



## Maiden Forgings Limited

CIN: U29810DL2005PLC1329130

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
B-5, Arihant Tower, Block D Market, Vivek Vihar, East Delhi, New Delhi – 110092, India	Ms. Monika Negi Company Secretary and Compliance Officer	<b>Email:</b> cs@maidenforgings.in <b>Phone:</b> +011-44796732	https://maidenforgings.in

### THE PROMOTERS OF OUR COMPANY ARE MR. NISHANT GARG AND MS. NIVEDITA GARG

#### DETAILS OF THE ISSUE TO PUBLIC

TYPE	FRESH ISSUE	OFS SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	3784000 Equity Shares aggregating to ₹[●].	Nil	3784000 Equity Shares aggregating to ₹ [●].	The Issue is being made pursuant to Regulation 229 (2) Of SEBI ICDR Regulations, 2018. As the Company's post issue face value capital exceed ₹10.00 Crores. For details in relation to share reservation among NIIs and RIIs, see "Issue Structure" on page no. 251.

#### DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

#### RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10.00 each. The Offer Price, Floor Price or Price Band as determined by our Company in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 90, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 26.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of the BSE Limited ("BSE SME"). 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 March 13, 2023 from BSE SME for using its name in this Offer document for listing our shares on the BSE SME. For the purpose of this Issue, the Designated Stock Exchange will be BSE Limited.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>Share India Capital Services Pvt. Ltd.</b> Address: A-15, Sector-64, Noida – 201301, UP, India. Tel No.: +91-0120-4910000 Email: <a href="mailto:anand.srivastava@shareindia.co.in">anand.srivastava@shareindia.co.in</a> Contact Person: Mr. Anand Srivastava Website: <a href="http://www.shareindia.com">www.shareindia.com</a> SEBI Registration No.: INM000012537</p>	 <p><b>Maashitla Securities Pvt. Limited.</b> Address: 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi, 110034 Tel No: +91-11-45121795-96; Contact Person: Mr. Mukul Agrawal Email: <a href="mailto:mukul@maashitla.com">mukul@maashitla.com</a> Website: <a href="http://www.maashitla.com">www.maashitla.com</a> ; SEBI Registration No.: INR000004370</p>

#### BID/ISSUE PROGRAMME

<b>BID/ISSUE OPENS ON</b>	<b>March 22, 2023</b>
<b>BID/ISSUE CLOSSES ON</b>	<b>March 24, 2023</b>



### Maiden Forgings Limited

Our Company was originally incorporated on February 11, 2005 as 'Maiden Forgings Private Limited', as a private limited company, under the provisions of the Companies Act, 1956. Later on, consequent upon the conversion of our Company into public limited company, the name of our Company was changed to "Maiden Forgings Limited" and fresh Certificate of Incorporation dated December 02, 2022 was issued by Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U29810DL2005PLC132913.

**Registered Office:** B-5, Arihant Tower, Block D Market, Vivek Vihar, East Delhi, New Delhi – 110092, India

**Tel:** +011-44796732, **Website:** <https://maidenforgings.in>, **E-mail:** [cs@maidenforgings.in](mailto:cs@maidenforgings.in)

**Company Secretary and Compliance Officer:** Ms. Monika Negi

**Promoters:** Mr. Nishant Garg and Ms. Nivedita Garg

#### THE ISSUE

INITIAL PUBLIC ISSUE OF 37,84,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING [●] LAKHS ("ISSUE / OFFER"). THIS ISSUE INCLUDES A RESERVATION OF 1,90,000 EQUITY SHARES AGGREGATING [●] LAKHS FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE 26.62% AND 25.28%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY. THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 EACH. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER JANSATTA AND DELHI EDITION OF THE REGIONAL NEWSPAPER JANSATTA, EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE LIMITED ("BSE SME", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

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

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 255.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10.00. The Offer Price, Floor Price or the Price Band 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 255 of this Red Herring Prospectus. A copy of Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on Page 26.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated March 13, 2023 from BSE Limited ("BSE") for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

#### BOOK RUNNING LEAD MANAGERS TO THE ISSUE



**SHARE INDIA CAPITAL SERVICES PVT. LTD.**

**Address:** A-15, Sector-64, Noida – 201301, Uttar Pradesh, India.

**Tel No.:** +91-0120-4910000

**Email:** [anand.srivastava@shareindia.co.in](mailto:anand.srivastava@shareindia.co.in)

**Contact Person:** Mr. Anand Srivastava

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

**SEBI Registration No.:** INM000012537

#### REGISTRAR TO THE ISSUE



**MAASHITLA SECURITIES PRIVATE LIMITED**

**Address:** 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi, 110034

**Tel No:** +91-11-45121795-96;

**Contact Person:** Mr. Mukul Agrawal

**Email:** [mukul@maashitla.com](mailto:mukul@maashitla.com);

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

**SEBI Registration No.:** INR000004370

#### OFFER PROGRAMME

**ISSUE OPENS ON:** March 22, 2023

**ISSUE CLOSES ON:** March 24, 2023

*THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.*

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Tax Benefits”, “Our Industry”, “Key Industry Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Other Material Developments” on page 289, 93,99,136,172 and 217 respectively, will have the meaning ascribed to such terms in these respective sections.

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.

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act 2013, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

#### General Terms

Term	Description
“Maiden Forgings”, “We” or “us” or “our Company” or “the Issuer” or “the Company”	Unless the context otherwise requires, refers to Maiden Forgings Limited, a company incorporated under the Companies Act, 1956, vide Corporate Identification Number U29810DL2005PLC132913 and having registered office at B-5, Arihant Tower, Block D Market, Vivek Vihar, East Delhi, New Delhi – 110092, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### Company Related Terms

Terms	Description
Additional Director	An Additional Director of our Company.
Articles / Articles of Association AOA	The Articles/ Articles of Association of our Company, as amended from time to time.
Auditor/ Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, H. G. & Co., Chartered Accountants
Board of Directors / Board/ Director(s)	Board of Directors of our company or a duly constituted committee thereof.
Chairperson	Ms. Nivedita Garg is the Chairperson of our Board of Directors.
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	Ms. Monika Negi, the Company Secretary and the Compliance Officer of our Company.
Corporate Office	E-201, Kavi Nagar Industrial Area, Ghaziabad- 201002, U.P. (India)



Terms	Description
Chief Financial Officer/ CFO	Ms. Prachla Garg, Chief Financial Officer of our Company
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s)	The director(s) on the Board of our Company as described in "Our Management" beginning on page 146 of this Red Herring Prospectus
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Equity Shareholders	Persons holding equity shares of our Company.
Executive Directors	Whole-time directors/ executive directors on our Board
Group Companies	Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Key Managerial Personnel / KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the section titled "Our Management" on page 146 of this Red Herring Prospectus.
Managing Director/ MD	Mr. Nishant Garg is the Managing Director of our Company.
Materiality Policy	The policy adopted by our Board on January 06, 2023 for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MOA/Memorandum of Association	Memorandum of Association of our company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "Our Management" beginning on page 146 of this Red Herring Prospectus.
Non-executive Directors	Non-executive Directors of our company.
Promoters	The promoters of our Company, namely; Ms. Nivedita Garg and Mr. Nishant Garg as disclosed in "Our Promoters" and "Our Promoter Group" beginning on page 160 to 164 of this Red Herring Prospectus.
Promoters Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "Our Promoters" and "Our Promoter Group" on page 160 and 164 respectively of this Red Herring Prospectus.
Registered Office	The registered office of our Company situated at B-5, Arihant Tower, Block D Market, Vivek Vihar, East Delhi, New Delhi – 110092, India.
Registrar of Companies/ ROC	The Registrar of Companies, Delhi, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.
Restated Financial Statements/ Restated Financial Information	Restated financial statements of our Company for the period ended on December 31, 2022 and for the year ended March 31, 2022, 2021 & 2020 prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see "Financial Information" on page 172 of this Red Herring Prospectus.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.





Terms	Description
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Shareholders	The holders of the Equity Shares, from time to time
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see "Our Management" on page 146 of this Red Herring Prospectus
Whole-time Director	Ms. Nivedita Garg is the whole-time Director of our Company

### Offer Related Terms

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Bidders, including transfer of the Equity Shares pursuant to the Issue to the successful bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	The successful bidder to whom the Equity Shares are being / have been allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to



Terms	Description
	valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
Application Amount	The amount at which the Bidder makes an application for Equity Shares of our Company in terms of this Red Herring Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	An application whether physical or electronic, used by ASBA Bidder to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism.
ASBA Account	A bank account maintained with an SCSB and specified in the Application Form submitted by the Bidders or the account of the RII Bidders blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Bidder
ASBA Bidder(s)	Any prospective investor who makes an application pursuant to the terms of the Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Bidder and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Issue/ Refund Banker.	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Yes Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 255 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the fl, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	2000 Equity Shares and in multiples of 2000 Equity Shares thereafter.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted.
Client ID	Client identification number of the Bidder’s beneficiary account
Controlling Branch	Such branches of SCSBs which coordinate Applications under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <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.





Terms	Description
Demographic Details	The demographic details of the Bidders such as their address, PAN, Occupation, bank account details and UPI ID (if applicable)
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. 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.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries/ Collecting Agent	In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
DP ID	Depository Participant's identity number.
Designated Stock Exchange	SME Platform of BSE Limited or BSE SME
Designated Market Maker	Share India Securities 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 by amendment to SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	This Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
SME Platform	The BSE Limited for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.



Terms	Description
of BSE Limited	
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow Account	Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Agent	Yes Bank Limited
Escrow Agreement	Agreement dated March 01, 2023 entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker to the Issue/Sponsor Bank to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Yes Bank Limited.
First/ Sole Bidder	The Bidder whose name appears first in the Application Form or Revision Form and in case of a joint Application and whose name shall also appear as the firstholder of the beneficiary account held in joint names or any revisions thereof.
Fresh Issue	Fresh Issue 37,84,000 Equity Shares of ₹10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document/ GID	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 circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the website of the Stock Exchange and the BRLM.
Issue Agreement	The agreement dated February 07, 2023 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
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 the 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 ₹ [●] per Equity Share.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see "Objects of the Issue" on page 83 of this Red Herring Prospectus.
Issue Size/ Issue	Initial Public Offering of 37,84,000 Equity Shares of face value of ₹ 10.00/- each and Premium of ₹ [●] each of our Company for cash at a price of ₹ [●] each, aggregating to ₹ [●] Lakhs.



Terms	Description
BRLM / Book Running Lead Manager	The Book Running Lead Manager to the Issue, being Share India Capital Services Private Limited.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Bombay Stock Exchange Limited (“BSE”).
Lot Size	The Market lot and Trading lot for the Equity Share is 2000 and in multiples of 2000 thereafter; subject to a minimum allotment of 2000 Equity Shares to the successful bidders.
Market Maker	Market Maker of the Company, in this case being Share India Securities Limited.
Market Making Agreement	The Agreement among the Market Maker, the Book Running Lead Manager and our Company dated March 01, 2023.
Market Maker Reservation Portion	The Reserved portion of 1,90,000 equity shares of ₹ 10.00/- each at an Issue Price of ₹ [●] aggregating to ₹ [●] Lakhs for Designated Market Maker in the Public Issue of our Company.
Mobile App(s)	The mobile applications listed on the website of SEBI at <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> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses
Non-Institutional Bidders/ Investors	All Bidders, including Eligible FPIs, that are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper, in the language where the registered office of the Company is situated, with wide circulation at least two working days prior to the Bid / Offer Opening Date
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date.
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being Yes Bank Limited.
Qualified Foreign Investors/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals



Terms	Description
Registrar Agreement	The registrar agreement dated January 17, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents/ RTAs	The registrar and the 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 and the UPI Circulars issued by SEBI as per the list available on the website of BSE.
Registrar to the Issue / Registrar	Registrar to the Issue being Maashitla Securities Private Limited.
Retail Individual Investors	Bidders (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹ 2,00,000.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bidder Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
SCSB/ Self-certified syndicate Banks	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being Yes Bank Limited.
Stock Exchange	The SME Platform of BSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018 which was approved by SEBI as an SME Exchange on September 27, 2011.
Systematically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TRS/Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application.
Underwriters	Underwriters to this Issue is Share India Capital Services Private Limited.
Underwriting Agreement	The agreement dated March 01, 2023 entered into between Share India Capital Services Private Limited, and our Company prior to filing prospectus with RoC.
Unified Payments Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
UPI	Unified Payments Interface.



Terms	Description
UPI Circulars /SEBI UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UP MandateRequest	A request (intimating the RBI by way of a notification on the UPI application and by way of a SMS directing the RBI to such UPI application) to the RBI initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by RBI submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Willful Defaulter	A Company or person categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Days	<b>Till Application / Issue closing date:</b> All days other than a Saturday, Sunday or a public holiday; <b>Post Application / Issue closing date and till the Listing of Equity Shares:</b> All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

#### Industry Related Terms

Term	Description
BS	British Standards
AISI	American Iron and Steel Institute
DC	Direct Current
DG Set	Diesel Generating Set
DIN	Deutsches Institut für Normung
DIPP	Department of Industrial Policy and Promotion
HP	Horse Power
ISO	International Organization for Standardization
QMS	Quality Management System
SAE	Society of Automotive Engineers
Sq. yards	Square yards
Sq. mtrs	Square meter
SS	Stainless Steel
SBB	Steel Bright Bars
P&GB	Peeled & Ground Bars
SPB	Shaped Profile Bars
Unit –I	E-201, Kavi Nagar Industrial Area, Ghaziabad- 201002, U.P. (India)



Unit –II	C-10, B.S. Road Industrial Area, Ghaziabad- 201002, U.P. (India)
Unit-III	C-118, B.S. Road Industrial Area, Ghaziabad-201002, U.P. (India)

### Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
B.A.	Bachelor of Arts
B. Com	Bachelor of Commerce
BSE	Bombay Stock Exchange Limited
CA	Chartered Accountant
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs which are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs which are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs which are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPI(s)	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
Category III FPI(s)	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 2013 and / or the Companies Act, 1956 as applicable
Companies Act 1956	Companies Act, 1956, and the rules there under (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications there under.
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, 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.
CRAR	Capital to Risk Asset Ratio
CS	Company Secretary





CSR	Corporate Social Responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended.
FY / Fiscal/Financial Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
I.T. Act	Income Tax Act, 1961, as amended from time to time
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rs. or ₹ or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ICAI	Institute of Chartered Accountant of India



ICSI	Institute of Company Secretaries of India
IPO	Initial Public Offer
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal Rate of Return
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number
IT	Information Technology
Lacs	Lakhs
LIBOR	London Inter-Bank Offer Rate
MCA	Ministry of Corporate Affairs
Mn/mn	Million
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	per annum
PCA	Practicing Chartered Accountant
PCA	Practicing Company Secretaries
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PIO	Person of India Origin
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulations	Regulations under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005



Rule 14A	Rule 144A under the Securities Act
Rs./ Rupees/ Indian Rupees	The lawful currency of India
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
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 Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
Securities Act	The United States Securities Act of 1933.
Sec.	Section
STT	Securities Transaction Tax
State Government	Government of a state in India
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
US GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>
w.e.f	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

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

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus. In this Red Herring Prospectus, our Company has presented numerical information in "lakhs" units. One lakh represents 1, 00,000.

### Financial Data

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Information, as Restated' beginning on page 172 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act 2013, 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 Red Herring 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, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled 'Financial Information, as Restated' beginning on page 172 of this Red Herring Prospectus.

### Currency and units of presentation

All references to "Rupees", "Rs." Or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.



All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

This Red Herring Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

### **Definitions**

For definitions, please refer the chapter titled "Definitions and Abbreviations" beginning on page 1 of this Red Herring Prospectus. In the section titled "Main Provisions of the Articles of Association" beginning on page 289 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### **Industry and Market Data**

Unless stated otherwise, industry data used throughout the Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD LOOKING STATEMENTS

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “Risk Factors” and chapter titled “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on page 26, 108 and 207 of this Red Herring Prospectus, respectively.





By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated. Forward-looking statements reflect the current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance.

Neither our Company, our directors, our Promoters, the Book Running Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

In accordance with the SEBI ICDR Regulations, our Company will ensure that Investors in India are informed of material developments from the date of filing of the Prospectus until the date of Allotment.



## SECTION II - SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS OVERVIEW

Our Company was incorporated on February 11, 2005 as a private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, Delhi in the name and style of Maiden Forgings Private Limited. In 2022, the Company' name changed to Maiden Forgings Limited following its conversion into a public limited company. The Company since its inception has been engaged in the manufacturing and sales of ferrous metal products including steel bright bars, wires, profiles and ground bars. The Promoters of the Company has a vast experience of over 34 years in this field.

