e. other income has been decreased by ₹ 74.58 lakhs (25.94% for the said period YOY). This decrease was mainly due to decrease in Incentive Receivable on Turnover from State Government of J&K, Discount Received and other plus/minus in miscellaneous income.

### Total Expenses

The total expenses (incl. Depreciation & Amortization Expenses and Financial Charges) for the FY 2023-24 were decreased to ₹ 12956.53 Lacs (93.82% of total Income) as against ₹ 13109.15 Lacs (96.46% of total Income) in the FY 2022-23 i.e. the total expenses have been decreased by ₹ 152.62 Lakhs resulting into saving of 2.64% of total income in FY 2023-24. The main reason for decrease in total expenses are as mentioned below:

**Cost of Material Consumed:** The Cost of material consumed for the FY 2023-24 was ₹ 11396.55 Lakhs (after adjusting change in inventories) which was 82.53% of total Income. However, for FY 2022-23, the Cost of material consumed was Rs. 11719.64 Lakhs (after adjusting change in inventories) which was 86.24% of total income. Thus, the cost of material consumed has been decreased by ₹ 323.09 lakhs resulting into saving of 3.71% of total income in FY 2023-24. This decrease was mainly due to company focus on improving and optimizing the consumption of raw material and other factors as discussed.

**Employee Benefit Expenses:** The Employee Benefit Expenses for the FY 2023-24 was increased to ₹ 86.89 Lakhs (0.63% of total Income) as against ₹ 85.99 Lakhs (0.63% of total Income) in the FY 2022-23. This increase of ₹ 0.89 Lakhs was mainly due to increase in salaries and bonus.

**Financial Charges:** The Financial Charges for the FY 2023-24 was increased to ₹ 271.97 Lakhs (1.97% of total income) as against ₹ 171.06 Lakhs (1.26% of total income) in the FY 2022-23. This increase of ₹ 100.92 Lakhs was mainly due to increase in interest on loan as per their utilisation.

**Other Expenses:** The Other Expenses for the FY 2023-24 was increased to ₹ 1062.19 Lakhs (7.69% of total income) as against ₹ 982.72 Lakhs (7.23% of total income) in the FY 2022-23. This increase of ₹ 79.48 Lakhs in FY 2023-24 was mainly due to increase in other expenses due to increase in volume of operation during the FY as mentioned in revenue from operation above.

**Depreciation and Amortisation Expenses:** The Depreciation and Amortisation expenses for FY 2023-24 was decreased to ₹ 138.92 Lakhs (1.01% of total income) as against ₹ 149.75 Lakhs (1.10% of total income) in the FY 2022-23. The decreased has been resulted into saving of ₹10.82 Lakhs in FY 2023-24.

**Profit/ (Loss) Before Tax:** The restated Profit before Tax for FY 2023-24 was increased to ₹ 852.82 Lakhs (6.18% of total income) as against ₹ 480.99 Lakhs (3.54% of total income) in the FY 2022-23. This increase was mainly due to increase in volume of operation. As a combined effort of all expenses together as discussed above, the profit before tax has been increased by ₹371.83 Lakhs in FY 2023-24.

**Total Tax Expenses:** The total tax expenses for FY 2023-24 was decreased to ₹ 223.07 Lakhs (1.62% of total income) as against ₹ 243.28 Lakhs (1.79% of total income) in the FY 2022-23. This decrease of ₹ 20.21 Lakhs was mainly due to decrease in provision for deferred tax for the year as calculated in compliance with the provision of applicable Act.

**Profit/ (Loss) After Tax:** The restated Profit after Tax for FY 2023-24 was increased to ₹ 629.75 Lakhs (4.56% of total income) as against ₹ 237.72 Lakhs (1.75% of total income) in the FY 2022-23. This increase of ₹ 392.03 Lakhs was mainly due to increase in Profit before Tax as mentioned above after considering the impact of provision for Tax.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2023 WITH FISCAL 2022

### Total Revenue

The total revenue consist of revenue from operation and other income for FY 2022-23 was decreased to ₹ 13590.15 Lakhs as against ₹ 15531.95 Lakhs in the FY 2021-22 i.e. the total revenue has been decreased by ₹ 1941.80 Lakhs (12.50% for the said period YOY). The main reason for decrease in total revenue are as mentioned below:

**Revenue from Operations:** The revenue from operations of the company for FY 2022-23 was decreased to ₹ 13302.63 Lakhs as against ₹ 15382.76 Lakhs in the FY 2021-22 i.e. the revenue from operations has been decreased by ₹ 2080.12 Lakhs (13.52% for the said period YOY)

**Reason for decrease in Turnover:** In the FY 2021-22, our company started exploring the possibility of backward integration by setting up an electric induction furnace for an integrated steel unit which would focus on the usage of scrap metal and hence promote green steel while making a positive impact on the environment. During this study one of the areas to explore was the possibility for increase in the sale turnover compared to FY 2020-21. Hence, our target was for aggressive growth and market capturing compared to the FY 2020-21.

However, in FY 2022-23 our target was higher profitability and accordingly we focused on strategically filtering out our customer base, optimizing the pricing in different regions within the state and also exploring different grades and operational efficiencies. This led to a slight reduction in turnover but a higher margin.

Moreover, it is also pertinent to mention here that we are selling our products across J&K. The geographical condition is unpredictable in Kashmir, particularly during the winter season in the areas of Kashmir Valley. This causes some hurdles in the ability to supply due to poor road connectivity as well as low consumption pattern because of severe weather conditions from approximately December to February every year. With the rapid improvements in the road network and the new all-season highways which are under construction by the National Highway Authority of India, it is expected that the connectivity issue will be majorly resolved in the coming 1-2 years.

**Other Income:** The other income of the company for FY 2022-23 was increased to ₹ 287.51 Lakhs as against ₹ 149.19 Lacs in the FY 2021-22 i.e. other income has been increased by ₹ 138.32 lakhs (92.72% for the said period YOY). This increase was mainly due to Incentive Receivable on Turnover from State Government of J&K, Reversal of Revaluation Reserve, profit on sale of truck, Discount Received and other plus/minus in miscellaneous income.

### Total Expenses

The total expenses (incl. Depreciation & Amortization Expenses and Financial Charges) for the FY 2022-23 was decreased to ₹ 13109.15 Lacs (96.46% of total Income) as against ₹ 15309.16 Lacs (98.57% of total Income) in the FY 2021-22 i.e. the total expenses have been decreased by ₹ 2200.01 Lakhs resulting into saving of 2.11% of total income in FY 2022-23. The main reason for decrease in total expenses are as mentioned below:

**Cost of Material Consumed:** The Cost of material consumed for the FY 2022-23 was ₹ 11719.64 Lakhs (after adjusting change in inventories) which was 86.24% of total Income. However, for FY 2021-22, the Cost of material consumed was Rs. 13632.68 Lakhs (after adjusting change in inventories) which was 87.77% of total income. Thus, the cost of material consumed has been decreased by ₹ 1913.14 lakhs resulting into saving of 1.54% of total income in FY 2022-23. This decrease was mainly due to decrease in volume from operation as mentioned above and company focus on improving and optimizing the consumption of raw material and other factors as discussed.

**Employee Benefit Expenses:** The Employee Benefit Expenses for the FY 2022-23 was increased to ₹ 85.99 Lakhs (0.63% of total Income) as against ₹ 69.25 Lakhs (0.45% of total Income) in the FY 2021-22. This increase of ₹ 16.74 lakhs was mainly due to increase in salaries and other staff welfare expenses.

**Financial Charges:** The Financial Charges for the FY 2022-23 was decreased to ₹ 171.06 Lakhs (1.26% of total income) as against ₹ 274.66 Lakhs (1.77% of total income) in the FY 2021-22. This decrease of ₹ 103.60 Lakhs was mainly due to decrease in interest on loan as per their utilisation and resulted into increase of profit by 0.51% of Total income.

**Other Expenses:** The Other Expenses for the FY 2022-23 was decreased to ₹ 982.72 Lakhs (7.23% of total income) as against ₹ 1162.13 Lakhs (7.48% of total income) in the FY 2021-22. This decrease of ₹ 179.41 Lakhs was mainly due to decrease in volume of operation during the FY as mentioned in revenue from operation above and resulting into increase of profit by 0.25% of total income.

**Depreciation and Amortisation Expenses:** The Depreciation and Amortisation expenses for FY 2022-23 was decreased to ₹ 149.75 Lakhs (1.10% of total income) as against ₹ 170.44 Lakhs (1.10% of total income) in the FY 2021-22. The decreased has been resulted into saving of ₹20.69 Lakhs in FY 2022-23.

**Profit/ (Loss) Before Tax:** The restated Profit before Tax for FY 2022-23 was increased to ₹ 480.99 Lakhs (3.54% of total income) as against ₹ 222.79 Lakhs (1.43% of total income) in the FY 2021-22. This increase was mainly due to a combined effort of all expenses together as discussed above, the profit before tax has been increased by ₹258.21 Lakhs in FY 2022-23.

**Total Tax Expenses:** The total tax expenses for FY 2022-23 was decreased to ₹ 243.28 Lakhs (1.79% of total income) as against ₹ 350.13 Lakhs (2.25% of total income) in the FY 2021-22. This decrease of ₹ 106.86 Lakhs was mainly due to decrease in provision for deferred tax for the year as calculated in compliance with the provision of applicable Act.

**Profit/ (Loss) After Tax:** The restated Profit after Tax for FY 2022-23 was increased to ₹ 237.72 Lakhs (1.75% of total income) as against ₹ (127.35) Lakhs (-0.82% of total income) in the FY 2021-22. This increase was mainly due to increase in Profit before Tax as mentioned above after considering the impact of provision for Tax.

#### **AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HEREUNDER:**

**1. Unusual or infrequent events or transactions**

Except as described in this Draft 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.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 22 in the draft prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Expected Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by demand/supply situation, Government Policies and Taxation and Currency fluctuations.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices**

Changes in revenue in the last financial years are as explained in the part “Comparison of the Financial Performance” of above.

**6. Total turnover of each major industry segment in which our Company operates**

The Company is mainly engaged in manufacturing of TMT Bars. Therefore, there are no separate reportable segments.

**7. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product other than disclosed in this draft prospectus.

**8. Seasonality of business**

Our company is majorly selling its products across Jammu & Kashmir. The geographical condition is unpredictable in Kashmir, particularly during the winter season in the areas of Kashmir Valley. This causes some hurdles in the ability to supply due to poor road connectivity as well as low consumption pattern because of severe weather conditions from approximately December to February every year.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page 98 and 120 respectively of the draft prospectus.

**10. Details of material developments after the date of last balance sheet i.e., March 31, 2024**

Except as mentioned in this draft prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the draft prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.



## SECTION X: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 (five) FYs including outstanding action; (iv) outstanding claims related to direct or indirect taxes; (v) other pending litigation as determined to be material by our Board as per the materiality policy adopted by our Board ("**Materiality Policy**") in each case involving our Company, Promoters, Directors ("**Relevant Parties**"); or (vi) all litigations involving our Group Companies which have a material impact on the business operations, prospects or reputation of our Company.

For the period ended March 31, 2024, our total income for the year as per the Restated Financial Statements is ₹ 13,809.35 lakhs. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable:

- a) pending civil cases involving the Relevant Parties where the claim/ dispute amount, to the extent quantifiable, exceeds 10% of turnover as per the Restated Financial Information for the period ended March 31, 2024 i.e., 1380.94 lakhs, or 5% of profit or loss after tax, as per the Restated Financial Statements of our Company for the period ended March 31, 2024 i.e., 31.49 lakhs, whichever is lower, or
- b) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, or
- c) where the monetary liability in the pending civil litigations is not quantifiable or doesn't meet the monetary threshold as provided in (i) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company,

It is clarified that pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory/regulatory/tax authorities), unless otherwise decided by the Board, shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in the litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 1.94 lakhs, which is 5% of the total trade payables as on the date of the latest Restated Financial Statements included in this Draft Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2024, any outstanding dues exceeding ₹ 1.94 lakhs have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Our Company does not have any subsidiaries.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

### LITIGATIONS INVOLVING THE COMPANY

#### A. LITIGATION FILED AGAINST OUR COMPANY

##### 1. Litigation Involving Criminal Matters

NIL

##### 2. Litigations Involving Actions by Statutory/Regulatory Authorities

NIL

##### 3. Disciplinary actions by authorities

NIL

#### 4. Other Pending Litigations

NIL

### B. LITIGATION FILED BY OUR COMPANY

#### 1. Litigation Involving Criminal Matters

1. Our Company, Sunil Kumar Aggarwal, Khem Chand Jain (**"Petitioners"**) have filed a petition bearing no. CRM-M-48345-2019 under Section 482 of the Cr.PC before the Hon'ble High Court for the States of Punjab and Haryana (**"High Court"**) against M/s Prestige Impex (**"Respondent"**) for quashing the Complaint no. 4523 of 2019 filed under Section 138 of the Negotiable Instruments Act, 1881. The matter relates to a post dated cheque dated May 26, 2019 issued by the Petitioner for an amount of Rs. 7.20 lakhs (**"PDC"**) in order to clear the past liabilities. Whereas the said amount was paid through RTGS to the Respondent. Thereafter a separate transaction took place on May 29, 2019 wherein the Petitioners has to pay Rs. 6.48 lakhs to the Respondent. However, as against this separate transaction the Respondent presented the PDC. The matter is presently pending.
2. Our Company have filed a complaint under Section 138 of Negotiable Instrument Act, 1881 before chief judicial magistrate, Kathua (**"Court"**) against Irshad Ahmed Shah (**"Respondent"**). The matter relates to a cheque dated January 01, 2018 issued by the Respondent in favour of our Company for an amount of Rs. 1.66 lakhs in order to clear the past liabilities. The matter is presently pending.

#### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

#### 3. Disciplinary actions by authorities

NIL

#### 4. Other Pending Litigations

1. Our Company has filed a writ petition bearing number WP(C) No. 2906/2022 against the Union of India, Director, Department for Promotion of Industry & internal Trade, Principal Secretary of Government, Industries & Commerce Department, Government of Jammu & Kashmir, Director, Industries & Commerce, Jammu and the general manager, District Industries Centre, Kathua (**"Respondents"**) before the Hon'ble High Court of Jammu & Kashmir and Ladakh (**"High Court"**). The matter relates for the grant of 30% capital investment subsidy under the substantial expansion programme i.e., Rs. 38.74 lakhs (**"CIS"**). Our Company has prayed the High Court to command the Respondents to grant the CIS under central package and act upon the letter dated April 05, 2021 for the grant of CIS along with interest (**"Letter"**) or in alternative command the Respondents to grant extension to our Company for grant of CIS as our Company's case was not processed in time. The High Court vide its interim order dated December 31, 2022 has ordered the Respondents to consider our Company's claim as projected in the Letter. The matter is presently pending.
2. Our Company has filed a writ petition bearing number WP(C) No. 1525/2022 against Union of India, Central Board of Indirect Taxes & Customs, Designated Committee, through the Commissioner, Central Goods & Service Division, Jammu & Kashmir (**"Designated Committee"**) and Commissioner of Central Excise, Central Tax Commissionerate, Jammu (**"Respondents"**) before the Hon'ble High Court of Jammu & Kashmir and Ladakh (**"High Court"**). The matter relates to the rejection of our Company's application under the Sabka Vishwas Legacy Dispute Resolution Scheme (**"SVLDR Scheme"**). Our Company was issued show cause notices dated October 25, 2012, August 29, 2013, October 30, 2013, December 18, 2013, February 19, 2014, April 15, 2014, June 10, 2014, July 31, 2014 and April 22, 2015 by Commissioner of Central Excise seeking recovery of central excise duty for alleged violation of condition of exemption notification no. 56/2022-CE read with Section 11A of the Central Excise Act, 1944 (**"Show Cause Notices"**). As on date these Show Cause Notices are pending for adjudication.

Our Company then filed applications under the SVLDR Scheme (“**Applications**”) seeking the settlement of demand under Show Cause Notices declaring the tax dues under the category of ‘SCN involving duty pending’. However, the same were rejected by the Designated Committee, through the Commissioner, Central Goods & Service Division, Jammu & Kashmir. Aggrieved by the rejection, our Company approached the High Court. Our Company has prayed to the High Court to restrain the Respondents to adjudicate upon the Show Cause Notices, to quash the rejection of Applications and direct the Designated Committee to accept the Applications and issue the Form – SVLDRS – 3 setting out the final amount payable by our Company. The matter is presently pending.