Currently, the Company has three manufacturing plants, all located in Ghaziabad, Uttar Pradesh, India. The combined aggregated manufacturing capacity of these plants is around 50,000 ton per annum. The Company set up its first manufacturing plant in 2011 at Kavi Nagar Industrial Area at Ghaziabad. In 2015, the Company established its second plant nearby. The third plant of the Company started operations in 2018, also in Ghaziabad.

Maiden specializes in design and manufacture of different type of ferrous metal products including carbon steel, stainless-steel and alloy steel, mainly in the form of drawn products like bright bars, wires, profiles and ground bars. Its fully integrated infrastructure consists of steel drawing machines, peeling centres finishing machines installed at its three manufacturing facilities (Unit-1, II & III), located at Kavi Nagar Industrial Area, Ghaziabad, Uttar Pradesh. These manufacturing facilities are spread over around 12,500 square yards land area having combined aggregated manufacturing capacity of 50000 MT/p.a.

For detailed information on our business activities, please refer to section titled "Our Business" on page no. 108 of this Red Herring Prospectus.

### SUMMARY OF OUR INDUSTRY OVERVIEW

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

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.

### GDP and Other Indicators

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030. According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23. 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.

### **Steel in India**

As of April 2022, India was the world's second-largest producer of crude steel, with an output of 10.14 MT. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from customers. The consumption of finished steel stood at 105.751 MT in FY22. In July 2022, the consumption of finished steel stood at 9.17 MT.

Steel companies are looking to restart expansion projects on the back of burgeoning steel processes with a capacity addition of 29 MT. Between April 2021-January 2022, consumption of finished steel stood at 86.3 MT.

In FY22, demand for steel is expected to increase by 17% to 110 million tonnes, driven by rising construction activities. 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 in India is also planning to expand its annual capacity from 34 MTPA to 55 MTPA by 2030.

In FY22, exports and imports of finished steel stood at 13.49 MT and 4.67 MT, respectively. In FY22, India's export rose by 25.1% YoY, compared with 2021. India's per capita consumption of steel grew at a CAGR of 4.43% from 46 kgs in FY08 to 74.10 kgs in FY19. In July 2022 exports of finished steel stood at 3.80 lakh MT.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-March 2022, Indian metallurgical industries attracted FDI inflows of US\$ 17.1 billion.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import.

The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrapage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles. In the healthcare front, major steel producers are now exceeding their production capacities to produce oxygen cylinders for COVID patients. In 2021, Indian Railways is planning to procure over 11 lakh tons of steel from Steel Authority of India Limited (SAIL) for the track renewal and laying new lines across the country.

Source: <https://www.ibef.org/industry/steel-presentation>

### **PROMOTERS**

The promoters of our Company are Mr. Nishant Garg and Ms. Nivedita Garg. For detailed information please refer chapter titled "Our Promoters" and "Our Promoter Group" on page number 160 and 164 respectively of this Red Herring Prospectus.



## ISSUE SIZE

The Issue size comprises of issuance of 37,84,000 Equity Shares of face value of ₹ 10 each fully paid-up of the Company for cash at price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects:

Particulars	Amount (In ₹ Lakh)*
Gross Issue Proceeds	[●]
Less: Public Issue Related Expenses	[●]
Net Issue Proceeds	[●]

## UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

S. No.	Particulars	Amount (₹in) Lakhs	% of Gross Issue Proceeds	% of Net Issue Proceeds
1.	Consolidation & expansion of Manufacturing Facilities;	943.48	[●]	[●]
2.	Working Capital;	800.00	[●]	[●]
3.	General Corporate Purpose; and	400.00	[●]	[●]
4.	Issue Expenses	[●]	[●]	[●]
	Net Issue Proceeds	[●]	[●]	[●]

## SHAREHOLDING

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

S. No.	Name of Shareholder	Pre-issue	
		No. of equity shares	As a % of Issued Capital
<b>Promoters</b>			
1	Mr. Nishant Garg	4170600	39.994%
2	Ms Nivedita Garg	6256800	60.00%
<b>Total - A</b>		<b>10427400</b>	<b>99.994%</b>
<b>Promoter Group</b>			
3	Ms. Apoorva Garg	100	0.0009%
4	Ms. Divya Jaiswal Garg	100	0.0009%
5	Mr. Mayank Govil	100	0.0009%
6	Mr. Sarthi Agarwal	100	0.0009%
7	Mr. Hemant Kumar	100	0.0009%
8	Mr. Harsh Prakash	100	0.0009%
<b>Total - B</b>		<b>600</b>	<b>0.0057%</b>
<b>Grand Total (A+B)</b>		<b>10428000</b>	<b>100%</b>



## SUMMARY OF FINANCIAL INFORMATION

Amount in ₹ Lakhs, except per share data

Particulars	For the sub period ended	For the year ended March 31		
	December 31, 2022	2022	2021	2020
Share Capital	1042.80	521.40	521.40	464.90
Net Worth	3914.56	3113.05	2899.11	2136.92
Revenue from Operations	16351.66	21050.98	19923.61	20412.44
Profit after Tax	801.51	213.94	168.94	165.95
Earnings per share				
- Basic	7.69	4.10	3.24	3.57
- Diluted	7.69	4.10	3.24	3.57
Net Asset Value per Equity Share (in Rs.)	38.30	60.47	56.46	47.31
Total (As per Restated Balance Sheet)				
- Long Term	1876.96	1927.07	2013.90	2468.59
- Short Term	4648.21	4243.68	3415.03	3319.54

Note- Based on the Restated Financial Statements of the Company

## QUALIFICATIONS OF AUDITORS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

There are no pending Litigation by/against our Company nor by/against our Promoters or Directors of the company except mentioned below:

Nature of Case	Number of cases / Notices issued	Amount involved
<b>Cases filed by the Company</b>		
Litigations involving our Company	Nil	Nil
Litigation Involving Actions by Statutory/ Regulatory Authorities;	Nil	Nil
Litigation involving Tax Liabilities;	12	₹ 172,688.00
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company;	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company;	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company;	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	Nil	Nil
Litigation involving our Directors and Promoters	Nil	Nil
Litigation involving our Subsidiaries	Nil	Nil
Litigation involving our Group Companies (Taxes)	Nil	Nil
Litigation by our Group Companies;	Nil	Nil



## 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 26 of this Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Red Herring Prospectus there is no contingent liability on the Company.

## SUMMARY OF RELATED PARTY TRANSACTIONS

### BASED ON RESTATED STANDALONE FINANCIAL STATEMENT

#### (a) List of Related parties during the year:

Name	Relationship
Late. Sanjay Garg	Key Management Personnel (KMP)
Nishant Garg	Key Management Personnel (KMP)
Nivedita Garg	Key Management Personnel (KMP)
Divya Jaiswal Garg	Relatives of KMP
Late. Lalit Mohan Govil	Relatives of KMP
Apporva Garg	Relatives of KMP
Sanjay Garg Huf	KMP's Control Exist
Rare Pixel Ventures Pvt Ltd	KMP's Control Exist
Annapurna Melters And Founders Private Limited	KMP's Control Exist

#### (b) Following are the details of the transactions with the related party:

Nature of transactions	Related Parties	As at 31st December 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Director Remuneration	KMP	17.00	24.00	30.00	24.00
Remuneration	Relatives of KMP	.60	13.20	13.80	13.80
Rent Paid	KMP	1.20	3.60	3.60	3.60
Sales	KMP's Control Exists	416.15	10.08	.00	.00
Borrowings received	KMP	375.77	.00	84.56	236.73
Borrowings repaid	KMP	159.72	.67	638.28	5.26





**(c) Disclosure of material transactions:**

<b>PARTICULARS</b>	<b>Relation</b>	<b>As at 31st December 2022</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
<b>Directors Remuneration Paid</b>					
Sanjay Garg	KMP	5.00	12.00	12.00	.00
Nishant Garg	KMP	9.00	12.00	11.00	12.00
Nivedita Garg	KMP	3.00	.00	7.00	12.00
<b>Remuneration Paid</b>					
Late. Lalit Mohan Govil	Relatives of KMP	.60	7.20	7.20	6.60
Apporva Garg	Relatives of KMP	.00	6.00	6.60	7.20
<b>Rent Paid</b>					
Sanjay Garg	KMP	1.20	3.60	3.60	3.60
<b>Sale of goods</b>					
Rare Pixel Ventures Pvt Ltd	-	416.15	10.08	.00	.00
<b>Borrowings received</b>					
Nishant Garg	-	25.02	-	-	-
Nivedita Garg	-	30.90	-	-	-
Sanjay Garg	-	319.85	.00	84.56	236.73
<b>Repayment of Borrowings</b>					
Nishant Garg	-	2.40	-	-	-
Nivedita Garg	-	17.06	-	-	-
Sanjay Garg	-	140.26	.67	638.28	5.26

**(d) Balances outstanding as on reporting date**

<b>Borrowings</b>	<b>Nature of Parties</b>	<b>As at 31st December 2022</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
	Unsecured Loan	373.12	157.07	157.74	711.46
<b>Payables</b>					
	Creditor				
	Rent	.00	.27	.28	.00
	Salary	4.15	2.39	3.13	.18
<b>Receivables</b>					
	Debtor	10.77	.00	.00	.00
	Loan and Advances	378.76	378.76	378.76	378.76

**FINANCING ARRANGEMENTS**

There have been no financing arrangements whereby our Promoter, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other



person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Red Herring Prospectus.

## **COST OF ACQUISITION & WEIGHTED AVERAGE COST**

### **WEIGHTED AVERAGE PRICE**

Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:

<b>Name of shareholders</b>	<b>No. of Equity Shares Acquired during last one Year</b>	<b>Weighted Average Price (in ₹ )</b>
Mr. Nishant Garg	41,70,800	NIL
Ms. Nivedita Garg	80,65,300	NIL

*\* The average cost of acquisition of Equity Shares by our Promoters in last one year has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired during last one year.*

*\*\* As certified by H G & Co., Statutory Auditors, Chartered Accountants, by way of their certificate dated January 31, 2023 bearing UDIN No 23403482BGX01R5088*

### **AVERAGE COST OF ACQUISITION**

The average cost of acquisition per Equity Share to our promoters as at the date of this Red Herring Prospectus is:

<b>Name of the Promoter</b>	<b>No. of Shares held</b>	<b>Average cost of Acquisition (in ₹ )</b>
Mr. Nishant Garg	41,70,600	2.73
Ms. Nivedita Garg	62,56,800	1.67

*\* As certified by H G & Co., Statutory Auditors, Chartered Accountants, by way of their certificate dated January 31, 2023 bearing UDIN No 23403482BGX01R5088*

### **PRE-IPO PLACEMENT**

Our Company has not allotted any shares under pre-IPO Placement.

### **ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH**

Except as following, our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Red Herring Prospectus.

<b>Sr. No.</b>	<b>Number of Equity Shares</b>	<b>Nature of Allotment</b>	<b>Consideration</b>
1	5214000	Bonus issue in the ratio of 1:1.	Consideration other than cash

For more details, refer "Capital Structure" on page number 63 of this Red Herring Prospectus.



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

Our company has not undertaken any split/consolidation of shares in the last one year till the date of this Red Herring Prospectus. For more details, refer “Capital Structure” on page number 63 of this Red Herring Prospectus.

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

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.



### SECTION III – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page numbers 108 and 207, respectively, of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled ‘Financial Information, as Restated’ beginning on page number 172 of this Red Herring Prospectus.*

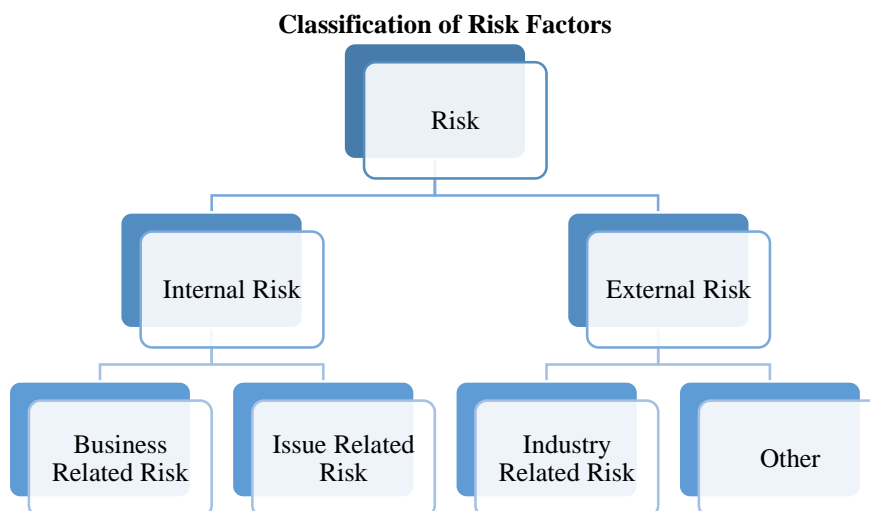
*If any one or more of the following risks as well as other risks and uncertainties discussed in the Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

*This Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Red Herring Prospectus. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

#### **Materiality:**

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

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





## INTERNAL RISK FACTORS

### BUSINESS RELATED RISKS

#### 1. There are outstanding litigations involving our Company

As on the date of this Red Herring Prospectus, our Company is involved in following legal proceedings.

#### Legal Actions taken by the company

Our Company has filed cases against few of its customers for non-payment due to cheque bounce, which are presently in different stages in the district court of Ghaziabad, UP. Details of the same are as under:

S.no.	Party Name	Next Hearing Date	Amount ₹	Status	Case Description
1	TECHMACS ENGG PVT LTD	20-03-2023*	7,54,911.54	The case is ongoing	The case was filed on 13/10/2017 for bouncing of cheques of Rs 25,00,000.
2	RACHNA INDUSTRIES	20-03-2023	2,11,866.00	The case is ongoing	The case was filed on 11/06/2020 for bouncing of cheques of Rs 70,000
3	INDIAN WIRE TRADERS	20-03-2023*	6,89,201.00	The case is ongoing	The case was filed on 11/06/2020 for bouncing of cheques of Rs 4,13,504.
4	LAXMI AUTO	05-04-2023	Nil	To be withdrawn	The case was filed on 28/1/2016 for bouncing of cheques of Rs 6,00,000
5	SHARMA INDUSTRIES	23-03-2023*	Nil	To be withdrawn	Case was filed on 15/5/2015 for bouncing of cheques of Rs 97,011
6	HIGH TECH	01-05-2023	Nil	To be withdrawn	Case was filed on 19/10/2019 for bouncing of cheques of Rs 2,23,821
7	YASH TRADING COMPANY	-	7,37,284.26	To be withdrawn	The case was filed on 19/06/2020 for bouncing of cheques of Rs 8,35,308.
8	KRISHNA HOMES PRODUCTS	23-03-2023*	86,344.00	To be withdrawn	Case was filed on 26/10/2019 for bouncing of cheques of Rs 1,00,000
9	KRISHNA HOMES	14-03-2023	86,344.00	To be withdrawn	Case was filed on 27/5/2019 for bouncing of cheques of Rs 2,00,000
10	IPS INDUSTRY	14-03-2023	3,17,291.00	The case is ongoing	Case was filed on 26/10/2019 for bouncing of cheques of Rs 3,67,291
11	DMT CHUCKS INDIA	14-03-2023	3,27,556.00	The case is ongoing	Case was filed on 19/8/2019 for bouncing of cheques of Rs 3,27,556.
12	ALLIANCE	01-05-2023	Nil	To be withdrawn	Case was filed on 15/6/2019 for bouncing of cheques of Rs 98,227

\*Next date of Hearing has been updated as on this date of Red Herring Prospectus



A summary of the pending litigations is provided below:

**A. Litigation involving our Company**

**i. Case filed against/by our Company**

Nature of Litigation	No. of matters Outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	12	₹ 172,688.00
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

**B. Litigation involving our Promoters**

Nature of Litigation	No. of matters Outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory Authorities	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

**C. Litigation involving our Directors**

Nature of Litigation	No. of matters Outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory Authorities	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

For further details of legal proceedings involving the Company, please see “*Outstanding Litigations and Material Developments*” beginning on page 217 of this Red Herring Prospectus.

- Ownership of a land where our company has one of its manufacturing Unit situated at C-118, Bulandshar Road, Industrial Area, Ghaziabad, Uttar Pradesh, amounting to Rs. 378.76 lakhs under Fixed Assets in the audited financial statement for FY21-22 and prior periods is in the name of our group company, Annapurna Melters and Founders Private Limited.**



The audited financial statement of the company for FY2021-22 and prior periods includes the land (Unit III)-C 118, Bulandshar Road, Industrial Area, Ghaziabad, Uttar Pradesh, whereas its ownership is lying with one of its group company, Annapurna Melters and Founders Private Limited. The beneficial ownership and possession of the land is with our company pursuant to the agreement signed between our company and Annapurna Melters and Founders Private Limited. The same has been reclassified by the Peer Review auditors as long-term advance in subsequent audited financial statements as on December 31, 2022 as well as restated financial statements. The said land has been mortgaged in favour of lenders in respect of loan availed by our company. In case of revocation of such mortgage deed by the lenders or the owner company, or any penal action for earlier wrong disclosures in the Financial Statements it may affect the business operations of the company.