## LITIGATIONS INVOLVING PROMOTERS AND DIRECTORS

### A. LITIGATION FILED AGAINST OUR PROMOTERS AND DIRECTORS

#### 1. Litigation Involving Criminal Matters

1. The Complaint Case no. 8010/2017 and 8020/2017 dated June 08, 2017 under Section 138 of Negotiable Instruments Act, 1881 and Section 420 of Indian Penal Code, 1860 (“**Complaint**”) has been filed against Amritanshu Infrastructure & Management Private Limited & Beigh Construction Company Private Limited Joint Venture (“**JV**”), Beigh Construction Company Private Limited, Imran Beigh and our Director Lalit Aggarwal (in the capacity of director of the JV) by Bansal Iron & Steel Traders (“**Complainant**”) in the Hon’ble court of Chief Metropolitan Magistrate, Tis Hazari Courts, New Delhi. The matter relates to dishonour of cheques amounting to Rs. 52.65 lakh and Rs. 78.97 lakh respectively, issued in favour of the Complainant. The matter is presently pending.
2. A Complaint Case no. 8304/2017 (“**Complaint 1**”) and 8306/2017 (“**Complaint 2**”) dated July 01, 2017 under Section 138 of Negotiable Instruments Act, 1881 has been filed against Amritanshu Infrastructure & Management Private Limited & Beigh Construction Company Private Limited Joint Venture (“**JV**”), Imran Beigh and our Director, Lalit Aggarwal (in the capacity of director of the JV) by Amritanshu Infrastructure & Management Private Limited (“**Complainant**”) in the Hon’ble court of First Class Judicial Magistrate, Gurugram, Haryana. The Complaint 1 and Complaint 2 relates to dishonour of cheques amounting to Rs. 4.75 Crore and 7.06 Crore respectively issued in favour of the Complainant. The matter is presently pending.
3. A first information report bearing no. 0036/2022 (“**FIR**”) has been lodged with police station Lakhanpur by Birender Beriwal (“**Complainant**”) under Sections 403, 405, 406, 418, 420 and 120-B of Indian Penal Code, 1860 against our Directors and Promoters, Sunil Kumar Aggarwal and Lalit Aggarwal (“**Directors**”). The matter relates to alleged misuse of general power of attorney and power of attorney issued in favour of our Director Lalit Aggarwal and misappropriation and siphoning of Rs. 4.50 Crores from the Complainant’s account for use towards personal wealth creation. The Directors have filed a petition under Section 482 of Cr.P.C in the Hon’ble High Court of Jammu & Kashmir and Ladakh praying to quash the FIR. The matter is presently pending.
4. A final report form / charge sheet in relation to FIR no. 283/12 dated September 29, 2012 has been filed in the court of chief metropolitan magistrate under Section 120B and 420 of Indian Penal Code, 1860 against Attar Singh and our Director and Promoter, Sunil Kumar Aggarwal, Dharam Pal and Sarala Aggarwal. The matter relates to a complaint filed by Vinod Rana in relation to a property situated in village Chowkari Mubarakpur (“**Property**”), Delhi for illegal sale deed for the Property, threat to life to falsely implicate in false criminal cases and proceedings, threat to ruin life/dignity/career and business and to seal the soap factory operated by Dharam Pal in the Property. A criminal revision petition no. Cr. Rev/126/2023 under Section 397 and 399 of Cr.P.C has been filed by our Director, Sunil Kumar Aggarwal and Sarala Aggarwal. Further, a criminal revision petition no. Cr.Rev/127/2023 under Section 397 and 399 of Cr.P.C has been filed by Dharampal. The matter is presently pending.

#### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

#### 3. Disciplinary actions by authorities

NIL

#### 4. Other Pending Litigations

NIL

## B. LITIGATIONS FILED BY OUR PROMOTERS, PROMOTER GROUP AND DIRECTORS

### 1. Litigation Involving Criminal Matters

1. A first information report bearing number 0021 of 2021 (“**FIR**”) has been filed by our Director, Lalit Aggarwal (in the capacity of Managing Director of Amritanshu Infrastructure and Management Private Limited (“**AIMPL**”)) (“**Complainant**”) against Imran Baigh, Mohit Singh, Tarun Khanna and Rahul Sharma (“**Accused Persons**”) with P/S Crime Branch Jammu under Section 420, 465, 467, 468, 471 of Jammu and Kashmir State Ranbir Penal Code, 1989 and Section 66 of Information Technology Act, 2000. The matter relates to wrongful gain by the Accused Persons and commitment of offenses punishable under Section 420, 465, 467, 468, 471 of Jammu and Kashmir State Ranbir Penal Code, 1989 and Section 66 of Information Technology Act, 2000. Further, Senior Superintendent of Police (EOW) Crime Branch Jammu on behalf of Union Territory of Jammu and Kashmir in CRMM-354/2021 has prayed to the Hon’ble High Court of Jammu & Kashmir and Ladakh to place the status report on the record of case file. The matter is presently pending.
2. A Complaint Case No. 16001/2017 under Section 138 of Negotiable Instruments Act, 1881 read with Section 420 of Jammu and Kashmir State Ranbir Penal Code, 1989 (“**Complaint**”) has been filed against Beigh Construction Company Private Limited and Imran Beigh by our Director, Lalit Aggarwal (in the capacity of Managing Director of Amritanshu Infrastructure and Management Private Limited (“**AIMPL**”)) in the court of chief judicial magistrate, Jammu. The matter relates to dishonour of cheque amounting to Rs. 50.00 lakhs issued in favour of AIMPL. The matter is presently pending.
3. A complaint has been filed by our Director, Lalit Aggarwal (“**Complainant**”) against Mehar Singh (“**Accused**”) in the court of Chief Judicial Magistrate, Pathankot (“**Court**”) under Section 500, 506 and 384 of Indian Penal Code, 1860. The matter relates to derogatory and defamatory allegations made by the accused against the Complainant. The matter is presently pending.

### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Disciplinary actions by authorities

NIL

### 4. Other Pending Litigations

NIL

## TAX PROCEEDINGS

Nature of Proceedings	Number of cases	Amount involved (in ₹)
<b>Of the Company</b>		
-Direct Tax	-	-
-Indirect Tax	3	20,37,79,433
<b>Of the Promoters and Directors</b>		
-Direct Tax		
Lalit Aggarwal	4*	6,21,72,949
Sunil Kumar Aggarwal	11 <sup>#</sup>	86,32,78,561
-Indirect Tax	-	-

\* The demands against our Director, Lalit Aggarwal have been dropped by the relevant authority for assessment years 2018-19, 2019-20 and 2020-21 vide the orders dated January 15, 2024. Further, for the assessment year 2021-22, the demand has been partially dropped by the relevant authority vide their order dated January 16, 2024.

<sup>#</sup> The demands against our Director, Sunil Kumar Aggarwal have been dropped by the relevant authority for assessment years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 vide the orders dated February 14, 2022, February 14, 2022, February 14, 2022, February 14, 2022, February 14, 2022, February 16, 2022, February 16, 2022, February 16, 2022, February 16, 2022, February 21, 2022, respectively, and the relevant authorities have appealed against the same.

**Disciplinary action against our Promoters by SEBI or any stock exchange in the last five (5) Financial Years**

No disciplinary actions have been taken against our Promoters by SEBI or any stock exchange in the last five (5) Financial Years.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors outstanding amount as on March 31, 2024:

Particulars	Number of Creditors	Total Amount Involved (in ₹ lakhs)*
Dues to MSMEs	4	21.74
Other Creditors	50	16.98
<b>Total</b>	<b>54</b>	<b>38.72</b>

*\* The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006 and as per restated financial statements”*

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

There have not arisen, since March 31, 2024, the date of the last Restated Financial Statements included in this Draft Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability or operations taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve (12) months.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

### I. Approvals for the Issue

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed, at its meeting held on March 18, 2024 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on March 20, 2024 authorized the Issue.
- c) Our Company has received an in-principle approval from the National Stock Exchange of India Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.
- d) Our Company's ISIN is "INE0SYU01010".

### II. Approvals pertaining to Incorporation of our Company

Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Certificate of Incorporation of "Shree Bala Ji Pigments Private Limited"	U27109JK2007PTC002731	Companies Act, 1956	Registrar of Companies, Jammu and Kashmir	January 25, 2007	Till Cancelled
Certificate of Incorporation consequent upon conversion from Private Limited to Public Company from "Shree Bala Ji Pigments Private Limited" to "Shree Bala Ji Pigments Limited"	U27109JK2007PLC002731	Companies Act, 2013	Registrar of Companies, Jammu	January 04, 2024	Till Cancelled

### III. Business Related Approvals

Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Udyam Registration Certificate	UDYAM-JK-09-0000201	Micro, Small and Medium Enterprises Development Act, 2006	Government of India Ministry of Micro, Small and Medium Enterprises	October 23, 2020	Till Cancelled
Certificate of Importer-Exporter Code	1811000983	Foreign Trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade, Government of India	August 02, 2011	Till Cancelled
Employees Provident Fund Registration*	JKJMU2035197000	The Employees Provident Fund Act, 1952	Employees Provident Fund Organization Government of India	January 01, 2013	Till Cancelled



Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Employees State Insurance Registration	19000161840000502	The Employees State Insurance Act, 1948	Employees State Insurance Corporation, Government of India	November 14, 2011	Till Cancelled
Legal Entity Identifier (LEI)	9845006D4 EAQE847E980	--	Ubisecure Oy	April 05, 2022	April 05, 2025

*\*Our Company has applied to relevant authorities for the revision of approvals mentioned, pursuant to the change in name of the Company.*

#### IV. Operation Related Approvals

##### Existing Unit:

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Factory License	7583119980	The Factories Act, 1948	Inspector of Factories, Government of Jammu and Kashmir	July 02, 2024	December 31, 2024
Consent to Operate (CTO)*	SPCB/digital/1906877625 of 2019	The Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Jammu & Kashmir State Pollution Control Board	July 02, 2019	March 31, 2024 <sup>(2)</sup>
Certificate of Metrology Registration*	0000595	The Legal Metrology Act, 2009	Department of Legal Metrology, Government of Jammu and Kashmir	May 10, 2024	May 09, 2025
Entrepreneurs Memorandum (EM)	070051300764	Micro, Small and Medium Enterprises Development Act, 2006	Government of India Ministry of Micro, Small and Medium Enterprises	June 30, 2014	Till Cancelled
Fitness Certificate for installation of additional Power Load	CEI/JKPDD/TS/236-39	Central Electricity Act, 2003	Power Development Department, Government of Jammu and Kashmir	July 27, 2021	July 26, 2026
Fitness Certificate for DG Set	EIDJ/528-30	Jammu and Kashmir Electricity Act, 2010 and J & K Electricity Rules, 1978	Electrical Inspection Agency, Jammu	July 14, 2012	Till Cancelled
Sanction of Power Load – 15515 kva	CEJ/TS-1/PC-Validity/300-02	Central Electricity Act, 2023	Jammu Power Distribution Corporation Limited	March 01, 2024	August 31, 2024
NOC for Permission for Borewell	SICOP/EMK/1149	--	J&K Small Scale Industries Development Corporation Limited	September 13, 2019	Till Cancelled
Provisional Clearance for Fire Safety Measures	DFES-FP/6/2022-04 (CC-7079399)994	Fire Force Act, 1967	Office of the Director, Fire & Emergency Services, J & K	May 15, 2024	May 14, 2025

*\*Our Company is in the process of applying to relevant authorities for the revision of approvals mentioned, pursuant to the change in name of the Company.*

**Proposed Unit:**

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Consent to Establish (CTE)*	PCC/digital/ 23033501551 of 2023	The Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Jammu & Kashmir State Pollution Control Board	August 02, 2023	March 31, 2024 <sup>(4)</sup>
Environmental Clearance*	EC22A008JK142522	EIA Notification 2006	Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India	January 24, 2022	Till Cancelled
Prior permission to establish	DIC/K/3255-59	--	District Industries Centre, Kathua	February 04, 2022	Till Cancelled

\*Our Company is in the process of applying to relevant authorities for the revision of approvals mentioned, pursuant to the change in name of the Company.


**V. Tax Related Approvals**

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Permanent Account Number [PAN]	AAKCS6497E	Income Tax Act, 1961	Income Tax Department	March 24, 2007	Till cancelled
Tax Deduction Account Number [TAN]	AMRS16283B	Income Tax Act, 1961	Income Tax Department	August 31, 2010	Till Cancelled
Goods and Service Tax – Jammu and Kashmir	01AAKCS6497E1 Z7	Goods and Services Act, 2017	Goods and Services Tax Department	October 10, 2023	Till Cancelled
Goods and Service Tax – Haryana	06AAKCS6497E1 ZX	Goods and Services Act, 2017	Goods and Services Tax Department	October 06, 2023	Till Cancelled

**VI. Quality Related Approvals**

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Certificate of Registration of ISO 9001:2015 for Manufacturing of TMT Bars (TOR Steels)	KDACQ202307101	Quality Management System	KVQA Certification Services Private Limited	July 20, 2023	July 19, 2026
Certificate of Registration of ISO 14001:2015 for Manufacturing of TMT Bars (TOR Steels)	KDACE202404019	Environmental Management System	KVQA Certification Services Private Limited	April 19, 2024	April 08, 2027
Certificate of Registration of ISO 45001:2018 for Manufacturing of TMT Bars (TOR Steels)	KDACO202404014	Occupational Health & Safety Management System	KVQA Certification Services Private Limited	April 19, 2024	April 08, 2027
Indian Standard No. (IS 1786:2008) for High strength deformed steel bars and wires for concrete reinforcement	CM/L-9919005	The Bureau of Indian Standards Act, 2016	Bureau of Indian Standards, Government of India	February 28, 2024	February 28, 2025

**VII. Intellectual Property Related Approvals**

Trademark	Registration No/ Application No	Class of Registration	Trademark Type	Date of Issue/ Application	Status/ Validity till
	3579142*	19	Device	June 27, 2017	Registered June 27, 2027
SATYAM TMT	5742040**	6	Word	December 28, 2022	Accepted & Advertised
SATYAM	5742042**	6	Word	December 28, 2022	Objected
KHYBER	6265070**	6	Word	January 19, 2024	Objected

\* Registered in the name of Sunil Kumar Aggarwal and NOC for usage right has been obtained on February 03, 2024 and also our company has applied for transfer of trademark in the name of "Shree Bala Ji Pigments Limited" on April 03, 2024

\*\*Applied in the name of Shree Bala Ji Pigments Private Limited

**VIII. Material Licenses/ Approvals/Permission for which applications have been made by our Company but not received and/or yet to be applied by our Company**

- <sup>(2)</sup> Our Company has applied for renewal Consent to Operate for our Existing Unit vide Application No. 4517652 on April 08, 2024 to J&K State Pollution Control Board, Government of Jammu & Kashmir.
- <sup>(4)</sup> Our Company has applied for renewal Consent to Establish for our Proposed Unit vide Application No. 4517516 on April 08, 2024 to J&K State Pollution Control Board, Government of Jammu & Kashmir.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

1. The Fresh Issue of Equity Shares in terms of this draft prospectus has been authorized by a resolution by the Board of Directors passed at their meeting held March 18, 2024 on under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the members and such other authorities as may be necessary.
2. The Fresh Issue of Equity Shares in terms of this draft prospectus has been authorized by the shareholders by special resolution at the Extra Ordinary General Meeting held on March 20, 2024 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.
3. Our Company has received In-principal approval from NSE vide their letter dated [●] to use the name of NSE in this draft prospectus for listing of the Equity Shares on EMERGE Platform of NSE. National Stock Exchange of India Limited is the Designated Stock Exchange.
4. Our Board has approved the draft Prospectus through its resolution dated July 24, 2024.

### Confirmation:

- Our Company, our Promoters, Promoter Group, our directors, person(s) in control of the promoter or our Company 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 SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors in the past 5 years except as disclosed in this draft prospectus.
- Our Company is an **"Unlisted Issuer"** in terms of the SEBI (ICDR) Regulations; and this Issue is an **"Initial Public Issue"** in terms of the SEBI (ICDR) Regulations.

### 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 SEBI.
  - Neither our Promoter nor any of our directors is declared as Wilful Defaulters or a Fraudulent Borrowers
  - Neither our Promoter nor any of our directors is a Fugitive Economic Offender.
- 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 would be more than 10 crores, and can issue Equity Shares to the public and propose to list the same on the **EMERGE Platform of National Stock Exchange of India Limited**.

### We further confirm that:

- i. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- ii. 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.

- iii. In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Lead Manager and the EMERGE Platform of NSE.

Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus shall also be furnished to the SEBI in a soft copy.

- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated June 18, 2024 with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of NSE.

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under:**

❖ ***Incorporation: The Company shall be incorporated under the Companies Act, 1956/2013.***

Our Company is incorporated on January 25, 2007 under the Companies Act, 1956 in India.

❖ ***Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.***

The post issue paid up capital (Face Value) of the company will be ₹ 14.92 crores. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹25.00 crores.

❖ ***Net-worth: Positive Net-worth.***

As per restated financial statements, the net-worth of the company (after Revaluation reserve) is ₹ 21.61 crores as on March 31, 2024. Our company has positive net-worth. So, the company has fulfilled the criteria of positive net-worth of the company.

❖ ***Track Record: The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years***

Our Company was incorporated on January 25, 2007 under the provisions of the Companies Act, 1956. Hence, we are in compliance with criteria of having track record of 3 years.

❖ ***Operating Profit (earnings before interest, depreciation and tax) from operations for atleast 2 (two) out of 3 (three) financial years:***

Our company is having operating profit, details are mentioned as below

(₹ in Lakhs.)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Profit Before Tax	852.82	480.99	222.79
Add: Depreciation	138.92	149.75	170.44
Add: Interest	260.55	166.75	267.03
Less: Other Income	212.93	287.51	149.19

<b>Operating Profit (earnings before interest, depreciation, and tax) from operations</b>	<b>1039.37</b>	<b>509.98</b>	<b>511.07</b>
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- ❖ Our company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and Promoting companies.
- ❖ Our Company has not received any winding up petition admitted by a NCLT/Court.
- ❖ No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our Company.
- ❖ We have ensured that our merchant bankers involved in the IPO does not have instances of any of their IPO draft offer document filed with the Exchange being returned in the past 6 months from the date of application.

#### **Disclosure:**

We further confirm that:

- ❖ There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of our Company.
- ❖ There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.
- ❖ There are no litigations record against our Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies), except as disclosed in this draft Prospectus
- ❖ There are no criminal cases filed or investigation being undertaken against the directors of our Company involving serious crimes like murder, rape, forgery, economic offences except as disclosed in this draft 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.***

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- ❖ The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the SME EMERGE platform. NSE is the Designated Stock Exchange.
- ❖ Our Company has entered into an agreement dated February 14, 2024 with NSDL and agreement dated January 18, 2024 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- ❖ The entire pre-Issue share capital of our Company are fully paid-up and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- ❖ The Equity Shares held by the Promoters are dematerialized.

As per Regulation 230 (2) of the SEBI ICDR Regulations, our Company has ensured that:

- ❖ The amount for general corporate purposes, as mentioned in objects of the issue in the Draft Prospectus does not exceed twenty-five per cent of the amount being raised by our Company.