**3. Our Company has not complied or delayed in compliances with some statutory provisions of the Companies Act. Such non-compliance and delayed compliance may attract penalties against our company which could impact the financial position of us to that extent.**

Our company has done delayed compliance with certain statutory provisions under the Companies Act, 2013, for instance, delay in filing of Annual Return (MGT-7) for the Financial Year ending 2020-21, 2018-19 & 2016-17, delay in filing of Financial Statements (AOC-4) for the Financial Year ending 2016-17 & 2017-18, delay in filing of Form ADT-1 for the Financial Year 2019-20 etc. Further the company made delay in filing for Appointment of Auditor (ADT-1) for period of FY 2019-2024.

Our company maintains its books of accounts at its corporate office, E 201 Industrial Area Kavi Nagar, Ghaziabad, U.P. instead of registered office and has failed to file e form AOC 5 to Registrar of Companies.

Our company has also made some clerical mistakes in documents and forms previously filed with the Registrar of Companies, for instance, in Notice for EGM and thereupon resolution passed to increase Authorised Share Capital, the name of the company is mentioned as ABC Private Limited and date mentioned is Sept 12, 2022 instead of October 12, 2022. In E Form DIR 12 dated April 01, 2019 appointment of Mr. Nishant Garg is made under section 161 of Companies Act, 2013 instead of Section 152.

Further, our Company has not received any notices from any authorities, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

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

As of March 31, 2022, we own and operate manufacturing plants at Kavi Nagar, Ghaziabad, Uttar Pradesh, Bulandshahar Road Ghaziabad, Uttar Pradesh with an aggregate installed production capacity of around 50,000 MT per annum for producing steel bright bars and wires. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing plants, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our plants including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing plants, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

**5. Failure to maintain confidential information of our customers could adversely affect our reputation, business, financial condition and results of operations.**

We typically agree to confidentiality terms with our customers for whom we undertake service. As per these agreements, we are required to keep confidential, the know-how and technical specifications provided to us





by these customers. While we have not faced any breach of the confidentiality agreements with our customers in the past, there is no assurance that such breach will not occur in the future. In the event of any breach or alleged breach of our confidentiality agreements with our customers by us or our employees, these customers may terminate their engagements with us and/or initiate litigation for breach of contract, seeking damages and compensation from us. While we have not faced such instances in the past years, any assertion of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have an adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

**6. Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior shareholders' approval.**

Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior shareholders' approval. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Offer, refer chapter titled "Objects of the Issue" beginning on page 83 of this Red Herring Prospectus.

**7. 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.

**8. The novel corona virus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.**

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the third wave of the virus and the likelihood of a fourth wave, this pandemic may continue to cause unprecedented 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.

Further if in case due to any fourth or consequent wave of Corona virus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the



government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

**9. Our profitability will suffer if we are not able to maintain our pricing, control costs or continue to grow our business through higher client engagements.**

Our profit margin, and therefore our profitability, is largely a function of our level of activity and the rates we are able to charge for our services. If we are unable to maintain the pricing for our services without corresponding cost reductions, our profitability will suffer. The pricing and levels of activity we are able to achieve are affected by a number of factors, including our clients' perceptions of our ability to add value through our services, the length of time it takes to on-board new employees on any new or current client engagements, the volume of work for new clients or new engagements with current clients, competition, the introduction of new services by us or our competitors, our ability to accurately estimate, attain and sustain revenue from client contracts and general economic conditions.

**10. We may not be able to manage the current growth of our business and operations in future.**

We have experienced, and may continue to experience, rapid growth of our operational and financial resources. We have also experienced significant growth in the number of clients and types of services we provide, over the years. Our revenue from operations increased by 5.66% to ₹ 21050.98 lakhs in fiscal 2022 from ₹ 19923.61 lakhs in Fiscal 2021. The rapid growth which we have experienced requires us to constantly monitor, evaluate and, if appropriate, reallocate our management and financial and operational resources. In order to manage growth effectively, we must recruit new employees, including employees in middle-management and leadership positions, and implement and improve operational systems, procedures and internal controls on a timely basis. Failure in managing the foregoing factors could adversely affect our business, financial condition and results of operations.

**11. Our Registered Office is located on leased premises and there can be no assurance that this lease agreement will be renewed upon termination or that we will be able to obtain other premise on lease on same or similar commercial terms.**

Our Registered Office situated at Built up Shop No. B-5, Arihant Tower, Block D Market, Vivek Vihar, Jhilmil, Delhi- 110092 is owned by Mr. Ram Kumar Sharma. He had, vide lease deed dated October 15, 2022 agreed to let out the said premises to our Company for a period of 11 months, which can be further extended at the option and sole discretion of the Lessor on such terms and conditions that may be mutually settled.

We may not be able to renew or extend the lease agreement at commercially acceptable terms on expiry of the agreement. We may not be able to obtain alternate location, in a short span of time and it may create disruption in our operations which may adversely affect our financial conditions. Any disputes arising in future may also affect our business relations and our results of operations.

For further details regarding our properties, please refer to the Section titled "Our Business" on page 108 of this Red Herring Prospectus.

**12. We have not entered into any agreement with the suppliers or with any Consultant for our proposed expansion as specified in the objects of the Issue. Any delay in entering into such agreements may delay the implementation schedule, which may also lead to increase in prices of these equipment in future affecting our costs, revenue and profitability.**

We are yet to place orders for our plant & machinery required for our proposed expansion, as specified in the section titled —Objects of the Issue on page 83 of this Red Herring Prospectus. Any delay in procurement



of plant & machinery, equipment etc may delay the implementation schedule. We may also be subject to risks on account of inflation in the price of plant & machinery and other equipment that we require. Hence our project could face time and cost over-run which could have an adverse effect on our operations.

Further, we have not entered into any agreement with any consultant for civil related work for our proposed expansion. Any delay in appointing these parties could adversely affect our business operations. Negotiations in respect of specifications with suppliers or architect for civil work have been commenced and the agreements will be entered in due course once the negotiations are completed and Issue proceeds are procured.

**13. Seasonality or cyclicity of the business of the issuer.**

Steel is a cyclical industry that goes through alternate phases of boom and bust. The key reason for such cyclicity in the steel business is the nature of its customers. Steel production is consumed primarily by housing, infrastructure, automobile, shipbuilding, capital goods etc. Demand from all these industries is highly dependent on the state of the general economy. During the time of economic upcycle, demand for housing, automobiles as well as infrastructure investments increases, which leads to a higher demand for steel. The opposite situation prevails in downturns which may adversely affect our business, financial condition and results of operations.

**14. Our inability to receive or renew the necessary licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.**

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing units, some of which have been granted for a fixed period of time and need to be renewed from time to time. As of date of this Red Herring Prospectus, there are no pending proceedings, which have been initiated against us by the statutory authorities. We cannot assure you that in the near future there will not be any legal actions taken against us for the same.

Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business. For further details on the licenses obtained by our Company, please refer to the chapter titled — "Government and Other Statutory Approvals" on page 224 of this Red Herring Prospectus

**15. Our Promoter and Directors may have interest in our Company, Other than reimbursement of expenses incurred or remuneration.**

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship and shareholding in our Company. For further details, please refer to the chapters titled "Our Promoter", beginning on page 160 respectively and "Restated Financial Information - Annexure VIII - Restated Statement of Related Party Transaction" on page 199 of this Red Herring Prospectus.

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

This expansion project, to the extent that they proceed, would involve risks, including risks associated with the timely completion of this project, and our failure to adequately manage these risks notwithstanding our upgraded operational and financial systems, procedures and controls could have a material adverse effect on our business, financial condition, results of operations and prospects. Factors that could affect our ability to complete this project on time include completing the project / civil construction, receiving the machineries of desired quality and on the scheduled time, a decline in demand for our products and general economic conditions. We may have to revise our schedule of implementation and completion of this expansion project on account of a various factors including delay in Issue process, market conditions, negotiation with suppliers and other external factors. This may entail rescheduling of implementation of this proposed



expansion project. Our Company is setting up the proposed expansion project on the land adjacent to the existing Unit and material approvals and licenses for the existing Unit will be applicable for the proposed expansion project. Therefore, there is less scope for delay in completion of the project and escalation in costs of the proposed expansion project.

For details on estimated schedule of implementation of proposed expansion project, please refer section —Object of Issue - Proposed schedule of implementation and deployment of Net Proceeds – Estimated Schedule of commencement and completion on page 83 of this Red Herring Prospectus.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce.

**17. Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.**

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

Set out below are details of our total trade receivables (current and non-current) for the periods indicated:

(₹ In Lakhs)

Fiscals	Trade Receivables (current and non-current)	% of total Income
December 31, 2022	2457.96	15.00%
March 31, 2022	2714.68	12.87%
March 31, 2021	3305.72	16.58%
March 31, 2020	3086.24	15.11%

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

**18. Any adverse change in regulations governing our business and business of our clients, may adversely impact our business prospects and results of operations.**

Government regulations and policies of India can affect the demand for, expenses related to and availability of our services. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits or incentives and subsidies, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our services and those governing our clients are subject to change. An adverse change in the regulations, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. Accordingly, our Company may be required to alter processes and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our clients.



We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay or interruptions in the operation of our delivery centres. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke or we may be deemed to be in breach of our arrangements with our clients.

Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new studies, which may adversely impact our business, results of operations, cash flows, financial condition and/or reputation.

**19. Our Promoter and Key Managerial Personnel play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter and Senior Management remain associated with us**

We benefit from our relationship with our Promoter and Key Managerial Personnel and our success depends upon the continuing services of our Promoter and Key Managerial Personnel who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoter and Key Managerial Personnel have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoter and Key Managerial Personnel. If our Promoter and Key Managerial Personnel are unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Our Promoter and Key Managerial Personnel, have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**20. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company even after the Issue which will allow them to determine the outcome of matters submitted to shareholders for approval.**

Post this Issue, our Promoters and Promoter Group will collectively own 73.37 % of our post issue equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**21. Our Promoter Director Mr. Nishant Garg controls our Group Companies and our Promoter Group Entities and any default made by the Promoter Group Entities will also impact our Company.**

Our Promoter Director Mr. Nishant Garg is also Directors / Promoters of entities forming part of our Promoter Group there may be situations in which he is unable to allocate sufficient time to our Company or effectively participate in the management of our Company, which could have a material adverse effect on our business.

Further, any defaults or negative incident involving these Companies may impact the Goodwill or fund raising capabilities of our Company which could have a material adverse effect on our business operations and financial conditions.



For further details regarding our group companies, please refer to the Section titled “Our Group Companies/ Entities” on page 166 of this Red Herring Prospectus.

**22. We depend on skilled personnel and if we are unable to recruit and retain skilled personnel, our ability to operate or grow our business could be affected.**

Our services are skilled and creative manpower intensive and we engage a considerable number of skilled personnel every year to sustain our growth. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

**23. We have had negative cash & cash equivalent generated during the financial year 2022 in the past based on the Restated Summary Statements of our Company and may, in the future, experience similar negative cash flows.**

We have experienced negative cash & cash equivalent generated during the financial year 2022 in the past based on the Restated Summary Statements of our Company and may, in the future, experience negative cash flows. The following table sets forth certain information relating to our cash flows for the periods indicated, based on the Restated Summary Statements of our Company:

(₹ In Lakhs)

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net cash from operating activities	509.62	(569.33)	(42.96)	264.29
Net cash used in investing activities	820.72	235.11	40.65	279.99
Net cash used in financing activities	354.42	741.82	234.05	(52.53)
<b>Net increase in cash and cash equivalents during the period</b>	43.32	(62.62)	150.44	(68.23)
Cash and cash equivalents at beginning of period	300.22	362.84	212.39	280.62
Cash and cash equivalents at end of period	343.54	300.22	362.84	212.39

For details, please see —Management’s Discussion and Analysis of Financial Condition and Results of Operations of our company on page no. 207 of this Red Herring Prospectus.

Negative cash flows 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 business, financial condition and results of operations could be materially and adversely affected.

**24. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.**

We had in the past entered into transactions with related parties and may, from time to time, enter into related party transactions in the future. These transactions principally include remuneration to Executive Directors and Key Managerial Personnel and expenses, among others, including outsourcing expenses, rent, supervision expenses, and recruitment expenses paid to related parties.





For further information, relating to our related party transactions, see “Restated Financial Information – Annexure –VIII - Related Party Disclosures” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Related Party Transactions” beginning on pages 199 and 207, respectively.

Further, it is likely that we may enter into additional related party transactions in the future. Such future related party transactions may potentially involve conflicts of interest. Also, we confirm that Related Party Transactions has been conducted at Arm’s Length Basis and impact of the same has been properly disclosed in the Audited Financial Statements. And all the related party transactions are in compliance with the applicable provisions of the Companies Act, 2013.

**25. Our Company's manufacturing activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.**

Our Company has employed 115 employees as on January 31, 2022 on our payroll. The above includes employees in the top and middle management (including Executive Director), and also employees and labour who are part of manufacturing unit and office staff. Apart from this, we also engage contract laborer to facilitate our manufacturing operations.

Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected.

Further, there might be instances where we will need to hire additional contract labour, either for specialized jobs or during periods of high customer orders. We have not entered into any agreement for hiring additional labourers and thus availability of appropriately skilled labour cannot be guaranteed. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

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

Our Company’s success largely depends on our brand name and brand image and our trademark is important for differentiating our Company’s products from that of our competitors. Our company has applied for trademark application and logo under the provisions of the Trademarks Act, 1999. Our trademark and logo which is under process for approval may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition.





Trademark Application Details are as follows:

Sr. No.	Logo	Act Under Which Application Was Made	Country	Date of Application / Approval date	Application No./Trade mark No.	Class	Current Status	Valid Upto
1.		Trade Marks Act, 1999	India	05-11-2022	56707926	Under Process	Applied	-

For further details, please refer to the chapters titled “Our Business” and “Government and Other Statutory Approvals” on pages 108 and 224, respectively of this Red Herring Prospectus.

**27. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.**

We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price, as set out in the table below. For further details, see “Capital Structure” at page 63.

Date of allotment	Number of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of consideration	Reason of Allotment
November 29, 2022	52,14,000	10	N.A.	N.A.	Bonus Issue

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

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined on a book built price basis. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled “Capital Structure” on page 63 of this Red Herring Prospectus.

**29. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 83 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.



**30. Our Company has availed unsecured loan from our Directors which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.**

Our Company, as per the restated audited financial statement as on December 31, 2022 has availed total sum of ₹ 911.26 lakhs as unsecured loan including Rs. 373.12 lakhs of unsecured loans from our Directors, which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section —Unsecured Loans under —Restated Financial Information beginning on page no. 172 of this Red Herring Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

**31. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**32. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed use of issue proceeds, as detailed in the section titled “*Objects of the Issue*” is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**33. 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.

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

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.



**35. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.**

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund-based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “Statement of Financial Indebtedness” beginning on page 203 of this Red Herring Prospectus.

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

As on December 31, 2022 our Company’s total outstanding secured loans are ₹ 6122.78 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cashflows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger crossdefault provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “Statement of Financial Indebtedness” on page 203 of this Red Herring Prospectus.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 83 of this Red Herring Prospectus.

**38. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.**

We maintain general, building, car and machine insurance with various covers for our office premises which we consider adequate. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including



operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. However, we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “Dividend Policy” on page 171 of this Red Herring Prospectus.

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

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

**41. Third party industry and statistical data in this Red Herring Prospectus may be incomplete, incorrect or unreliable.**

We have not independently verified data from the Industry and related data contained in this Red Herring Prospectus. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be accurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.



## ISSUE RELATED RISK

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

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

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

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

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

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

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

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

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and



deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

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

The Equity Shares will be listed on the SME Platform of Bombay Stock Exchange Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI.

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

**47. There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder's ability to sell for 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 the 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. The percentage limit on circuit breakers is set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the 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.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

There can be no assurance that we will be able to satisfy our reporting obligations. 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. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

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





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

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

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

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

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

## **EXTERNAL RISK FACTORS**

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

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

**53. Changes in the Government Policy 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.

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





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

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include Service tax, STT, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

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

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

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax. Any change in tax provisions may significantly impact your return on investments. For further details, please refer to the chapter titled "Statement of Possible Tax Benefits" on page 93 of this Red Herring Prospectus.