**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATION 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI ICDR REGULATION, 2018.**

**THE FILING OF THIS ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**THE DUE DILIGENCE CERTIFICATE TO BE SUBMITTED AS PER FORM A OF SCHEDULE V INCLUDING ADDITIONAL CONFIRMATION AS PROVIDED IN FORM G OF SCHEDULE V IS PRODUCED AS UNDER:**

**WE, THE LEAD MERCHANT BANKER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
  - B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE MATERIAL DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD/EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS CONTRIBUTION PRIOR TO OPENING OF THE ISSUE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD/EXCHANGE. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – **NOT APPLICABLE**
8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – **NOTED FOR COMPLIANCE**
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
10. WE CERTIFY THAT ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996, AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.
14. WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION ENTERED INTO FOR THE PERIOD DISCLOSED IN THE DRAFT PROSPECTUS HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

**ADDITIONAL CONFIRMATIONS/CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING EMERGE PLATFORM OF NSE.**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED DRAFT PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 - **NOTED FOR COMPLIANCE**.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF FILING OF THE OFFER DOCUMENT WITH THE REGISTRAR OF COMPANIES. - **NOT APPLICABLE**.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE.

**DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this draft prospectus or in the advertisements or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

**CAUTION**

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on April 20, 2024 and the Underwriting Agreement dated June 18, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated June 18, 2024 entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company and the LM 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 LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, 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 Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire 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 Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### 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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This draft prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this draft prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in *Jammu & Kashmir* only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this draft prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this draft prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”**

## DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "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. persons" (as defined in Regulation S under 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 Issued and sold outside the United States in compliance with Regulation S of the 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## LISTING

The Equity Shares of our Company are proposed to be listed on SME EMERGE Platform of NSE. Our Company has obtained In-principle approval from NSE by way of its letter dated [●] for listing of equity shares on EMERGE Platform of NSE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall return through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing or trading without any interest.

If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every Director of the Company who is officer in default shall, on and from expiry of four (4) days, be jointly and severally liable to repay such application money, with interest at the rate of fifteen per cent per annum (15% p.a.).

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 (3) Working Days of the Issue Closing Date.

## FILING

The draft prospectus is being filed with National Stock Exchange of India Limited, at Exchange Plaza, Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051.

After getting in-principal approval from NSE, a copy of the prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Jammu.

A copy of the prospectus shall be filed with SEBI immediately upon filing of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. However, SEBI shall not issue any observation on the prospectus.

## 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 to action under Section 447 of the Companies, Act 2013.*



## CONSENTS

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the draft prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the draft prospectus for filing with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations 2018, **M/s. S S R V & Associates**, Chartered Accountants, Peer Review Auditor, have agreed to provide their written consent to the inclusion of their respective reports on “Statement of Tax Benefits” relating to the possible tax benefits and restated financial statements as included in this draft prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this draft prospectus for filling with Roc.

## EXPERTS OPINION

Except for the reports in the Section, **“Statement of Possible Tax Benefits”** and **“Financial Statements as Restated”** on page no. 94 and page no. 176 of this draft prospectus from the Peer Review Auditors and Statutory Auditor respectively; our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Except as stated under Section titled **“Capital Structure”** beginning on page no. 60 of this draft prospectus our Company has not undertaken any previous public or rights issue. Further, we are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES IN LAST 5 YEARS

Since this is the initial public Issuing of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

## PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three year except as mentioned in this draft prospectus. This is the initial public Issuing of our Company’s Equity Shares

## PERFORMANCE VIS-A-VIS OBJECTS–PUBLIC/RIGHT ISSUE OF OUR COMPANY

Except as stated under Section titled **“Capital Structure”** beginning on page 60 of this draft prospectus our Company has not undertaken any previous public or rights issue.

## PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF LISTED SUBSIDIARIES/LISTED PROMOTERS

We don’t have any listed company under the same management or any listed subsidiaries or any listed promoters as on date of this draft prospectus.

## OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES OR ANY OTHER CONVERTIBLE INSTRUMENTS ISSUED BY OUR COMPANY

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this draft prospectus.



## OPTION TO SUBSCRIBE

Equity Shares being issued through the draft prospectus can be applied for in dematerialized form only.

## STOCK MARKET DATA OF THE EQUITY SHARES

This being an initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company has appointed “**KFIN Technologies Limited**” as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company.

The Agreement April 15, 2024 amongst the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection center of the SCSBs where the Application Form was submitted by the ASBA Applicants in ASBA account or UPI ID linked bank account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Applicant should give full details such as name of the sole/first Applicant, Application Form number, Applicant DP ID, Client ID, Bank Account No./UPI ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed **Ms. Vasundhra Gupta**, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Ms. Vasundhra Gupta**  
**Shree Bala Ji Pigments Limited**  
36-B, Industrial Ext. Area,  
Near Halti Marg, Kathua – 184102,  
Jammu & Kashmir, India  
**Contact No:** +91 80621 77519  
**Email ID:** cs@satyamtmmt.com  
**Website:** [www.satyamtmmt.com](http://www.satyamtmmt.com)

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

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this draft prospectus and hence there are no pending investor complaints as on the date of this draft prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY**

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters.

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

Our Company filed an exemption application under Regulation 300(2) read with Regulation 300(1)(c) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“SEBI ICDR Regulation”) for limited disclosure w.r.t Promoter Groups as mentioned under regulation 2(1)(pp) of the SEBI ICDR for (i) Anita Jain (Sister of our Promoter); (ii) Charu Bansal (Sister-in-Law of our Promoter Mr. Lalit Aggarwal); (iii) Anju Goel, (iv) Shakuntala Goel, (v) Manju Agarwal, (Sister-in-Law of our Promoter Mr. Sunil Kumar Aggarwal). SEBI, pursuant to its letter dated April 03, 2024 directed our Company to include immediate relatives and their related entities, as part of the Promoter Group of the Company based on information available in the public domain. Therefore, details of such immediate relative and his entities are limited to the information available in the public domain.

**PRICE INFORMATION OF LAST 10 (TEN) ISSUED HANDLED BY THE LEAD MANAGER****Statement on Price Information of Last 10 (Ten) Issues handled by Finshore Management Services Limited:**

Sr. No.	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (In ₹)	Listing Date	Opening price on listing date (In ₹)	+/- % change in closing price, [+/- % change in closing benchmark] – 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 <sup>th</sup> calendar days from listing
1	Ambo Agritec Limited (BSE SME)	10.20	30/-	02/12/2022	40.10	19.83 [-3.23]	3.70 [-5.50]	-4.70 [0.16]
2	Arham Technologies Limited (NSE EMERGE)	9.58	42/-	15/12/2022	60.00	63.10 [-2.49]	20.83 [-7.45]	92.62 [1.01]
3	Indong Tea Company Limited (BSE SME)	13.01	26/-	21/02/2023	20.80	-44.46 [-4.05]	-11.58 [1.74]	-23.08 [7.05]
4	ITCONS E-Solutions Limited (BSE SME)	8.67	51/-	13/03/2023	46.99	-0.51 [3.30]	-21.57 [7.53]	3.04 [14.36]
5	Alphalogic Industries Limited (BSE SME)	12.88	96/-	14/07/2023	96.00	84.32 [-1.12]	209.69 [0.62]	136.67 [8.06]
6	Holmarc Opto-Mechatronics Limited (NSE EMERGE)	11.40	40/-	25/09/2023	65.25	181.63 [-2.00]	166.38 [8.51]	125.38 [12.31]
7	Presstonic Engineering Limited (NSE EMERGE)	23.31	72/-	18/12/2023	140.00	146.11 [2.87]	69.51 [2.82]	59.44 [9.56]
8	HRH Next Services Limited (NSE EMERGE)	9.57	36/-	03/01/2024	41.00	18.47 [0.84]	-15.83 [4.39]	-11.00 [11.59]
9	Mayank Cattle Food Limited (BSE SME)	19.44	108/-	05/02/2024	116.00	4.68 [2.71]	22.22 [2.99]	N. A.
10	Sylvan Plyboard (India) Limited (NSE EMERGE)	28.05	55/-	01/07/2024	66.00	N. A.	N. A.	N. A.

Status as on 19-07-2024

1. in case where the security is not being traded on 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, the previous working day has been considered.
2. in case where 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is holiday, the previous working day has been considered for benchmark and security purpose.
3. the benchmark index is SENSEX where the securities have been listed in BSE SME/Startups and Nifty where securities have been listed in NSE Emerge.
4. N.A. – Period not completed

**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%
2021-22	7	73.34	N. A	1	1	3	1	1	1	1	1	2	1	1
2022-23	12	117.85	N. A	3	3	4	N. A	2	2	2	2	4	N. A	2
2023-24	5	76.59	N. A	N. A	N. A	3	N. A	2	N. A	N. A	1	3	N. A	N. A
2024-25	1	28.05	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A	N. A

Status as on 19-07-2024

The Lead Manager associated with the Offer have handled **25 SME** public issues and **Nil Main Board** public issue during the current financial year and three financial years preceding the current Financial Year, out of which 7 SME public issues closed below the issue price on the listing date.

Type	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	Total
SME IPO	1	5	12	7	25
Main Board IPO	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>5</b>	<b>12</b>	<b>7</b>	<b>25</b>
Issue closed Below Issue Price on Listing Day	-	-	5	2	7
Issue closed above Issue Price on Listing Day	1	5	7	5	18

Status as on 19-07-2024

**TRACK RECORD OF PAST ISSUES HANDLED BY FINSHORE MANAGEMENT SERVICES LIMITED**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.finshoregroup.com](http://www.finshoregroup.com).

## SECTION XI: ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this draft prospectus, the prospectus, the abridged draft prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e., just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.*

### AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on March 18, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting held on March 20, 2024.

### 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 rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company 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 270 of this draft prospectus.

### OFFER FOR SALE

In the case of offer for sale, the dividend for the entire year shall be payable to the transferees and the company has to disclose the name of the entity bearing the cost of making offer for sale along with reasons. However, the present issue does not include offer for sale and hence the said disclosure is not applicable to us.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our 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 in relation to dividends, please refer to Sections titled, ***“Dividend Policy”*** and ***“Description of Equity Shares and Terms of the Articles of Association”***, beginning on page 175 and 270 respectively, of this draft prospectus.

### FACE VALUE AND ISSUE PRICE

The face value of the share of our company is ₹10/- per equity share and the issue price is ₹81/- per equity share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Section titled, ***“Basis for Issue Price”*** beginning on page 88 of this draft prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. 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 of our Company, 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 Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, ***"Description of Equity Shares and Terms of the Articles of Association"***, beginning on page 270 of this draft prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated February 14, 2024 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated January 18, 2024 between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this draft prospectus will be done in multiples of 1,600 Equity Shares subject to a minimum allotment of 1,600 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

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 Rs.1,00,000 (Rupees One Lakh) per application.

## MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

## JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, 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 Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) 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 will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

- In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the issue shall be open after at least three working days from the date of filing the prospectus with the Registrar of Companies.
- In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, Except as otherwise provided in these regulations, the public issue shall be kept open for at least three working days and not more than ten working days.
- In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the red herring prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our company as this is fixed price issue.
- In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar unforeseen circumstances, our company may, for reasons to be recorded in writing, extend the issue period disclosed in the prospectus, for a minimum period of one working day, subject to the provisions of sub-regulation 266(1).

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 Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date may be extended in consultation with the LM, RTA and EMERGE Platform of NSE 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 Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such 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 LM is liable for any failure in uploading the 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 Application Forms prior to the 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 Application Form, for a particular Applicant, the details as per the file received from NSE EMERGE 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 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.

## **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten, so this issue is not restricted to any minimum subscription level.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of draft prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

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.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 1,600 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, 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 NSE.

## **APPLICATION BY ELIGIBLE NRI'S, FPI'S/FII'S REGISTERED WITH SEBI, VCF'S REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs 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.

**AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.**

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 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 Application Form, the OCB shall be eligible to be considered for share allocation.

**RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the Section titled ***“Capital Structure”*** beginning on page 60 of this draft prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation/splitting of Equity Shares. For further details, please refer to the Section titled, ***“Description of Equity Shares and Terms of the Articles of Association”***, beginning on page 270 of this draft prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this draft prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

**ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the EMERGE Platform of NSE.

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

**MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, the migration to the Main board of NSE from the EMERGE platform of NSE on a later date shall be subject to the following:

- If the Paid up Capital of our Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid-up Capital of the company is more than ₹ 10 crore but below ₹25 crore, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the EMERGE Platform of NSE, wherein M/s. Black Fox Financial Private Limited is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE SME for a minimum period of three (3) years from the date of listing on the EMERGE Platform of NSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, ***“General Information- Details of the Market Making Arrangements for this Issue”*** beginning on page 52 of this draft prospectus.

## NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as Deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in ***Jammu & Kashmir***.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions 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.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations 2018, whereby, an issuer whose post issue face value capital would be more than ten crore rupees, issue shares to the public and propose to list the same on the EMERGE Platform of NSE. For further details regarding the salient features and terms of such this Issue, please refer to Sections titled **“Terms of the Issue”** and **“Issue Procedure”** beginning on pages 241 and 249, respectively, of this draft prospectus.

The present Issue of 42,00,000 Equity Shares at an issue price of ₹81/- each aggregating to ₹ 3,402.00 Lakhs by our Company. The Issue and the Net Issue will constitute 28.16% and 26.74%, respectively of the post issue paid up equity share capital of the Issuer Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	39,88,800 Equity Shares	2,11,200 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.97% of the Issue Size	5.03% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 1,600 Equity Shares each.  For further details please refer to <b>“Basis of Allotment”</b> under Section titled <b>“Issue Procedure”</b> beginning on page 249 of this draft prospectus.	Firm Allotment
<b>Mode of Application</b>	Through ASBA Process or up to Rs. 5.00 lakhs through UPI for Individual Investors	Through ASBA Process Only
<b>Mode of Allotment</b>	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
<b>Minimum Application Size</b>	<b>For Other than Retail Individual Investors:</b> 3,200 Equity Shares at Issue price of ₹81/- each so that the Application Value exceeds ₹2,00,000.  <b>For Retail Individuals:</b> 1,600 Equity Shares at Issue price of ₹81/- each.	2,11,200 Equity Shares @ ₹81/- each
<b>Maximum Application Size</b>	<b>For Other than Retail Individual Investors:</b> 39,88,800 Equity Shares at Issue price of ₹81/- each. (The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.)  <b>For Retail Individuals Investors:</b> 1,600 Equity Shares at Issue price of ₹81/- each.	2,11,200 Equity Shares @ ₹81/- each
<b>Trading Lot</b>	1,600 Equity Shares	1,600 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of Payment</b>	<b>100% at the time of application</b>	<b>100% at the time of application</b>

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled **“Issue Structure”** beginning on page 247 of this Draft Prospectus.

\*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 (2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- Minimum fifty per cent to retail individual investors; and
- Remaining to: (i) individual applicants other than retail individual investors; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retails individual investors shall be allocated that higher percentage. For further information on the Allocation of Net Offer to Public, please refer to chapter titled **“The Issue”** on page no. 48 of this Draft Prospectus.

## WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (1) in regional newspaper where the registered office of the Company is situated.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) 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 Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this draft prospectus, which our Company will apply for only after Allotment.

## ISSUE PROGRAMME

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with NSE EMERGE	[●]
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of the Allottees	[●]
Commencement of trading of the Equity Shares on NSE EMERGE	[●]

**Note:** The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the EMERGE Platform of NSE are taken within 3 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the NSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the NSE EMERGE in accordance with the applicable laws.

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)



## ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors 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 bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to **continue with the UPI Phase II till further notice**. Thereafter, the final reduced timeline of T+3 days has been made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), is prescribed by SEBI vide circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis. 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.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, (“UPI Streamlining Circular”) read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 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 Prospectus.

**Further, SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has further reduced the time period for refund of applications money from four days to two days from issue closing date viz. initiation not later than 09.30 am on T+2 day (T is issue Closing Date) and completion before 2.00 pm on T+2 day for fund transfer and completion before 4.00pm on T+2 day for unblocking.**

**SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public issue opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is upto Rs. 5 Lakhs shall use UPI.**



***Further, as per SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2022/75 dated May 30, 2022. All ASBA applications in Public Issues shall be processed only after the application money is blocked in the investor's bank accounts. The provisions of the circular shall be for all issues opening from September 01, 2022 onwards.***

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus. Further, our Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

#### ***Phased implementation of Unified Payments Interface (UPI)***

SEBI has issued the various UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by Retail Individual Investors through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

***Phase I:*** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Investor had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

***Phase II:*** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by Retail Individual Investors through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

***Phase III:*** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public 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 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue is mandatorily being made under Phase III of the UPI Mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“UPI Streamlining Circular”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Lead Manager, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the Lead Manager will be required to compensate the concerned investor.

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants’ PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form.**

#### **APPLICATION FORM**

Copies of Application Forms and Abridged Prospectus will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, an electronic copy of the Application Forms and Abridged Prospectus will also be available for download on the website of the Company, Lead Manager and Stock Exchange, NSE ([www.nseindia.com](http://www.nseindia.com)), at least one day prior to the Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. The Retail Individual Investors can additionally Bid through the UPI Mechanism.

All ASBA Bidders must provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of Retail Individual Investors), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the Retail Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection. Retail Individual Investors bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)**	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**	Blue*

\* Excluding electronic Application Form.

\*\* Application forms will also be available on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than Retail Individual Investors using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate Retail Individual Investors (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) 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 issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the LM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

## WHO CAN APPLY?

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Application Form and GID for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- ii. Applications belonging to an account for the benefit of a minor (under guardianship);
- iii. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications from individuals;
- iv. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- v. QIBs;
- vi. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- vii. Qualified Foreign Investors subject to applicable law;
- viii. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- ix. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
- x. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- xi. Insurance companies registered with IRDAI;
- xii. Mutual Funds registered with SEBI;
- xiii. FPIs other than Category III Foreign Portfolio Investor;
- xiv. Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- xv. Scientific and/ or industrial research organizations authorised in India to invest in the Equity Shares; and
- xvi. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications should not to be made by:**

- i. Minors (except through their Guardians)
- ii. Partnership firms
- iii. Foreign Nationals (except NRIs)
- iv. 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 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 Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

*The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the draft prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.*

**MAXIMUM AND MINIMUM APPLICATION SIZE:****1. For Retail Individual Applicants:**

The Application must be for a minimum of 1,600 Equity Shares and in multiples of 1,600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs 2,00,000. As the application price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, *they can make Application only upto 1,600 Equity Shares.*

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs 2,00,000 and in multiples of 1,600 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 Applicant 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 Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**3. Minimum Bid Lot: 1,600 Equity Shares****ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

As per SEBI ICDR Regulation 268

- a) The issuer shall not make an allotment pursuant to a public issue if the number of allottees in an initial public offer is less than 50 (fifty).
- b) The issuer shall not make any allotment in excess of the specified securities offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the designated stock exchange.