**58. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.**

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

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



Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well 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.

## PROMINENT NOTES

- a) The Public Issue of 37,84,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] ("the Issue"). Issue of Equity Shares will constitute 26.62% of the fully diluted Post-Issue paid up capital of our Company.

For more information, please refer to chapter titled "The Issue" on page 47 of this Red Herring Prospectus.

- b) The net worth and book value of our Company is as under:

(₹ In Lakhs)

Particulars	Financial Statement	As on December 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Net Worth	Standalone	3914.56	3113.05	2899.11	2136.92
Book Value		38.30	60.47	56.46	47.31

For more information, please refer to section titled "Restated Financial Information" beginning on page 172 of this Red Herring Prospectus.

- c) The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (In Rs.)
Ms. Nivedita Garg	6256800	1.67
Mr. Nishant Garg	4170600	2.73

\* As certified by H G & Co., Statutory Auditors, Chartered Accountants, by way of their certificate dated January 31, 2023 bearing UDIN No 23403482BGX01R5088

For details of Related Party Transactions entered into by our Company, please refer to the chapter titled "Related Party Transactions" beginning on page 199 of this Red Herring Prospectus.

- d) Except as disclosed in the chapter titled "Capital Structure", "Our Promoters", "Our Promoter Group" and "Our Management" beginning on pages 63, 160 to 164 and 146 respectively, of this Red Herring Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- e) Except as disclosed in the chapter titled "Capital Structure" beginning on page 63 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
- f) Investors may contact the BRLMs or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the BRLMs and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the BRLMs and the Compliance Officer, please refer to the chapter titled "General Information" beginning on page 53 of this Red Herring Prospectus.



- g) Investors are advised to refer to chapter titled “Basis for Issue Price” on page 90 of this Red Herring Prospectus.
- h) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
- i) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
- j) Except as stated in the chapter titled “Our Group Entities” beginning on page 166 of this Red Herring Prospectus and chapter titled “Related Party Transactions” beginning on page 199 of this Red Herring Prospectus, our Group Entities have no business interest or other interest in our Company.
- k) Investors may note that in case of over-subscription in the Issue, allotment to Retail bidders and other bidders shall be on a proportionate basis. For more information, please refer to the chapter titled “Issue Structure” beginning on page 251 of this Red Herring Prospectus.



## SECTION IV – INTRODUCTION

### THE ISSUE

The following table summarizes details of the Issue:

<b>PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS</b>	
<b>Particulars</b>	<b>Details of Equity Shares</b>
Issue <sup>(1)</sup>	37,84,000* Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
<i>Of which</i>	
Fresh Issue	37,84,000* Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
<b>The Offer consists of:</b>	
Market Maker Reservation Portion	1,90,000* Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
Net Offer to the public	35,94,000* Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
<i>Of which</i>	
<b>A. QIB portion <sup>(2)(3)</sup></b>	<b>Not more than 1797000 * Equity Shares</b>
<i>Of which</i>	
(a) Anchor Investor Portion	Nil
(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)	1797000* Equity Shares aggregating to ₹ [●]
<i>Of which</i>	
(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	89900 * Equity Shares aggregating to ₹ [●]
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	1797000 * Equity Shares aggregating to ₹ [●]
<b>B. Non – institutional portion</b>	<b>Not Less than 539100* Equity Shares aggregating to ₹[●]</b>
<b>C. Retail portion</b>	<b>Not Less than 1257900 * Equity Shares aggregating to ₹[●]</b>
<b>Pre and Post Offer Share Capital of our Company</b>	
Equity Shares outstanding prior to the Offer	1,04,28,000 Equity Shares having face value of ₹10 per Equity Share
Equity Shares outstanding after the Offer	1,42,12,000* Equity Shares having face value of ₹10 per Equity Share
Objects of the Issue	Please see the chapter titled “Objects of the issue” on page 83 of this Red Herring Prospectus for information about the use of Net Proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

\*Subject to finalization of basis of allotment.

(1) Public issue of 37,84,000 Equity Shares face value of ₹ 10 each for cash at a price of ₹ [●] including premium of ₹ [●] per Equity Share of our Company aggregating to ₹ [●]. This Offer is being made in terms



*of chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to section “Issue Structure” beginning on page 251 of this Red Herring Prospectus. The Issue has been authorised by a resolution of our Board dated January 06, 2023. Our Shareholders have authorised the issue pursuant to a special resolution dated January 06, 2023.*

- (2) Our Company and the Selling Shareholder, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares were added to the Net QIB Portion. Further, 5% of the Net QIB Portion is available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portions were available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Issue Procedure” on page 255.*
- (3) For further details, including in relation to grounds for rejection of Bids, please refer to the chapters titled “Issue Structure” and “Issue Procedure” beginning on pages 251 and 255 respectively of this Red Herring Prospectus.*



## SUMMARY OF OUR FINANCIAL INFORMATION

The following tables set forth summary financial information derived from restated financial statements as of and for the period ended December 31, 2022 and financial year ended March 31, 2022, 2021 and 2020. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and presented under the section titled “Restated Financial Information” beginning on page number 172 of the Red Herring Prospectus.

The summary financial information presented below should be read in conjunction with the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Information” beginning on page numbers 207 and 172, respectively of the Red Herring Prospectus.

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**Annexure-I Restated Statement of Assets and Liabilities**
*(All amounts are in Lakhs, unless otherwise stated)*

Particulars		Note No.	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>I</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>Shareholders' Funds</b>					
	(a) Equity Share Capital	I.1	1042.80	521.40	521.40	464.90
	(b) Reserves and Surplus	I.2	2871.76	2591.65	2377.71	1672.02
	<b>Non-Current Liabilities</b>					
	(a) Long-Term Borrowings	I.3	1876.96	1927.07	2013.90	2468.59
	(b) Deferred Tax Liabilities (net)		59.61	29.89	42.65	59.83
	(c) Long-Term Provisions	I.3A	19.95	9.74	2.23	2.83
	<b>Current liabilities</b>					
	(a) Short-Term Borrowings	I.4	4648.21	4243.68	3415.03	3319.54
	(b) Trade Payables	I.5				
	(i) total outstanding dues of micro enterprises and small enterprises; and		.00	.00	.00	.00
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1163.94	730.78	1266.38	1315.53
	(c) Other Current Liabilities	I.6	630.38	867.09	758.44	547.92
	(d) Short-Term Provisions	I.7	282.09	92.93	86.52	38.90
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12595.69</b>	<b>11014.23</b>	<b>10484.25</b>	<b>9890.05</b>
	<b>II</b>	<b>ASSETS</b>				
<b>Non-current assets</b>						
(a) Property, Plant and Equipment and Intangible assets						
(i) Property, Plant and Equipment		I.8	3034.20	2448.67	2553.92	2920.86
(ii) Intangible Assets		I.9	.00	.00	.00	.00
(b) Long-Term Loans & Advances		I.10	428.97	428.77	425.77	407.44
(c) MAT credit			.00	.00	4.44	4.44
<b>Current assets</b>						
(a) Inventories		I.11	4997.27	4143.38	3654.45	2380.51
(b) Trade Receivables		I.12	2457.96	2714.68	3305.72	3086.24
(c) Cash and Bank Balances		I.13	343.54	300.22	362.84	212.39
(d) Short-Term Loans and Advances	I.14	1092.77	892.16	57.09	760.78	
(e) Other Current Assets	I.15	240.98	86.34	120.03	117.39	
<b>TOTAL ASSETS</b>		<b>12595.69</b>	<b>11014.23</b>	<b>10484.25</b>	<b>9890.05</b>	




**Annexure II- Restated Statement of Profit and Loss**
*(All amounts are in Lakhs, unless otherwise stated)*

Particulars		Note No.	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>I</b>	Revenue from Operations	II.1	16351.66	21050.98	19923.61	20412.44
<b>II</b>	Other Income	II.2	29.38	32.74	13.87	27.93
<b>III</b>	<b>Total Income (I + II)</b>		<b>16381.04</b>	<b>21083.72</b>	<b>19937.49</b>	<b>20440.37</b>
<b>IV</b>	<b>Expenses</b>					
	(a) Manufacturing & Operating expenses	II.3	541.48	665.55	446.49	599.38
	(b) Cost of Material Consumed	II.4	14453.25	19027.57	18514.81	18176.02
	(c) Changes in inventories of Finished Goods	II.5	-823.79	-382.79	-707.29	-3.82
	(d) Employee Benefits Expenses	II.6	227.13	188.51	167.75	147.92
	(e) Sales , administration and other expense	II.7	222.31	354.22	163.67	177.80
	(f) Depreciation and Amortisation Expenses	II.8	235.69	341.02	408.25	439.23
	(g) Finance Cost	II.9	411.64	595.54	705.53	673.63
	<b>Total Expenses</b>		<b>15267.71</b>	<b>20789.62</b>	<b>19699.21</b>	<b>20210.16</b>
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		1113.33	294.10	238.28	230.21
<b>VI</b>	Exceptional Items & Extraordinary items					
<b>VII</b>	<b>Profit Before Tax (V + VI)</b>		1113.33	294.10	238.28	230.21
<b>VIII</b>	<b>Tax Expense:</b>					
	(a) Current Tax		282.09	92.93	86.52	80.72
	(b) Mat Credit Entitlement					
	(c) Deferred Tax		29.73	-12.77	-17.18	-16.46
	(c) Previous Year Taxes					
	<b>Total Tax Expense</b>		<b>311.82</b>	<b>80.16</b>	<b>69.34</b>	<b>64.26</b>
<b>IX</b>	<b>Profit After Tax (VII - VIII)</b>		801.51	213.94	168.94	165.95
<b>X</b>	<b>Earnings Per Share of Rs. 10 each (Previous Years Rs. 1 each):</b>					
	(a) Basic	II.12	7.69	4.10	3.24	3.57
	(b) Diluted	II.12	7.69	4.10	3.24	3.57


**Annexure III: Restated Statement of Cash Flows**
*(All amounts are in Lakhs, unless otherwise stated)*

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Profit before tax</b>	<b>1113.33</b>	<b>294.10</b>	<b>238.28</b>	<b>230.21</b>
<b>Adjustments for:</b>				
Depreciation & amortization expense	235.20	340.36	407.59	438.77
Interest expense on borrowings	.00	.00	.00	.00
Foreign Exchange Gain	.00	.00	.00	.00
<b>Operating Profit before working capital changes</b>	<b>1348.53</b>	<b>634.46</b>	<b>645.87</b>	<b>668.98</b>
<b>Changes in operating assets and liabilities:</b>				
Increase/(decrease) in trade payables	433.15	-535.59	-49.15	-1171.31
Increase/(decrease) in other current liabilities	-236.72	108.65	210.52	130.63
Increase/(decrease) in other non-current liabilities	10.20	7.52	-.60	2.83
Decrease/(increase) in loans and advances and other current assets	-355.25	-801.39	701.05	154.94
Decrease/(increase) in trade receivables	256.73	591.03	-219.48	727.35
Decrease/(increase) in inventories	-853.89	-488.93	-1273.93	-188.83
Decrease/(increase) in other non-current assets	-.20	-3.00	-18.34	-11.58
<b>Cash generated from operations</b>	<b>602.55</b>	<b>-487.26</b>	<b>-4.06</b>	<b>313.02</b>
Income taxes paid	92.93	82.07	38.90	48.73
<b>Net cash flow from operations (A)</b>	<b>509.62</b>	<b>-569.33</b>	<b>-42.96</b>	<b>264.29</b>
<b>Cash flow from investing activities</b>				
Purchase of /Advances for property, plant & equipment	820.72	235.11	40.65	279.99
Purchase of Intangible assets	0	.00	.00	.00
<b>Net cash used in investing activities (B)</b>	<b>820.72</b>	<b>235.11</b>	<b>40.65</b>	<b>279.99</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of equity shares	.00	.00	593.25	.00
Proceeds/(Repayment) of Long Term Borrowings	-50.11	-86.83	-454.69	-203.14
Proceeds/(Repayment) of Short Term Borrowings	404.53	828.65	95.49	150.60
Interest paid	.00	.00	.00	.00
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>354.42</b>	<b>741.82</b>	<b>234.05</b>	<b>-52.53</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	43.32	-62.62	150.44	-68.23
Cash and cash equivalents at the beginning of the year	300.22	362.84	212.39	280.62
<b>Cash and cash equivalents at the closing of the year</b>	<b>343.54</b>	<b>300.22</b>	<b>362.84</b>	<b>212.39</b>



## SECTION V- GENERAL INFORMATION

Our Company was originally incorporated on February 11, 2005 as ‘Maiden Forgings Private Limited’, as a private limited company, under the provisions of the Companies Act, 1956. Later on, consequent upon the conversion of our Company into public limited company, the name of our Company was changed to “Maiden Forgings Limited” and fresh Certificate of Incorporation dated December 02, 2022 was issued by Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U29810DL2005PLC132913.

For details of changes in registered offices of our Company, please refer to the section titled "Our History and Certain Other Corporate Matters" beginning on page 141 of this Red Herring Prospectus.

<b>Registered Office</b>	B-5, Arihant Tower, Block D Market, Vivek Vihar, East Delhi, New Delhi – 110092, India E-mail: <a href="mailto:maiden_forge@hotmail.com">maiden_forge@hotmail.com</a> Investor grievance id: <a href="mailto:investorgrievance@maidenforgings.in">investorgrievance@maidenforgings.in</a> Website: <a href="https://maidenforgings.in">https://maidenforgings.in</a>		
<b>Date of Incorporation</b>	February 11, 2005		
<b>Company Registration No.</b>	132913		
<b>CIN</b>	U29810DL2005PLC132913		
<b>Company Category</b>	Company limited by Shares		
<b>Company Sub Category</b>	Indian Non- Government Company		
<b>Registrar of Company</b>	Registrar of Companies - Delhi 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019 Tel No: 011-26235703, 26235708, 26235702		
<b>Company Secretary and Compliance Officer</b>	<b>Ms. Monika Negi</b> Maiden Forgings Limited B-5, Arihant Tower Block D Market, Vivek Vihar Delhi East Delhi 110092 Tel: +011-44796732 Fax: N.A. E-mail: <a href="mailto:cs@maidenforgings.in">cs@maidenforgings.in</a>		
<b>Chief Financial Officer</b>	<b>Ms. Prachla Garg</b> Maiden Forgings Limited B-5, Arihant Tower Block D Market, Vivek Vihar Delhi East Delhi 110092 IN Tel: +011-44796732 Fax: N.A. E-mail: <a href="mailto:cfo@maidenforgings.in">cfo@maidenforgings.in</a>		
<b>Designated Stock Exchange</b>	<b>BSE SME</b> BSE Limited, 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street Fort, Mumbai 400001 Website : <a href="http://www.bsesme.com">www.bsesme.com</a>		
<b>Issue Programme</b>	<b>Issue Opens On:</b>	<b>March 22, 2023</b>	<b>Issue Closes On:</b> <b>March 24, 2023</b>

**Note:** Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.



## BOARD OF DIRECTORS OF OUR COMPANY

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

Sr. No.	Name	Age (in Years)	Designation	DIN	Address
1.	Ms. Nivedita Garg	57	Chairperson (Executive Director)	03359751	KJ-162, Kavinagar, Ghaziabad, Uttar Pradesh- 201002
2.	Mr. Nishant Garg	32	Managing Director	03088601	KJ-162, Kavinagar, Ghaziabad, Uttar Pradesh- 201002
3.	Ms. Urvi Agarwal	36	Independent Director	02949847	1312 Siena H2 Block Mahagun Moderne, Sector 78, Noida, Uttar Pradesh- 201309
4.	Mr. Abhilash Rastogi	32	Independent Director	09835969	6 H 50, Sector 5, Rajendra Nagar, Sahibabad, Ghaziabad, Uttar Pradesh- 201005
5.	Mr. Raj Kumar Mittal	67	Independent Director	09836029	E 239, Nariana Vihar, Kair, South West Delhi, Delhi- 110028

For detailed profile of our Board of Directors, please see the chapter titled “Our Management” on page 146 of the Red Herring Prospectus.

## DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

### BOOK RUNNING LEAD MANAGER TO THE ISSUE

#### Share India Capital Services Private Limited

**Address:** A-15, Sector-64, Noida – 201301, Uttar Pradesh, India.

**Tel No.:** +91-0120-4910000;

**Email:** [info@shareindia.com](mailto:info@shareindia.com)

**Investor Grievance ID:** [info@shareindia.com](mailto:info@shareindia.com)

**Contact Person:** Mr. Anand Srivastava & Ms. Prapti Abbey

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

**SEBI Registration No.:** INM000012537

**CIN:** U65923UP2016PTC075987

### REGISTRAR TO THE ISSUE

#### Maashitla Securities Pvt. Limited

**Address:** 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi, 110034

**Tel No:** +91-11-45121795-96

**Email:** [mukul@maashitla.com](mailto:mukul@maashitla.com)

**Investor Grievance ID:** [compliance@maashitla.com](mailto:compliance@maashitla.com)

**Contact Person:** Mr. Mukul Agrawal

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

**SEBI Registration No.:** INR000004370

**CIN:** U67100DL2010PTC208725

### LEGAL ADVISOR TO THE ISSUE

#### LawVision Attorneys LLP

**Address:** HO: F 6 Basement, Lajpat Nagar-III, New Delhi

**Contact Person:** Mr. D.K. Gandhi

**Phone:** +91 9810216801

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

**Bar Council Registration:** 5310/1986 U.P.



PRINCIPAL BANKERS TO THE COMPANY	
<b>Yes Bank Limited,</b> <b>Address:</b> 4 <sup>th</sup> Floor Max Towers, Sector 16B, Noida, Uttar Pradesh 201301 <b>Contact Person:</b> Ms. Samvedna Singh <b>Email:</b> <a href="mailto:samvedna.bhaliyan@yesbank.in">samvedna.bhaliyan@yesbank.in</a> <b>Phone:</b> +91 99811657365 <b>Website:</b> <a href="http://www.yesbank.in">www.yesbank.in</a> <b>CIN:</b> L65190MH2003PLC143249	<b>HDFC Bank Limited,</b> <b>Address:</b> D-44 RDC Raj Nagar, Ghaziabad, Uttar Pradesh 201001 <b>Contact Person:</b> Mr. Prashant Pal <b>Email:</b> <a href="mailto:prashant.pal2@hdfcbank.com">prashant.pal2@hdfcbank.com</a> <b>Phone:</b> +91 8851894304 <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>CIN:</b> L65920MH1994PLC080618
MARKET MAKER	BANKERS TO THE ISSUE/ REFUND BANK/ SPONSOR BANK
<b>Share India Securities Limited</b> <b>Address:</b> Unit No 604A-B, 605A-B, 6th Floor, Tower A, World Trade Centre, Gift City, Block-51, Zone-5, Road 5E, Gandhi nagar 383 255, Gujarat <b>Tel No.:</b> +91-0120-4910000; <b>Email:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a> <b>Investor Grievance ID:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a> <b>Contact Person:</b> Mr. Vikas Aggarwal <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a> <b>SEBI Registration No.:</b> INZ000178336 <b>CIN:</b> L67120GJ1994PLC115132	<b>Yes Bank Limited,</b> <b>Address:</b> 4 <sup>th</sup> Floor Max Towers, Sector 16B, Noida, Uttar Pradesh 201301 <b>Contact Person:</b> Ms. Samvedna Singh <b>Email:</b> <a href="mailto:samvedna.bhaliyan@yesbank.in">samvedna.bhaliyan@yesbank.in</a> <b>Phone:</b> +91 99811657365 <b>Website:</b> <a href="http://www.yesbank.in">www.yesbank.in</a> <b>CIN:</b> L65190MH2003PLC143249
AUDITOR OF THE COMPANY	PEER REVIEW AUDITOR OF THE COMPANY
<b>H G &amp; Co., Chartered Accountants</b> <b>Address:</b> III- A/49, Nehru Nagar, Ghaziabad- 201001, Uttar Pradesh <b>Tel:</b> + 91 9811194255; <b>Fax:</b> N.A. <b>Email:</b> <a href="mailto:cahimanshu1975@gmail.com">cahimanshu1975@gmail.com</a> <b>Contact Person:</b> CA Himanshu Garg <b>Firm Registration No.:</b> 013074C	<b>H G &amp; Co., Chartered Accountants</b> <b>Address:</b> III- A/49, Nehru Nagar, Ghaziabad- 201001, Uttar Pradesh <b>Tel:</b> + 91 9811194255; <b>Fax:</b> N.A. <b>Email:</b> <a href="mailto:cahimanshu1975@gmail.com">cahimanshu1975@gmail.com</a> <b>Contact Person:</b> CA Himanshu Garg <b>Firm Registration No.:</b> 013074C

#### CHANGES IN AUDITORS DURING THE LAST (3) THREE YEARS

Except as stated below, there has been no change in the Auditors of our Company during the last (3) three years:

Name of Auditor	Appointment/ Resignation	Date of Appointment/ Resignation	Reason
<b>M/s Soni Gulati &amp; Co.</b> Chartered Accountants Address: G- 79/212, 2nd Floor, Gupta Building, Delhi-110092 Email Id: <a href="mailto:sonigulatiandcompany@gmail.com">sonigulatiandcompany@gmail.com</a> FRN: 08770N	Resignation	March 01, 2019	Resignation due to pre-occupation.



<b>H. G. &amp; Co.</b> Chartered Accountants III A- 49, Nehru Nagar, Ghaziabad, Uttar Pradesh Email Id: <a href="mailto:cahimanshu1975@gmail.com">cahimanshu1975@gmail.com</a> FRN: 013074C	Appointment	March 05, 2019	Casual vacancy due to resignation of the auditor. Appointed for the Financial Year 2018-19
<b>H. G. &amp; Co.</b> Chartered Accountants III A- 49, Nehru Nagar, Ghaziabad, Uttar Pradesh Email Id: <a href="mailto:cahimanshu1975@gmail.com">cahimanshu1975@gmail.com</a> FRN: 013074C	Appointment	September 30, 2019	Reappointed for a term of 5 years till the AGM of Financial Year 2024.

## INVESTOR GRIEVANCES

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

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Application Form number, Bidders' DP ID, Client ID, UPI ID, PAN, date of submission of the Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIIs using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue Book Running Lead Manager are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Manager, giving full details such as the name of the sole or First Bidder, Application Form number, Bidders' DP ID, Client ID, PAN, date of the Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Application Amount paid on submission of the Application Form and the name and address of the Book Running Lead Manager where the Application Form was submitted by the Anchor Investor.



## **FILING OF RED HERRING PROSPECTUS/ PROSPECTUS WITH BOARD AND THE REGISTRAR OF COMPANIES**

The Offer Document will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Offer Document shall be furnished to the Board (SEBI) in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC Office situated at Registrar of Companies 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.

### **SELF-CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. 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 it's updated from time to time.

### **SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Applications can be submitted by RIIs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Applications, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### **SELF-CERTIFIED SYNDICATE BANKS (SCSBS) BRANCHES**

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

Investors are requested to refer the list of branches of the 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.





## **REGISTERED BROKERS**

The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than RIIs), including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx)?And [https://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time.

## **REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIIs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx>?And [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIIs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx>?And on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm),as updated from time to time.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **BROKERS TO THE OFFER**

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

## **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor & Peer Reviewed Auditor namely, H. G. & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated February 02, 2023 and the Statement of Special Tax Benefits dated January 25, 2023 issued by them and from the Legal Advisor namely Advocate D.K. Gandhi to include their names in this Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

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



## GREEN SHOE OPTION

The option of allotting equity shares in excess of the equity shares offered in the public issue is not exercised by the company. Therefore, green shoe option is not exercised by the Company.

## DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

## APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 lakhs. Since the Issue size is only of ₹ [●] 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.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten by Share India Capital Services Private Limited in the capacity of Underwriter to the Issue. The Underwriting agreement is dated March 01, 2023. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriter have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, Address, Telephone, Fax, and Email of the Underwriter	Indicative No. of Equity Shares to be Underwritten	Amount Underwritten (INR in Lakh)	% of the Total Issue Size Underwritten
Share India Capital Services Private Limited <b>Address:</b> A-15, Sector-64, Noida – 201301, Uttar Pradesh, India. <b>Tel No.:</b> +91-0120-4910000; <b>Email:</b> info@shareindia.com	37,84,000	[●]	100%

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Issue has been 100% underwritten and shall not restrict to the minimum subscription level.

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

## FILING OF RED HERRING PROSPECTUS

The Red Herring Prospectus and Prospectus shall be filed on BSE SME situated at Mumbai.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.



A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Delhi, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 at least (3) three working days prior from the date of opening of the Issue.

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

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Red Herring Prospectus.

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

Our Company and the Book Running Lead Manager have entered into a tripartite agreement dated March 01, 2023 with Share India Securities Limited, the Market Maker for this Issue, duly registered with BSE SME to fulfill the obligations of Market Making for the issue:

<b>Name</b>	Share India Securities Limited
<b>Correspondence Address:</b>	A-15, Sector-64, Noida – 201301, Uttar Pradesh, India.
<b>Tel No.:</b>	+91-0120-4910000
<b>Fax No.</b>	-
<b>E-mail:</b>	info@shareindia.com
<b>Website:</b>	www.shareindia.com
<b>Contact Person:</b>	Mr. Vikas Aggarwal
<b>SEBI Registration No.:</b>	INZ000178336

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

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

- (1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(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 minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.



- (3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- (4) After a period of one month from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 1,90,000 Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 1,90,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
- (5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- (6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- (7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on issue price.
- (8) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- (9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- (10) The Market Maker(s) shall have the right to terminate said arrangement by giving a one months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
- (11) Risk containment measures and monitoring for Market Makers: SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- (12) Punitive Action in case of default by Market Makers: SME Platform of BSE 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 Makers, 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(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.



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

(13) 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.

(14) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote 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 ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

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

***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.***



## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Red Herring Prospectus is set forth below:

#	Particulars	Amount (₹ in Lakhs)	
		Aggregate nominal value	Aggregate value at Offer Price <sup>(3)</sup>
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,50,00,000 Equity Shares having face value of ₹ 10/- each	1500.00	--
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	1,04,28,000 Equity Shares having face value of ₹ 10/- each	1042.80	--
<b>C.</b>	<b>Present Issue in terms of the Red Herring Prospectus <sup>(1)</sup></b>		
	Offer of 37,84,000 Equity Shares of ₹ 10/- each at a Price of ₹ [●] per Equity Share	378.40	[●]
	<i>Consisting of:</i>		
	<b>Reservation for Market Maker</b> 1,90,000 Equity Shares of ₹ [●] each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	1.90	[●]
	<b>Net Issue to the Public</b> 35,94,000 Equity Shares of ₹ [●] each at a price of ₹ [●] per Equity Share	35.94	[●]
	<b>Of the Net Issue to the Public <sup>(2)</sup></b>		
	Allocation to Retail Individual Investors 12,57,900 Equity Shares of ₹ [●] each at a price of ₹ [●] per Equity Share	12.579	[●]
	Allocation to other than Retail Individual Investors 5,39,100 Equity Shares of ₹ [●] each at a price of [●] per Equity Share	5.391	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	1,42,12,000 Equity Shares having face value of [●] each	1421.20	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		<b>1152.95</b>
	After the Issue		[●]

\*Number of Shares to be issued may need to be modified before filing with ROC for adjustment of Lot Size upon finalization of Issue Price.

<sup>(1)</sup> The present Issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated January 06, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the EGM of our shareholders held on January 06, 2023.

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

<sup>(3)</sup> To be finalized upon determination of the Issue Price.



## CLASS OF SHARES

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

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of increase in Authorized Share Capital:

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

Sr. No.	Date	Cumulative No. of Shares	Cumulative Authorised Share Capital (in ₹)	Date of Meeting	Whether AGM/ EGM
1.	On Incorporation	60,000	6,00,000	-	N.A.
2.	Increase in authorized share capital from ₹ 6.00 lakhs to ₹ 9.00 lakhs of ₹ 10 per share	90,000	9,00,000	February 28, 2005	EGM
3.	Increase in authorized share capital from ₹ 9.00 lakhs to ₹ 25.00 lakhs of ₹ 10 per share	2,50,000	25,00,000	January 02, 2012	EGM
4.	Increase in authorized share capital from ₹ 25.00 lakhs to ₹ 55.00 lakhs of ₹ 10/- per share	5,50,000	55,00,000	March 28, 2014	EGM
5.	Increase in authorized share capital from ₹ 55.00 lakhs to ₹ 200.00 Lakhs of ₹ 10/- per share	20,00,000	2,00,00,000	September 24, 2016	EGM
6.	Increase in authorized share capital from ₹ 200.00 Lakhs to ₹ 250 Lakhs of ₹ 10/- per share	25,00,000	2,50,00,000	March 20, 2017	EGM
7.	Increase in authorized share capital from ₹ 250 Lakhs to ₹ 451 Lakhs of ₹ 10/- per share	45,10,000	4,51,00,000	February 22, 2018	EGM
8.	Increase in authorized share capital from ₹ 451 Lakhs to ₹ 466 Lakhs of ₹ 10/- per share	46,60,000	4,66,00,000	March 11, 2019	EGM
9.	Increase in authorized share capital from ₹ 466 Lakhs to ₹ 580 Lakhs of ₹ 10/- per share	58,00,000	5,80,00,000	September 01, 2020	EGM
10.	Increase in authorized share capital from ₹ 580 Lakhs to ₹ 1500 Lakhs of ₹ 10/- per share	1,50,00,000	15,00,00,000	October 12, 2022	EGM





## 2. History of Equity Share Capital of our Company

Date of Allotment	No. of Equity Shares allotted	Face value	Issue Price	Nature of consideration	Nature of Allotment	Cumulative number of Equity	Cumulative Paid-up Capital	Cumulative Securities premium
		(in ₹)	(in ₹)			Shares	(in ₹ lakhs)	(in ₹ lakhs)
On Incorporation	60,000	10	10	Cash	Subscription to MOA <sup>(1)</sup>	60,000	6.00	Nil
June 09, 2005	30,000	10	30	Cash	Allotment <sup>(2)</sup>	90,000	9.00	6.00
March 30, 2012	1,60,000	10	30	Cash	Allotment <sup>(3)</sup>	2,50,000	25.00	38.00
March 30, 2014	3,00,000	10	30	Cash	Allotment <sup>(4)</sup>	5,50,000	55.00	98.00
December 30, 2016	14,50,000	10	50	Cash	Allotment <sup>(5)</sup>	20,00,000	200.00	678.00
March 30, 2017	3,49,000	10	50	Cash	Allotment <sup>(6)</sup>	23,49,000	234.90	817.60
March 31, 2018	4,00,000	10	50	Cash	Allotment <sup>(7)</sup>	27,49,000	274.90	977.60
June 30, 2018	4,00,000	10	50	Cash	Allotment <sup>(8)</sup>	31,49,000	314.90	1137.60
March 30, 2019	15,00,000	10	10	Cash	Allotment <sup>(9)</sup>	46,49,000	464.90	1137.60
October 10, 2020	5,65,000	10	105	Consideration on other than cash	Allotment <sup>(10)</sup>	52,14,000	521.40	1674.35
November 29, 2022	52,14,000	10	--	N.A.	Bonus Issue <sup>(11)</sup>	1,04,28,000	1042.80	1152.95

### Note:

- Initial Subscribers to Memorandum of Association hold 60,000 Equity Shares each of face value of ₹ 10 each as per the details given below:

Sr. No	Name	No. of Shares Allotted
1	Mr. Madho Ram Garg	20,000
2	Mr. Sanjay Garg	20,000
3	Mr. Munna Lal Agrawal	20,000
	<b>Total</b>	<b>60,000</b>

- Details of allotment of Equity shares fully paid up on June 09, 2005 through Private Placement are as follows:

Sr. No	Name	No. of Shares Allotted
1	All Times Yours Securities Pvt Ltd	10,000
2	Junoon Capital Services Pvt Ltd	10,000
3	Bhagwan Krishan Investment & Trading Pvt Ltd	10,000
	<b>Total</b>	<b>30,000</b>



3. Details of allotment of Equity shares on March 30, 2012 through Right Issue are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	40,000
2	Mr. Nishant Garg	50,000
3	Ms. Nivedita Garg	70,000
	<b>Total</b>	<b>1,60,000</b>

4. Details of allotment of Equity shares on March 30, 2014 through Private Placement are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	1,40,000
2	Mr. Nishant Garg	60,000
3	Ms Nivedita Garg	1,00,000
	<b>Total</b>	<b>3,00,000</b>

5. Details of allotment of Equity shares on December 30, 2016 through Rights Issue are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	14,50,000
	<b>Total</b>	<b>14,50,000</b>

6. Details of allotment of Equity shares on March 30, 2017 through Rights Issue are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	98,000
2	Mr. Nishant Garg	1,44,000
3	Ms Nivedita Garg	1,07,000
	<b>Total</b>	<b>3,49,000</b>

7. Details of allotment of Equity shares on March 31, 2018 through Private Placement are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	4,00,000
	<b>Total</b>	<b>4,00,000</b>

8. Details of allotment of Equity shares on June 30, 2018 through Private Placement are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	4,00,000
	<b>Total</b>	<b>4,00,000</b>



9. Details of allotment of Equity shares on March 30, 2019 through Rights Issue are as follow:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	15,00,000
	<b>Total</b>	<b>15,00,000</b>

10. Details of allotment of Shares on conversion of loan into Equity at October 10, 2022:

Sr. No	Name	No. of Shares Allotted
1	Mr. Sanjay Garg	5,65,000
	<b>Total</b>	<b>5,65,000</b>

11. Bonus Issue of 5214000 Equity Shares each of face value of ₹ 10/- each in proportion to 1 (one) shares for every 1 (one) shares allotted on November 29, 2022, the details of which is given below:

Sr. No	Name	Bonus Issue
1.	Ms. Nivedita Garg	31,28,400
2.	Mr. Nishant Garg	20,85,300
3.	Ms. Apoorva Garg	50
4.	Ms. Divya Jaiswal Garg	50
5.	Mr. Sarthi Agarwal	50
6.	Mr. Harsh Prakash	50
7.	Mr. Hemant Kumar	50
8.	Mr. Mayank Govil	50
	<b>Total</b>	<b>52,14,000</b>



## 1. Shareholding of the Promoters of our Company

As on the date of the Red Herring Prospectus, our Promoters – Ms Nivedita Garg and Mr. Nishant Garg hold total 1,04,27,400 Equity Shares representing 99.99% of the pre-issue paid up share capital of our Company.

### Details of build-up of shareholding of the Promoters

Date of Allotment / Transfer	Nature of Issue/ Transaction	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (Cash/ Other than cash)	Name of Transferor / Transferee	% of pre issue capital of Cumulative Shares
<b>Ms Nivedita Garg</b>							
March 30, 2012	Purchases	70,000	10	30	Cash	N.A.	
March 30, 2014	Purchases	1,00,000	10	30	Cash	N.A.	
March 30, 2017	Purchases	1,07,000	10	50	Cash	N.A.	
September 26, 2022	Transmission of Shares	49,36,900	10	Nil	Nil	Mr. Sanjay Garg	
November 29, 2022	Bonus Issue	31,28,400	10	Nil	Other than Cash	N.A.	
<b>Total</b>		<b>62,56,800</b>					<b>60.00%</b>
<b>Mr. Nishant Garg</b>							
March 30, 2010	Transfer	29,990	10	10	Cash	Mr. Madho Ram Garg	
		10				Mr. Pankaj Gupta	
March 30, 2012	Purchases	50,000	10	30	Cash	N.A.	
March 30, 2014	Purchases	60,000	10	30	Cash	N.A.	
March 30, 2017	Purchases	1,44,000	10	50	Cash	N.A.	
September 29, 2017	Transfer	(2,83,900)	10	10	Cash	Mr. Sanjay Garg	
		(100)				Mr. Mayank Govil	
March 31, 2019	Transfer	100	10	10	Cash	Mr. Mayank Govil	
September 28, 2022	Transfer	20,85,200	10	10	Gift	Ms Nivedita Garg	
November 29, 2022	Bonus Issue	20,85,300	10	Nil	Other than Cash	N.A.	
<b>Total</b>		<b>41,70,600</b>					<b>39.994%</b>

## 2. Our shareholding patterns

(a) The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Red Herring Prospectus:



Category Code	Category of shareholder	No. of shareholder	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class X	Class Y	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	8	10428000	-	-	10428000	100	10428000	-	10428000	100	-	10428000	-	-	-	-	10428000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>10428000</b>	<b>-</b>	<b>-</b>	<b>10428000</b>	<b>100</b>	<b>10428000</b>	<b>-</b>	<b>10428000</b>	<b>100.00</b>	<b>-</b>	<b>10428000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10428000</b>

\*As on the date of this Red Herring Prospectus 1 Equity Shares holds 1 vote.

## I. Shareholding Pattern of Promoters and Promoter Group



#	Category & name of shareholder (I)	PAN (II)	No. of share holders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of share undelying Depository Receipts (VI)	Total nos. shares held (VII)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2) (XI)=(VII)+(X)	Number of locked in Shares* (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of shares held in dematerialized form (XIV)	
									No. of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)		
									Class : X	Class : Y									
	(I)	(II)	(III)	(IV)	(V)	(VI)	(IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)=(VII)+(X)	(XII)	(XIII)	(XIV)			
<b>(1)</b>	<b>Indian</b>																		
<b>(a)</b>	<b>Individual/HUF</b>		<b>8</b>	<b>10428000</b>	-	-	<b>10428000</b>	<b>100</b>	<b>10428000</b>	-	<b>10428000</b>	<b>100</b>	-	<b>100</b>	-	-	-	-	<b>100</b>
1	Ms Nivedita Garg	-	1	6256800	-	-	6256800	60.00	6256800	-	6256800	60.00	-	60.00	-	-	-	-	60.00
2	Mr. Nishant Garg	-	1	4170600	-	-	4170600	39.99	4170600	-	4170600	39.99	-	39.99	-	-	-	-	39.99
3	Mr. Mayank Govil	-	1	100	-	-	100	0.009	100	-	100	0.009	-	0.009	-	-	-	-	0.009
4	Ms Apoorva Garg	-	1	100	-	-	100	0.009	100	-	100	0.009	-	0.009	-	-	-	-	0.009
5	Mr. Sarthi Agarwal	-	1	100	-	-	100	0.009	100	-	100	0.009	-	0.009	-	-	-	-	0.009
6	Mr. Hemant Kumar	-	1	100	-	-	100	0.009	100	-	100	0.009	-	0.009	-	-	-	-	0.009
7	Mr. Harsh Prakash	-	1	100	-	-	100	0.009	100	-	100	0.009	-	0.009	-	-	-	-	0.009
8	Ms Divya Jaiswal Garg	-	1	100	-	-	100	0.009	100	-	100	0.009	-	0.009	-	-	-	-	0.009
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	<b>Sub- total (A) (1)</b>		<b>8</b>	<b>10428000</b>	-	-	<b>10428000</b>	<b>100</b>	<b>10428000</b>	-	<b>10428000</b>	<b>100</b>	-	<b>100</b>	-	-	-	-	<b>100</b>
(2)	<b>Foreign</b>																		
(a)	Individual (NRI/ Foreign Individual)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other(specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub- Total(A) (2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters and Promoter Group (A)=(A)(1)+(A)(2)</b>			<b>8</b>	<b>10428000</b>	-	-	<b>10428000</b>	<b>100</b>	<b>10428000</b>	-	<b>10428000</b>	<b>100</b>	-	<b>100</b>	-	-	-	-	<b>100</b>

## II. Shareholding Pattern of the Public shareholder





#	Category & name of shareholder	P A N	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C 2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
									Class : X	Class : Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(V II)+(X)	(XII)		(XIII)		(XIV)
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/State Government (s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(3) Non- Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Individuals-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Any Other (Body Corporate)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)- (B)(1)+(B) (2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**III. Shareholding pattern of the Non-Promoter- Non Public shareholder**

#	Category & name of shareholder	P A N	No. of shares held	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share Capital) As a % of (A+B+C 2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights	Total as a % of Total Voting rights	Class : X			Class : Y	Class : Z	No. (a)	As a % of total shares held (B)	
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)=(V II)+(X)	(XII)		(XIII)		(XIV)
(1)	Custodian /DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



#	Category & name of shareholder	P A N	No. of shares held	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C 2)	Number of locked in Shares		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
									No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total shares held (B)	No. (Not Applicable)	As a % of total shares held (Not Applicable)	
									Class : X	Class : Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(V II)+(X)	(XII)	(XIII)		(XIV)		
	Total Non-Promoter – Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Note:

- In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, our Company have all the shares in dematerialized form.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.



3. As on the date of the Red Herring Prospectus, there are no partly paid-up shares / outstanding convertible securities / warrants in our Company.
4. As on the date of the Red Herring Prospectus, our Promoter and Promoter Group hold a total of 10428000 Equity Shares representing 100% of the pre-issue paid up share capital of our Company. The details are as under:

#	Name of share holder	Pre-issue		Post issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
<b>Promoters (A)</b>					
1	Ms Nivedita Garg	6256800	60.00%	6256800	44.02%
2	Mr. Nishant Garg	4170600	39.994%	4170600	29.34%
<b>Total - A</b>		<b>10427400</b>	<b>99.994%</b>	<b>10427400</b>	<b>73.36%</b>
<b>Promoter Group (B)</b>					
3	Mr. Mayank Govil	100	0.0009%	100	0.0007%
4	Ms Apoorva Garg	100	0.0009%	100	0.0007%
5	Mr. Sarthi Agarwal	100	0.0009%	100	0.0007%
6	Mr. Hemant Kumar	100	0.0009%	100	0.0007%
7	Mr. Harsh Prakash	100	0.0009%	100	0.0007%
8	Ms Divya Jaiswal Garg	100	0.0009%	100	0.0007%
<b>Total - B</b>		<b>600</b>	<b>0.0057%</b>	<b>600</b>	<b>0.0042%</b>
<b>Grand Total (A+B)</b>		<b>10428000</b>	<b>100.00%</b>	<b>10428000</b>	<b>73.37%</b>

5. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹ )
Ms Nivedita Garg	6256800	1.67
Mr. Nishant Garg	4170600	2.73

\* As certified by H G & Co., Statutory Auditors, Chartered Accountants, by way of their certificate dated January 31, 2023 bearing UDIN No 23403482BGX01R5088

#### 8. Details of Major Shareholders:

- (A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Red Herring Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital
1.	Ms Nivedita Garg	6256800	60.00%
2.	Mr. Nishant Garg	4170600	39.994%
	<b>Total</b>	<b>10427400</b>	<b>99.994%</b>



- (B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Red Herring Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Mr. Sanjay Garg	4371900	94.04%
2.	Ms. Nivedita Garg	277000	5.96%
3.	Mr. Nishant Garg	100	0.002%
	<b>Total</b>	<b>4649000</b>	<b>100.00%</b>

\*The number of equity shares are at a face value of ₹ 10/- each.

\*\*The % has been calculated on the total paid up capital of the Company as on date two years prior to the date of the Red Herring Prospectus.

- (C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Red Herring Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1.	Mr. Sanjay Garg	4936900	94.68%
2.	Ms. Nivedita Garg	277000	5.31%
3.	Mr. Nishant Garg	100	0.002%
	<b>Total</b>	<b>5214000</b>	<b>100.00%</b>

\*The number of equity shares are at a face value of ₹ 10/- each.

\*\*The % has been calculated on the total paid up capital of the Company as on date one year prior to the date of the Red Herring Prospectus.

- (D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Red Herring Prospectus:

#	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital
1.	Ms. Nivedita Garg	6256800	60.00%
2.	Mr. Nishant Garg	4170600	39.994%
	<b>Total</b>	<b>10427400</b>	<b>99.994%</b>

\*The % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

9. The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of the Red Herring Prospectus.
10. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
11. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price, except the bonus shares allotment on November 29, 2022.
12. Except as disclosed in this Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by



its Board of Directors to be in the interest of our Company.

13. We have 8 (Eight) shareholders as on the date of filing of the Red Herring Prospectus.
14. As on the date of the Red Herring Prospectus, our Promoters and Promoters' Group hold total 10428000 Equity Shares representing 100 % of the pre-issue paid up share capital of our Company.
15. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Red Herring Prospectus, except following:

#	Date of Transaction	Name of the Promoter/ Promoter Group Shareholders	No. of Shares Purchased/ Sold	Nature of Allotment
1.	November 29, 2022	Ms Nivedita Garg	3128400	Bonus Issue
2.		Mr. Nishant Garg	2085300	
3.		Ms Apoorva Garg	50	
4.		Ms Divya Jaiswal Garg	50	
5.		Mr. Sarthi Agarwal	50	
6.		Mr. Harsh Prakash	50	
7.		Mr. Hemant Kumar	50	
8.		Mr. Mayank Govil	50	
9.	September 26, 2022	Ms Nivedita Garg	4936900	Transmission of shares
10.	October 01, 2022	Ms Nivedita Garg	(2085500)	Transfer of shares to Mr. Nishant Garg
11.	October 01, 2022	Mr. Nishant Garg	2085500	Received from Ms. Nivedita Garg
12.	October 10, 2022	Mr. Nishant Garg	(300)	Transfer
13.		Ms Apoorva Garg	50	
14.		Ms Divya Jaiswal Garg	50	
15.		Mr. Sarthi Agarwal	50	
16.		Mr. Harsh Prakash	50	
17.		Mr. Hemant Kumar	50	
18.		Mr. Mayank Govil	50	

16. The members of the Promoters' Group, our Directors and the relatives of our Directors have not 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 six months immediately preceding the date of filing the Red Herring Prospectus.

**17. Details of Promoter's Contribution locked in for three years:**

As per Sub-Regulation (1) of Regulation 236 and Regulation 238 of the SEBI (ICDR) Regulations, 2018 and in terms of the aforesaid table, an aggregate of 20.00% of the post-Issue Capital shall be considered as Promoter's Contribution. As on date of this Red Herring Prospectus, our Promoters holds 10427400 constituting 99.994%, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this





Red Herring Prospectus until the completion of the lock-in period specified above.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of allotment, are set out in the following table:

Name of Promoter	No. of Equity Shares Locked-in	Post- Issue equity share capital %
Ms Nivedita Garg	2842400	20.00%
Mr. Nishant Garg	-	-
<b>Total</b>	<b>[●]</b>	<b>20.00%</b>

*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer section “Capital Structure” on page no. 63.*

The lock-in of the Minimum Promoters’ Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The Equity Shares that shall be locked in are not ineligible for computation of Promoters’ contribution in terms of Regulation 237 of the SEBI Regulations. Equity Shares offered by the Promoters for the minimum Promoters’ contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters’ contribution of 20.00 % which is subject to lock-in for three years shall not consist of:

- a) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- b) Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;
- c) Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- d) The Equity Shares held by the Promoters and offered for minimum 20% Promoters’ Contribution are not subject to any pledge.
- e) Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters’ Contribution subject to lock-in.
- f) The Equity Shares in Promoter’s Contribution does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

Specific written consent has been obtained from the Promoters for inclusion of 2842400 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.00 % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.

#### **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.

### **Equity Shares locked-in for one year**

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance pre-Issue Equity Share capital of our Company, i.e. 7585600 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

### **Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters' Contribution under the clause (a) of Regulation 238, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution under the clause (b) of Regulation 238, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

### **Transferability 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.
- 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.

18. Our Company, our Promoters, our Directors and the Book Running Lead Manager to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
19. Except as disclosed under this chapter, our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation.
20. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
21. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus



shares) by capitalizing any revaluation reserves.

22. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
23. There are no safety net arrangements for this public Offer.
24. As on the date of filing of the Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
25. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
26. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful bidders will be allotted fully paid-up equity shares.
27. As per RBI regulations, OCBs are not allowed to participate in this Issue.
28. There is no “Buyback”, “Standby”, or similar arrangement by our Company/Promoters/Directors/Book Running Lead Manager for purchase of Equity Shares issued / offered through this Red Herring Prospectus.
29. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
30. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and BSE.
31. The Issue is being made through Book Built Price Method.
32. Book Running Lead Manager to the Issue viz. Share India Capital Services Private Limited and their associates do not hold any Equity Shares of our Company.
33. Our Company has not raised any bridge loan against the proceeds of this Issue.
34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
35. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
36. A Bidder cannot make an application for more than the number of Equity Shares being Issued/Offered through this Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.



37. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
38. Our Promoters and the members of our Promoter Group will not participate in this Issue.
39. Our Company has not made any public issue since its incorporation.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
41. For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended December 31, 2022 and last three Financial years i.e. 2022, 2021 and 2020, please refer to paragraph titled “Related Party Transaction” in the chapter titled ‘Financial Information’ beginning on page number 199 of the Red Herring Prospectus.
42. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page number 146 of the Red Herring Prospectus.



## OBJECTS OF THE ISSUE

The Issue comprises Fresh Issue of 37,84,000 Equity Shares by our Company aggregating to ₹ [●].

We intend to utilize the proceeds of the Issue to meet the following objects:

1. Consolidation and expansion of the manufacturing facilities;
2. Working Capital and General Corporate Purpose;
3. Issue Expenses.

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.