Provided that in case of oversubscription, an allotment of not more than ten per cent. of the net offer to public may be made for the purpose of making allotment in minimum lots.

- c) The allotment of specified securities to applicants other than retail individual investors and anchor investors shall be on proportionate basis within the specified investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed in the offer document: Provided that the value of specified securities allotted to any person, except in case of employees, in pursuance of reservation made under clause (a) of sub-regulation (1) or clause (a) of sub-regulation (2) of regulation 254, shall not exceed two lakhs rupees.
- d) The Authorised employees of the Designated Stock Exchange, along with the Lead Manager and Registrar to the Issue, shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**Notes on Allotment Process****Receipt & Validation of Bid data:**

- Bid data is downloaded from the stock exchange(s) via SFTP and same is validated with depositories to check for Invalid demat accounts, Invalid client status and PAN Mismatch records.
- Upon completion of the validation, the error records are marked with respective rejection criteria.

**Collection of FCs and Schedule Data:**

- RTA will follow up with all SCSBs and collect the Final certificate confirming the total amount blocked and no. of applications alongwith schedule data comprising of detailed application wise details with number of shares applied and amount blocked.
- Reconciliation of bid data vs Bank schedule data will be completed, upon which applications without funds blocked, will be removed from application master.



- Once reconciliation of Final certificate with applications/ bids are completed, the final valid data with funds blocked will be taken for allotment process
- Technical rejection process as per the terms of letter of offer will be carried out thereafter and total valid applications will be identified for preparation of basis of allotment

### Basis of allotment

- Basis of allotment will be prepared category wise, i.e., Retail Individual investors who are applying with value less than Rs. 2 lakhs and High Networth Individual Investor who are applying with value more than Rs.2 lakhs and Market Maker.
- The applications will be tagged as per above category and considered for basis of allotment in respective category.
- The allocable shares for each category will be as per the offer document, in the proportion of subscription amongst each category, with a minimum allotment of 50% of the net issue to Retail category.
- Within each basis of allotment, the number of applications are pooled based on lot category and proportionate eligibility of allotment of shares for each category calculated as per illustration of HNI basis as shown below:

### HNI basis: (Example)

**Lot size: 1000 shares**

**Allocable shares as per Prospectus: 75000**

No. of Shares applied for (Category wise)	Number of applications received	Total No. of Shares applied in each category	% to total	Proportionate shares available	Allocation per Applicant (Before rounding off)	Allocation per Applicant (After rounding off)	Ratio of allottees to applicants	No. of successful applicants (after rounding off)	Total No. of Shares allocated/ allotted	Surplus / Deficit [14]-[7]
(1)	(2)	(3) = (1*2)	(4)	(5) = 75000 * (4)/100	(6) = (5)/(2)	(7)	(8)	(9)	(10) = (9) * (7)	(11)
1000	30	30000	26.09	19568	652.26	1000	2:3	20	20000	-432
2000	20	40000	34.78	26085	1304.25	1000	FIRM	20	20000	85
						1000	3:10		6000	
3000	15	45000	39.13	29347	1956.46	1000	FIRM	15	15000	347
						1000	14:15		14000	
		115000		75000						0

### Allotment Procedure

- In the event of over subscription in any of the IPO, the lottery system allotment is strictly random and there is absolutely no scope of discretion.
- Registrar to share the valid data and the reverse application number data with the external auditor, company and the lead Manager, before incorporating drawl of lots/lucky numbers in the RTA database
- Based on the oversubscription in the respective category (i.e., lot size's), the drawl of lots/lucky no(s) to be shared by the Designated Stock Exchange against each ratio.
- The Registrar incorporates the drawl of lots/lucky numbers in the RTA Data base, as per the following order.
  - Prepare the Net Valid Data (excluding technical rejections, if any)
  - Generate each Category wise (lot size wise) Running Serial No. on the following Order
    - Share Category (i.e., lot size)
    - Reverse the Application No. (example appl no 12345678 and reversed to 87654321)
    - PAN
  - If ratio is 2: 5, the 2 lucky numbers in the range will be shared by the designated stock exchange
  - The total no. of applications received in this category/lot size will be segregated into buckets of 5 each.
  - Every 3rd & 4th application in this bucket will get the allotment from every bucket, assuming that the lucky numbers given by the Designated Exchange are 3 & 4 for this category.
  - The process needs to be repeated for all the categories wherever oversubscription, the allotment needs to be done on lottery basis/drawl of lots.
- The registrar needs to tally the allocation for each category wise with the Basis of Allotment approved by designated stock exchange.
- The Registrar shares the allotment register with the company's appointed auditor to check the drawl of lots/lucky numbers assigned to correct investors and confirm.

Allotment will be made in consultation with the Designated Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as mentioned above



**The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:**

- As per Regulation 253(2) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- Remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- The unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants in the other category, if so required.

“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 the designated stock exchange.

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF LM AND THE SYNDICATE MEMBERS**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATIONS BY ELIGIBLE NRI'S**

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Applicants applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **APPLICATIONS BY HUF**

Application by Hindu Undivided Families or HUFs should be in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Application by HUFs will be considered at par with Applications by individuals.

### **APPLICATIONS BY FPI’S**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

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 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue 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 that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank’s own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company. The bank is required to submit a timebound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services

company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **APPLICATIONS BY SCSB'S**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars 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 ASBA applications.

#### **APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS, ALTERNATIVE INVESTMENT FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Applicants including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "IRDAI Investment Regulations") 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 belong to 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 points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

#### **APPLICATIONS BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor.

#### **APPLICATIONS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

*The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this draft prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this draft prospectus.*

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

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 Application Form, please refer the above-mentioned SEBI link.

## METHOD AND PROCESS OF APPLICATIONS

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## TERMS OF PAYMENT

The entire Issue price of ₹81/- 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 Applicants.

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 applicants 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 Applicants.

## PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. 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 Applicants shall neither withdraw nor lower the size of their applications at any stage.** In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## 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 Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the 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 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 offer 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 Lead Manager on a regular basis.
6. With respect to applications by Applicants, 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 Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sl. 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 Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;



- Client Identification Number of the demat account of the Applicant;
  - 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 an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA 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 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 Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft 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 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 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 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 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.

## ALLOCATION OF EQUITY SHARES

- 1) The Issue is being made through the Fixed Price Process wherein 2,11,200 Equity Shares shall be reserved for Market Maker and 39,88,800 Equity shares (Net Issue) will be allocated on a proportionate basis to Retail Individual Applicants, and Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage and retail individual investors can withdraw or revise their bids till issue closure date.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

## PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation where the registered office of the Company is situated.

## ISSUANCE OF ALLOTMENT ADVICE (CAN)

- 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. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants 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 DATES

Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with NSE EMERGE	[●]
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of the Allottees	[●]
Commencement of trading of the Equity Shares on NSE EMERGE	[●]

**Note:** The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the EMERGE Platform of NSE are taken within 6 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the NSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the NSE EMERGE in accordance with the applicable laws

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals. All applicants (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account or UPI ID, as applicable) in the Application Form if you are not a Retail Individual Investor bidding using the UPI Mechanism in the Application Form and if you are a Retail Individual Investor using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Application Form.
- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;

- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the draft prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only except as mentioned in *SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021*;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than one application from one bank account.
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;

**Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the 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. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock 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 websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com).

**Applicant'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 application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details').

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### ***Submission of Application Form***

All 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 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 Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of 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 the EMERGE Platform of NSE 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:

- Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
- 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.

#### ***Right to Reject Applications***

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **OTHER INSTRUCTIONS FOR THE APPLICANTS**

#### ***Joint Applications***

In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### ***Multiple Applications***

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

## **IMPERSONATION:**

*Attention of the application is specifically drawn to the provisions of the 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.
- d) The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.”

## **INVESTOR GRIEVANCE**

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the investors can contact the Compliance Officer of our Company.

## **NOMINATION FACILITY TO APPLICANT**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

## **GROUND FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a Limited Liability Partnership can apply in its own name.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications made using a third-party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1,600;
- Category not ticked;
- Multiple Applications as defined in this draft prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and draft prospectus as per the instructions in this draft prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals. Application or revision thereof by QIB Applicants, Non-Institutional Applicants



where the Application Amount is in excess of Rs. 2,00,000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by NSE.

- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Applicants to validate the request of blocking of Application amount sent by the Sponsor Bank;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- Details of ASBA Account not provided in the Application form;
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

#### **NAMES OF ENTITIES RESPONSIBLE FOR FINALIZING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the LM 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.

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 3 (three) Working Days of the Issue Closing Date. The Registrar to the Issue may dispatch the Allotment Advice within 3 (three) Working Days of the Issue Closing Date.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated June 18, 2024 with Lead Manager. For Further information, please refer section “**General Information**” beginning from page no 52 of this draft prospectus.
- b) A copy of prospectus will be filled with the RoC in terms of Section 26 & 32 of Companies Act, 2013.

#### **UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (three) Working days of Issue Closing Date.
- 3) That the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue by the issuer.
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) That the promoters’ contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations.
- 6) That no further issue of securities shall be made till the securities offered through the draft prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19.



- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- 8) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the 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;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
- 4) The utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 5) The details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated February 14, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated January 18, 2024 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. **"INE0SYU01010"**.

## RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the 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. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are 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 Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### THE COMPANIES ACT 2013 (PUBLIC COMPANY LIMITED BY SHARES) ARTICLES OF ASSOCIATION OF SHREE BALA JI PIGMENTS LIMITED\*<sup>1</sup>

#### Preliminary

The Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or not inconsistent with these Articles.

#### I. Interpretation

1. In these regulations—

- (a) "The Act" means the Companies Act, 2013,
- (b) "The Seal" means the common seal of the company.
- (c) "The Year" means 1<sup>st</sup> April to 31<sup>st</sup> March respectively.
- (d) "Seal" means the Common Seal of the Company

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.

#### Public Company

3. As per Section 2(71) of the Companies Act, 2013 "Public company" means a company which is not a Private Company.

Provided that a Company which is a subsidiary of a Company, not being a Private Company, shall be deemed to be a Public Company for the purpose of this Act even where such Subsidiary Company continues to be a Private Company in its articles;

#### II. Share capital and in variation of rights

1. Subject to the provisions of the Act and these Articles, the shares 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

***\*1 Altered vide resolution passed at the Extra Ordinary General Meeting dated 17<sup>th</sup> January, 2024.***

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;

(iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iv) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more

than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem ad equate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.  
  
(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
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. (i) 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.  
  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
  
(iii) 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. (i) 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.  
  
(ii) 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.
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 section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered in compliance with the relevant provisions of Companies Act, 2013 and any other applicable law.

#### DEMATERIALISATION OF SHARES

- a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other security holders with the details of members/debenture holders/ other securities both in materialized and dematerialized form in any medium as permitted by the Act.
- b) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with

- a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
- c) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
  - d) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.
  - e) Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 and any other applicable section as amended of the Depositories Act shall apply so far as applicable.
  - f) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
  - g) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

### Lien

#### 9. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Every fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

#### 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—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

#### 11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### 12. (i) 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.

(ii) 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, make calls upon the members in respect of any monies unpaid on their shares

(whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- 14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
- 15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 18. The Board—
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### *Transfer of shares*

- 19. (i) The instrument of transfer of any share in 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 until the name of the transferee is entered in the register of members in respect thereof.
  - 20. The Board may, subject to the right of appeal conferred by section 58 decline to register—
    - (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
    - (ii) any transfer of shares on which the company has a lien.
    - (iii) Provided however that the Company will not decline to register or acknowledge any transfer of shares 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.
    - (iv) The common form of transfer shall be used by the Company.
  - 21. The Board may decline to recognise any instrument of transfer unless—
    - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
    - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
    - (c) the instrument of transfer is in respect of only one class of shares.
  - 22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.



### *Transmission of shares*

23. (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 persons recognised by the company as having any title to his interest in the shares.
- (ii). Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as afore said as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
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.

### *Forfeiture of shares*

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time there after during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the Declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited 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 share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### *Alteration of capital*

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) 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.
36. Where shares are converted into stock,—
- (a) 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.
- (b) 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.
  - (c) 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.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

### ***Capitalization of Profit***

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution;
  - (b) 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.
  - (ii) 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—
    - (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - (B) 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;
    - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
    - (D) 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;
    - (E) The board shall give effect to the resolution passed by the company in pursuance of this regulation
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.
  - (ii) The Board shall have power—
    - (a) 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
    - (b) 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 capitalization, 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
    - (iii) Any agreement made under such authority shall be effective and binding on such members.
    - (iv) Capital paid-up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

### ***Buy-back of shares***

40. 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***

41. All general meetings other than annual general meeting shall be called extra-ordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### ***Proceedings at general meetings***

43. (i) 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.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

***Adjournment of meeting***

47. (i) 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.
  - (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - (iii) 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.
  - (iv) 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***

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and  
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (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.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, 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.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54. (i) 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.  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

***Proxy***

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 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.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. 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***

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The First Directors of the Company are:

1. SUNIL KUMAR AGGARWAL
2. SARLA AGGARWAL

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) 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—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. 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.

62. 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.

65. 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.

66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **67. MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/KEY MANAGERIAL PERSONNEL**

The Managing Director or Whole Time Director shall be appointed in compliance with the Provisions of Companies Act, 2013 and any other applicable law in force.

#### **68. Powers and duties of Managing Director or whole-time Director**

The Managing Director/Whole-time Director shall be subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The

Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

***Proceedings of the Board***

69. (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.
70. (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.
71. 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.
72. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office .
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
73. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board
74. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
75. (i) A committee may meet and adjourn as it thinks fit.
- (ii) 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.
76. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
77. 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***

78. Subject to the provisions of the Act,—
- a. 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;
- b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
79. 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***

- 80.** (i) The Board shall provide for the safe custody of the seal

(ii) 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 authorised 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***

- 81.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 82.** 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.
- 83.** (i) 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 equalising 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, thinks fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 84.** (i) 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.
- (ii) 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.
- (iii) 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.
- 85.** 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.
- 86.** (i) 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.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 87.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 88.** 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.

No dividend shall bear interest against the company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law.

#### ***Accounts***

**89.** (i) 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.

(ii) 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***

**90.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

a.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.

b.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.

c.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***

**91.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XII: 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 the draft 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 have been attached to the copy of the prospectus delivered to the RoC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 36-B, Industrial Ext. Area, Near Halti Marg, Kathua – 184102, Jammu & Kashmir, India between 10.00 a.m. to 5.00 p.m. (IST) on all working days and will also be available at the website of our company [www.satyamtmmt.com](http://www.satyamtmmt.com) from the date of the draft prospectus until issue closing date.

#### A. MATERIAL CONTRACTS TO THE ISSUE

1. Issue Agreement dated April 20, 2024 entered into among our Company and the Lead Manager.
2. Agreement dated April 15, 2024 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated February 14, 2024 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated January 18, 2024 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement June 18, 2024 among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated June 18, 2024 between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated June 18, 2024 between our Company and the Lead Manager.

#### B. MATERIAL DOCUMENTS

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporations of our Company dated January 25, 2007 and January 04, 2024 issued by Registrar of Companies.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated March 18, 2024 and March 20, 2024 respectively, authorizing the Issue and other related matters.
4. Copies of Audited Financial Statements of our Company for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
5. Peer Review Auditors Report dated July 18, 2024 on Restated Financial Statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
6. Copy of Statement of tax benefits dated July 18, 2024 from the Peer Review Auditor included in this draft prospectus.
7. Consents of Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Legal Advisor to the Issue, Banker to the Issue & Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the draft prospectus to act in their respective capacities.
8. Certificate on KPI's issued by Independent Chartered Accountant, vide their certificate dated July 18, 2024.
9. In-principle listing approval dated [●] from National Stock Exchange of India Limited for listing the Equity Shares on the EMERGE Platform of NSE.

10. Due Diligence certificate dated [●] submitted to SEBI after filing the prospectus with RoC.
11. Exemption letter under regulation 300(1) (c) of the SEBI ICDR Regulations, 2018 from strict enforcement of Regulation 2(1) (pp) of the ICDR Regulations, 2018 to Shree Bala Ji Pigments Limited with respect to- (i) Anita Jain; (ii) Charu Bansal (iii) Anju Gupta; (iv) Shakuntla Goel; (v) Manju Agarwal along with trail of related communications.

Any of the contracts or documents mentioned in this draft prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Lalit Aggarwal**  
Managing Director  
DIN: 06732667

Date: July 24, 2024

Place: Jammu

## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Sunil Kumar Aggarwal**

Executive Director

DIN: 01013441

Date: July 24, 2024

Place: Jammu



## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Neeru Aggarwal**  
Non-Executive Director  
DIN: 02645366

Date: July 24, 2024

Place: Jammu

## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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**Dhruv Dwivedi**  
Independent Director  
DIN: 10541951

Date: July 24, 2024

Place: Jammu

## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Tarun Kumar Sharma**

Independent Director

DIN: 10542304

Date: July 24, 2024

Place: Jammu

## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Sd/-

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**Daljeet Singh Rana**  
Chief Financial Officer

Date: July 24, 2024

Place: Jammu

## DECLARATION

I 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 regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

Sd/-

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**Ms. Vasundhra Gupta**  
Company Secretary & Compliance Officer

Date: July 24, 2024

Place: Jammu