### Fresh Issue Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

Particulars	Amount (₹ in Lakhs)*
Gross Proceeds	[●]
Less: Issue related expenses <sup>(1)</sup>	[●]
<b>Net Proceeds</b>	<b>[●]</b>

<sup>(1)</sup> As on [●], our Company has incurred a sum of ₹ [●] towards issue expenses, as certified by [●], Chartered Accountants. UDIN: [●]

\* To be finalised on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

### Utilization of Net Proceeds

The details of utilization of net proceeds are as per the table set forth below:

S. N.	Particulars	Amount (In ₹ Lakh)**
1	Consolidation and expansion of the manufacturing facilities;	943.48
2.	Working Capital;	800.00
3.	Issue Expenses; and	[●]
4.	General Corporate Purpose	400.00
	<b>Total</b>	<b>[●]</b>

\*The use of issue proceeds for general corporate purpose shall not exceed 25% at any point of time.

As on [●], our Company has incurred a sum of ₹ [●] towards issue expenses, as certified by [●], Chartered Accountants. UDIN: [●]

\*\*To be finalised on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.



The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

While we intend to utilise the Issue Proceeds in the manner provided herein, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth herein, 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 done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

### **Means of Finance**

Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

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 of the business and industry and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below. Any change in such factors may require the Company to reschedule/ revise the planned expenditure by increasing/ decreasing the allocation for a particular purpose from the planned expenditure. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

### **DETAILS OF OBJECTS OF THE ISSUE:**

#### **1. Consolidation And Expansion Of Manufacturing Facilities**

Our company has been strategically focusing on increasing production of higher value add products through backward & forward integration, expansion of specialized products manufacturing and offering customized solutions to its customers as well as increasing its exports. The Company plans to increase share of higher value-added product to around 25 % of its overall production over next few years, particularly through in house manufacturing to ensure stringent check on the quality and have less dependence on third party manufacturer.

The company has not yet placed the orders for Plant and Machinery, but have received the quotations from suppliers. The details of installation of plant, cost of plant, name of supplier, date of placement of order, etc are as follows:



Sr. No.	Machine Description / Model	Capacity	Name Of the Supplier	Address of Supplier	Type of Machine	Quotation Date	Rs. Lacs	Ordered (%)	To be Ordered (%)	Location of Installation
1.	Spring Wire Heat Treatment Production Line <sup>1</sup>	450 TPM	Associated Machinery Corporation Limited	F-64 Site No-1 BS Road Industrial Area, Ghaziabad. (UP)	New	20.02.23	676.80	0.00 %	100.00%	C-10 BS Road. Industrial Area , Ghaziabad.
2.	Air Compressor Package <sup>2</sup>	210 CFM	Eutair Equipment LLP	T-3, 3 <sup>rd</sup> Floor, Ansal Utility Complex, A-2, Paschim Vihar, New Delhi	New	30.11.22	10.47	0.00%	100.00 %	E-201, Industrial Area Kavi Nagar Ghaziabad
3.	Collated Pneumatic Nail Making Plant <sup>3</sup>	250 TPM	K Ticho Industries Co. Ltd., Taiwan	134, Yaho Shan ST. San Min DIST., Kaohsiung, Taiwan	New	20.12.22	256.21	0.00 %	100.00 %	
	<b>TOTAL</b>						<b>943.48</b>	<b>0.00 %</b>	<b>100.00%</b>	

#### SCHEDULE OF IMPLEMENTATION

S. No.	Particulars	Spring Wire Heat Treatment Plant	Air Compressor Package	Collated Pneumatic Nail Making Plant
1	Ordering	May- June 2023	Oct 2023	May- June 2023
2	Delivery	Nov- Dec 2023	Nov-Dec 2023	Nov- Dec 2023
3	Installation	Dec 23- Jan 24	Dec 23- Jan 24	Dec 23- Jan 24
4	Commencement of Production	April 2024	April 2024	April 2024

As part of this strategic shift and add specialized high value product to its portfolio, the Company is planning further horizontal/forward expansion and diversification by installing a 450 TPM Induction Wire plant and a 250 TPM Collated Pneumatic Nail Plant (2nd Line). Oil Tempered Induction Wire is largely being utilized in the automotive sector widely for the manufacturing of suspension, clutch and valve springs. We have already installed one line of 250 TPM Collated Pneumatic Nail Plant and have established the necessary associated production facilities and hire specialized personnel for the same. We will add another line of the same plant to double our production capacity of Nails from 250 TPM to 500 TPM by next year.

Accordingly, this expansion will not only will add to our revenue streams, but it will also improve our profit margins by way of higher value addition due to specialized product and availability of PLI incentives.

Our Company proposes to utilize ₹ 943.48 out of the net proceeds towards purchase and installation of a) Oil Tempered Wire Line, b) Compressor and c) Collated Pneumatic Nail Plant.



Accordingly, this expansion will not only will add to our revenue streams, but it will also improve our profit margins by way of higher value addition due to specialized product and availability of PLI incentives.

## 2. Working Capital Requirement:

The details of our Company's working capital requirements for the Financial Year 2022-23 and 2023-24 and funding of the same are as set out in the table below:

### *Basis of estimation of long-term working capital requirement and estimated working capital requirement:*

*Amount (In ₹Lakh)*

Particulars	2020-21 (Actual)	2021-22 (Actual)	31 Dec 2022 (Actual)	2022-23 (Estimated)	2023-24 (Estimated)
<b>Current Assets</b>					
Inventories	3654.45	4143.38	4997.27	4698.45	5416.99
Trade Receivables	3305.72	2714.68	2457.96	3123.13	3630.31
Cash and Cash Equivalents	362.84	300.22	343.54	300.00	300.00
Short - Term Loans and Advances	57.09	892.16	1092.77	682.08	663.80
Other Current Assets	120.03	86.34	240.98	170.52	165.95
<b>Total (A)</b>	<b>7500.12</b>	<b>8136.79</b>	<b>9132.52</b>	<b>8974.18</b>	<b>10177.05</b>
<b>Current Liabilities</b>					
Short - Term Borrowings*	3415.03	4243.68	4648.21	-	-
Trade Payables	1266.38	730.78	1163.94	919.26	1059.85
Other Current Liabilities	758.44	867.09	630.38	426.30	489.29
Short - Term Provisions	86.52	92.93	282.09	-	-
<b>Total (B)</b>	<b>5526.36</b>	<b>5934.49</b>	<b>6724.62</b>	<b>1345.56</b>	<b>1549.14</b>
<b>Net Working Capital (A) - (B)</b>	<b>1973.76</b>	<b>2,202.30</b>	<b>2,407.90</b>	<b>7628.62</b>	<b>8627.91</b>
<b>Funding Pattern*</b>	-	-	-	<b>4400.00</b>	<b>4400.00</b>
<b>Internal sources</b>	-	-	-	<b>3228.62</b>	<b>3427.91</b>
<b>Issue Proceeds</b>	-	-	-	-	800.00

The Company's business is working capital intensive and we avail our working capital in the ordinary course of business from Banks. As on March 31, 2021, March 31, 2022 and December 31, 2022 the Company's net working capital consisted of ₹ 1973.76 Lakhs, ₹ 2202.03 Lakhs and ₹ 2407.90 Lakhs respectively. Considering the existing and future growth, the total working capital needs of our Company, is expected to reach ₹ 7628.62 as on 31 March 2023. We intend to meet our working capital requirements to the extent of ₹ 8627.91 for FY 2023-24 from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirements.





### Basis of Estimation

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2022-23 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

We have estimated future working capital requirements based on the following:

(No. of Days)

Particulars		Basis	31 Mar 2021	31 Mar 2022	31 Dec 2022	31 Mar 2023 Projected	31 Mar 2024 Projected
Receivables	Collection Period	Revenue	61	47	41	49	42
Inventory	Raw Material	Cost of Purchase	55	54	55	44	37
	Finished Goods	Cost of Production	18	24	40	40	34
Payables	Credit Period	Cost of Goods Sold	25	14	22	16	14

### 3. General Corporate Purpose

Our Company proposes to deploy Net Proceeds, aggregating to ₹ [●], towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with Regulation 4(4) of the SEBI Regulations, including but not restricted to strategic initiatives, partnerships, joint ventures, marketing expenses, meeting operating expenses, strengthening of our business development and marketing capabilities, meeting exigencies which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

### 4. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹ [●].

(₹ in Lakhs)

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers and Regulatory Fees & Other Expenses etc.	[●]	[●]	[●]
Marketing expenses, Selling Commission and other expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]



## Schedule of Implementation

We propose to deploy the Net Proceeds for the previously mentioned purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

*Amount ( ₹ In Lakhs)*

S. No.	Particulars	Amount to be funded from Net Proceeds	Expenses incurred till date of Red Herring Prospectus	Estimated utilisation of Net Proceeds (F.Y. 2022-23)	Estimated utilisation of Net Proceeds (F.Y. 2023-24)
1	Consolidation and expansion of the manufacturing facilities;	943.48	Nil	0.00	943.48
2	Working Capital	800.00	Nil	0.00	800.00
3.	Issue Expenses; and	[●]	7.533	[●]	[●]
4.	General Corporate Purpose	400.00	Nil	0.00	400.00
	<b>Total Proceeds from Issue</b>	[●]	[●]	[●]	[●]

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## Deployment of Funds

*( ₹ In Lakhs)*

Deployment of Funds	Amount (INR)
Merchant Banker Fees	5,00,000
Registrar & Transfer Agent Fee	1,32,365
NSDL	1,20,975
<b>TOTAL</b>	<b>7,53,340</b>

**\*Note:** The Company has received the Sources and Deployment Funds Certificate dated January 31, 2023 from H.G. & Co., Chartered Accountants bearing UDIN 23403482BGXOIL9314. The certificate states that the Company has deployed amounts aggregating ₹ 7.53 Lakhs as on January 10, 2023.

## Appraisal

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 available quotations and 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 borrowings.



### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

### **Monitoring Utilization of Funds**

As the Net Proceeds of the Issue will be less than Rs. 10,000 Lakhs, 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 Red Herring 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 Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements..

### **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.

### **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.

### **Other Confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company’s key Managerial personnel and Group Company, in relation to the utilization of the Net Proceeds. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or company promoted by the Promoters, except as may be required in the usual course of business.



## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the BRLMs on the basis of an assessment of market demand for the Equity Shares offered through the book built price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹ 10/- each and the Issue Price is [●] times of the face value.

Investors should also refer to the chapters “Risk Factors”, “Our Business”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 26, 108, 172 and 207 respectively of this Red Herring 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:

1. Qualified & Experienced Management who lead the company to scale up and expand into new opportunities;
2. Dedicated tech support team to provide services/ solutions to our customers;
3. Strong marketing.
4. Quality and focus on customer satisfaction;
5. Networking strength
6. Technology, research and development and know-how;
7. Scalable business model with satisfactory track record.

For further details, refer heading chapter titled “Our Business” beginning on page 108 of this Red Herring Prospectus.

## QUANTITATIVE FACTORS

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For details, see “Restated Financial Information” on page 172 of this Red Herring Prospectus.

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

### 1. Basic & Diluted Earnings Per Share (EPS) at a face value of ₹ 10/- each:

Period	Basic & Diluted EPS (₹ )	Weight
December 31, 2022	7.69*	4
March 31, 2022	4.10	3
March 31, 2021	3.24	2
March 31, 2020	3.57	1
<b>Weighted Average</b>	<b>5.31</b>	-

\*For the stub period ended December 31, 2022.

#### Notes:

- a) Basic EPS = Restated net profit after tax for the year/period attributable to the owners of the Company divided by weighted average number of equity shares in calculating basic EPS.
- b) Diluted EPS = Restated net profit after tax for the year/period attributable to the owners of the Company divided by weighted average number of diluted equity shares in calculating diluted EPS.
- c) The weighted average basic and diluted EPS is a product of basic and diluted annualised EPS and respective assigned weight, dividing the resultant by total aggregate weight.



d) Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.

**2. Price to Earnings (P/E) ratio in relation to Issue Price of [●] per Equity Share of face value ₹ 10/- each fully paid up.**

Particulars	EPS (in ₹)	P/E Ratio
a. Based on EPS of stub period ended December 31, 2022	7.69	[●]
b. Based on EPS of Financial Year ended March 31, 2022	4.10	[●]
c. Based on Weighted Average EPS	6.34	[●]

**3. Return on Net Worth (RONW)**

Year Ended	RoNW (%)	Weight
December 31, 2022	20.48%	4
March 31, 2022	6.87%	3
March 31, 2021	5.83%	2
March 31, 2020	7.77%	1
<b>Weighted Average</b>	<b>10.96</b>	-

**Notes:**

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted annualised RoNW divided by the aggregate of weights i.e. (annualised RoNW x Weight) for each year/Total of weights
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.

**4. Net Asset Value (NAV) per Equity Share (Face Value of ₹ 10/- each)**

Particulars	NAV per share (in ₹)
As on December 31, 2022	38.30
As on March 31, 2022	60.47
Net Assets Value per Equity Share after the Issue	[●]
Issue price per equity share	[●]

**Notes:**

- NAV per share = Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year/period.
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.



## 5. Comparison with industry peers

S. No.	Name of the Company	Face Value (in ₹ per share)	EPS (in ₹ per share)	P/E Ratio	RoNW (%)	NAV (in ₹ per share)	PAT (in ₹ Lakhs)
1.	Maiden Forgings Limited	10.00	7.69	[●]	20.48%	38.30	801.51
<b>Peer Group*</b>							
2.	Bharat Wire Ropes Ltd.	10.00	2.17	19.26	3.02%	70.77	13.67
3.	Geekay Wires Ltd.	10.00	8.61	7.69	19.01%	45.29	8.61
4.	Metal Coatings (India) Ltd.	10.00	3.85	28.50	8.31%	46.36	2.82

Source: [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com)

### Notes:

- The figures for Maiden Forgings Limited are based on the restated financial statements for the stub period ended December 31, 2022.
- Considering the nature and turnover of business of the Company the peers are not strictly comparable. However, the same have been included for broader comparison.
- The figures of peer group are based on consolidated audited results (wherever available) for the respective years ended March 31, 2022.
- EPS refers to the Basic EPS sourced from publicly available financial results of the respective company for the year ended March 31, 2022.
- Return on Net Worth (%) = Net profit/ (loss) after tax/ Net worth at the end of the year.
- NAV is computed as Net Worth at the end of the year / Total number of equity shares outstanding at the end of the year.

## 6. The Issue Price will be [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Book Running Lead Manager, on the basis of market demand from investors for Equity Shares through the book built price method and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 26, 108, 172 and 207, respectively, to have a more informed view.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**The Board of Directors**  
**Maiden Forgings Limited,**  
B-5, Arihant Tower, Block D Market,  
Vivek Vihar, Delhi- 92

Dear Sir,

**Sub: Statement of possible Special tax benefit (“the Statement”) available to Maiden Forgings Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the ‘Regulations’)**

We refer to the proposed offer of equity shares of **Maiden Forgings Limited** (the Company). We enclose a statement showing the current position of special tax benefits available to the Company and its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act 1961 and Goods and Service Tax Act, 2017 relevant to the financial year 2021-22 for inclusion in the Red Herring Prospectus (collectively, the “Offer Documents”) for the proposed offer of Equity Shares of the Company, as required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “Regulations”).

We hereby give our consent to include the enclosed statement regarding the special tax benefits available to the Company and its shareholders in the Offer Documents for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India (SEBI) and Bombay Stock Exchange Limited (BSE), provided that the below statement of limitation is included in the Offer Documents: (“ICDR Regulations”).

### LIMITATIONS

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to 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 expressed in the statement enclosed are based on the facts and assumptions indicated above and in the statement. 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 change from time to time.

We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue or to any third party relying on the statement.



This statement has been prepared solely in connection with the issue of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018 at the SME Platform of the Bombay Stock Exchange Limited.

**For H.G & Co.**  
**Chartered Accountants,**  
**Firm Registration No: 013074C**

**CA Himanshu Garg**  
**Partner**  
**Membership No: 403482**

**Place: Ghaziabad**  
**Date: 25.01.2023**  
**UDIN: 23403482BGX0101056**





## STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and to the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of shares under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961 [“the Act”]. Hence, the ability of the Company or its shareholders to derive these special tax benefits is dependent upon their fulfilling such conditions. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to 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 expressed in this statement are based on the facts and assumptions as indicated above and in the statement. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue or to any third party relying on this statement. We do not express any opinion or provide any assurance whether:

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

This statement has been prepared solely in connection with the issue of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF SHARES IN THEIR PARTICULAR SITUATION.**

### DIRECT TAXATION

#### STATEMENT OF POSSIBLE DIRECT SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO CERTAIN OF ITS SHAREHOLDERS

##### **I. Special tax benefits available to the Company**

Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 25% (plus applicable surcharge and cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or setoff of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax [“MAT”] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they have applied for the benefit under section 115BAA of the Act for the assessment year 2021-2022.

##### **II. Special tax benefits available to certain shareholders**

- Special tax benefits to Foreign Portfolio Investors (FPIs)



Section 2(14) of the Act provides that any securities held by a FPI who has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992 would be treated as a capital asset. Income arising from transfer of such security by a FPI would be treated to be in the nature of capital gains.

Under Section 115AD (1) (ii) of the Act, income by way of Short-term Capital Gains arising to the FPI on transfer of shares shall be chargeable at a rate of 30% where such transactions are not subjected to Securities Transaction Tax ('STT'), and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and cess.

Under Section 115AD (1) (iii) of the Act, income by way of Long-term Capital Gains ('LTCG') arising from the transfer of shares held in the Company will be taxable at the rate of 10% (plus applicable surcharge and cess). In case STT is paid at the time of acquisition and transfer, income tax at 10% (plus applicable surcharge and cess) shall be calculated on LTCG exceeding INR one lakh. The benefits of indexation of cost and of foreign currency fluctuations are not available to FPIs. 2. Special tax benefits to Non-Resident Indians

As per section 115C(e) of the Act, the term "non-resident Indians" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company will be subject to tax at the rate of 10% (plus applicable surcharge and cess), without any indexation benefit.

As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. If part of such net consideration is invested within the prescribed period of six months in any specified asset then this exemption would be allowable on a proportionate basis. Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as LTCG in the year in which such specified asset are transferred.

As per section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

### **III. Special tax benefits available to Alternative Investment Funds (Category I and II)**

- Under section 10(23FBA) of the Act, any income of an investment fund other than the income chargeable under the head "Profits and gains of business or profession" is exempt from income tax.
- Investment fund means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- As per Section 115UB (1) of the Act, any income accruing/arising/received by a person from his investment in an investment fund would be taxable in the hands of the person making an investment in



the same manner as if it were the income accruing/arising/received by such person had the investments by the investment fund been made directly by him. As per Section 115UB (6) of the Act, the income accruing or arising to or received by the investment fund if not paid or credited to a person (who has investments in the investment fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

**IV. Special tax benefits available to Mutual Funds As per section 10(23D) of the Act, any income of:**

- mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder; or
- such other mutual funds set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India, subject to such conditions as the central government may, by notification in the Official Gazette, specify in this behalf will be exempt from income tax.

**NOTES:**

1. The above benefits are as per the Income-tax Act, 1961 as amended by the Finance Act, 2022. The shareholders/investors are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
2. This statement does not discuss any tax consequences in any country outside India of an investment in the shares.
3. As per the Finance Act, 2022 surcharge is to be levied on individuals, Hindu undivided family, associations of persons, body of individuals or artificial juridical person at the rate of 10% if the total income exceeds INR fifty lakhs but does not exceed INR one crore, at the rate of 15% if the total income exceeds INR one crore but does not exceed INR two crore, at the rate of 25% if the total income exceeds INR two crore but does not exceed INR five crore and at the rate of 37% if the total income exceeds INR five crore. The enhanced surcharge, i.e., 25% or 37%, is not applicable on dividend income and capital gains arising on sale of equity share in a company or a unit of an equity- oriented fund or a unit of a business trust liable for securities transaction tax.
4. Surcharge is to be levied on firms and local authorities at the rate of 12% if the total income exceeds INR one crore.
5. Surcharge is to be levied on cooperative societies at the rate of 7% if the total income exceeds INR one crore but not ten crores. However, in case of income exceeding INR ten crores, the surcharge shall be at the rate of 12%.
6. Generally surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.
7. Surcharge is to be levied at the rate of 10% on domestic companies which have opted for the lower tax rate of 22% as per section 115BAA of the Act.
8. Surcharge is to be levied on every company other than domestic company at the rate of 2% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 5% where the income exceeds INR ten crores.
9. Health and Education Cess at 4% on the tax and surcharge is payable by all categories of taxpayers.
10. The above statement of possible special direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
11. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country of residence of the non- resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India is obtained by them from the



government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other information, as has been notified.

## **INDIRECT TAXATION**

### **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS**

Based on the various documents and the evidences produced before us, we would like to certify that the Company is not availing any tax benefit such as concessional tax rate or exemption from tax which is contingent upon fulfilment of conditions nor any other similar tax benefits.

Notes:

1. This certificate is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
2. The certificate covers only above-mentioned tax laws benefits which according to us are relevant for the Company and does not cover any other indirect tax law.
3. Our views expressed in this certificate are based on the facts and documents as presented by the Company. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

**For H.G & Co.**  
**Chartered Accountants,**  
**Firm Registration No: 013074C**

**CA Himanshu Garg**  
**Partner**  
**Membership No: 403482**  
**Place: Ghaziabad**  
**Date: 25.01.2023**  
**UDIN: 23403482BGX0101056**



## SECTION VI- ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section includes extracts 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 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. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Information” and related notes beginning on page 26 and 172 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

#### OVERVIEW OF INDIAN ECONOMY

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

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and 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, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

#### GDP and Other Indicators

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030. According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23. 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. In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

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

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

### **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 September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crores (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.



- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crores (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

Source: <https://www.ibef.org/economy/indian-economy-overview>

## **Steel in India**

As of April 2022, India was the world's second-largest producer of crude steel, with an output of 10.14 MT. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from customers. The consumption of finished steel stood at 105.751 MT in FY22. In July 2022, the consumption of finished steel stood at 9.17 MT.

Steel companies are looking to restart expansion projects on the back of burgeoning steel processes with a capacity addition of 29 MT. Between April 2021-January 2022, consumption of finished steel stood at 86.3 MT.

In FY22, demand for steel is expected to increase by 17% to 110 million tonnes, driven by rising construction activities. 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 in India is also planning to expand its annual capacity from 34 MTPA to 55 MTPA by 2030.

In FY22, exports and imports of finished steel stood at 13.49 MT and 4.67 MT, respectively. In FY22, India's export rose by 25.1% YoY, compared with 2021. India's per capita consumption of steel grew at a CAGR of 4.43% from 46 kgs in FY08 to 74.10 kgs in FY19. In July 2022 exports of finished steel stood at 3.80 lakh MT.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-March 2022, Indian metallurgical industries attracted FDI inflows of US\$ 17.1 billion.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import.





The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrapage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles. In the healthcare front, major steel producers are now exceeding their production capacities to produce oxygen cylinders for COVID patients. In 2021, Indian Railways is planning to procure over 11 lakh tons of steel from Steel Authority of India Limited (SAIL) for the track renewal and laying new lines across the country.

*Source: <https://www.ibef.org/industry/steel-presentation>*

The Indian metals and steel sector benefits from robust demand from key buyer sectors like automotive, construction, and increased government spending in infrastructure improvement (construction of roads, railways, ports and airports) worth USD 1.4 trillion between 2020 and 2025.

However, supply chain disruptions and high input prices are issues because metals and steel sales prices have not increased enough to compensate for the rise in energy and raw material costs (coking and thermal coal, refractories and ferroalloys). While the Indian government removed import duties on raw materials like coking coal in May, it has also imposed export duties on steel products, to curb inflation and to increase supply in the domestic market. The resulting excess capacity triggered a price decrease of about 20% for finished steel goods. Therefore, the increase in profit margins seen in 2021 will not continue in 2022. That said, the government is likely to cut or abolish the duties again, which should help to support exports of key steel products, and partly compensate for sales price decreases in the domestic market. The EU's ban on steel imports from Russia should provide opportunities for Indian steel exporters.

Payments in the Indian metals and steel sector take 90-120 days on average. Businesses have performed well during the past two years, improving their financial risk profile. At the same time, a consolidation process has seen stronger businesses taking over stressed assets and insolvent peers. We expect the number of protracted payments to remain steady during the coming twelve months, with no substantial increase in insolvencies.

Currently we assess the credit risk situation of the Indian metals and steel sector as “Fair” across all segments, because high raw material prices still have a moderating effect on margins. However, export growth should accelerate in the coming months, leading to higher sales prices. Despite improved financial strength, most businesses are highly geared, due to high dependence on bank loans and other forms of external financing for capital expenditure. In the short-term, working capital requirements could increase on the back of higher input costs.

*Source: Atradius Report Sep ' 22*

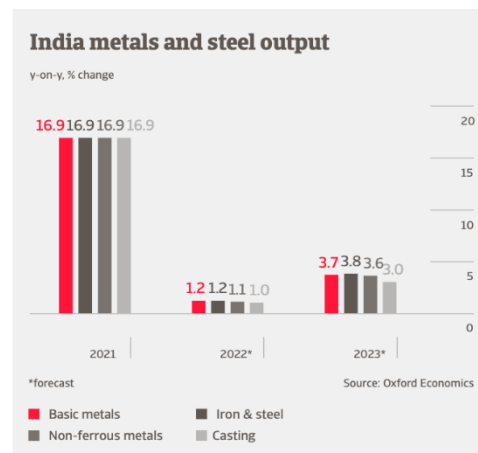




## Advantage India

### 1. Robust Demand

- India's finished steel consumption stood at 36.53 MT in April-July 2022.
- According to Mr. Seshagiri Rao, Joint Managing Director of JSW Steel Ltd., in FY22, demand for steel is expected to increase by 17% to 110 million tonnes, driven by rising construction activities.
- 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.



### 2. Competitive Advantage

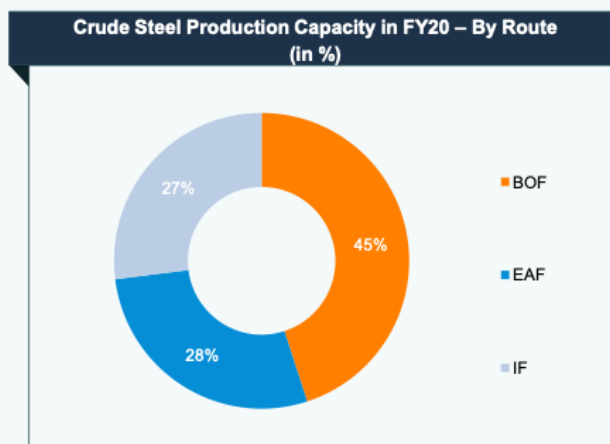
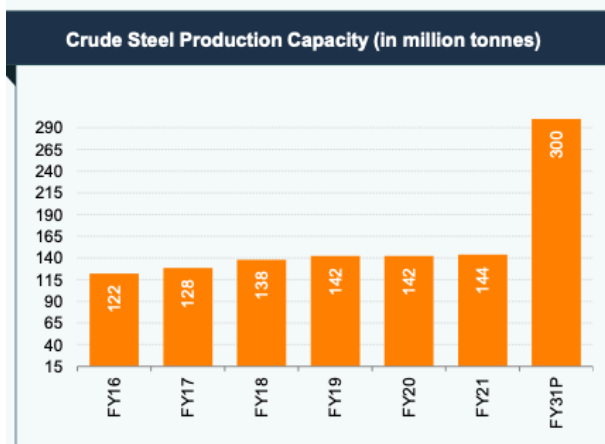
- In April-July 2022, the production of crude steel in India stood at 40.95 MT.
- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.
- India is home to fifth-highest reserves of iron ore in the world.

### 3. Policy Support

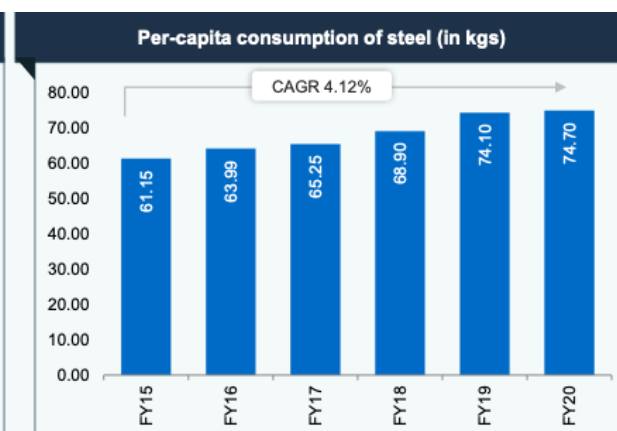
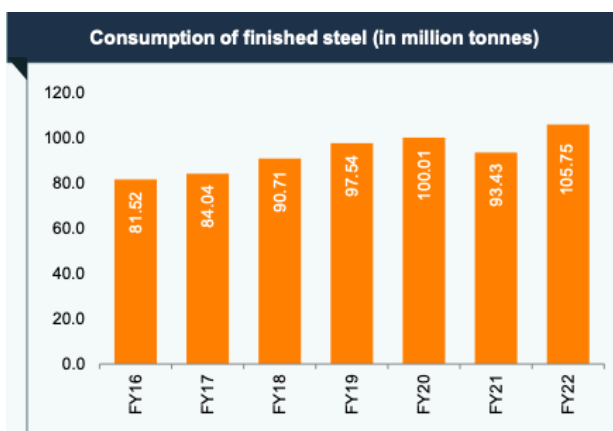
- In October 2021, the announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- Export duty of 30% has been levied on iron ore\* (lumps and fines) to ensure supply to the domestic steel industry.
- Under the Union Budget 2022-23, the government allocated Rs. 47 crore (US\$ 6.2 million) to the Ministry of Steel.

### 4. 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.
- 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.

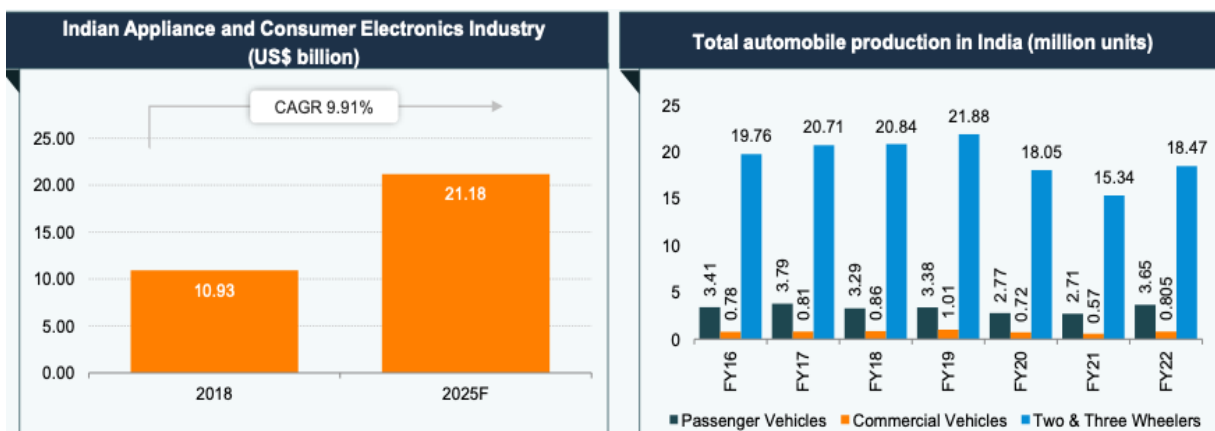


- India's steel production capacity has expanded rapidly over the past few years, growing at a CAGR of 3.93% from 122 MT in FY16 to 143.9 MT in FY21. The National Steel Policy 2017 has envisaged achieving up to 300 MT of production capacity by 2030-31.
- By FY22, India's total steel capacity is likely to increase to 150 MT annually.
- 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.



- In July 2022, the consumption of finished steel stood at 9.17 MT.
- In January 2022, India's finished steel consumption stood at 9.65 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.

## Industry Growth Drivers



- Between 2018-25F, 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 22.93 million units in FY22. According to ICRA, the Indian passenger vehicle (PV) industry is expected to post a growth of 22-25% in FY22.
- 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 macroeconomic 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

- 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 steelmaking 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 crores (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 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.

- d) **FDI:** 100% FDI through the automatic route is allowed in the Indian steel sector.
- e) **Push due to Made in India:** 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.
- f) **Reduction of Custom Duty on Plant & equipment's:** 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.
- g) **Production linked incentive (PLI) Scheme:** 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. 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 specialty 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.

## Opportunities

The Government of India has allocated Rs. 111 lakh crore (US\$1.4 trillion) under the National Infrastructure Pipeline (NIP) for FY2019-25. Sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) account for ~71% of the projected infrastructure investments in India. The growth and development in all these sectors require lot of steel and alloys to be used. The sector-wise opportunities are highlighted as follows:

### 1. Automotive Industry

- The automotive industry is forecast to reach US\$ 260- 300 billion by 2026.
- The industry accounts for around 10% of the demand for steel in India.
- With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust

### 2. Capital Goods

- 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.
- Corporate India's capex is expected to grow and generate greater demand for steel.



### 3. **Infrastructure**

- The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26.
- Due to rising investment in infrastructure the demand for steel products would increase in the years ahead.
- 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.\*
- For various infrastructure sectors, including real estate and power, the Ministry of Finance planning to set up a stress fund.

### 4. **Airports**

- More and more modern and private airports are expected to be set up.
- In FY19, passenger traffic at Indian airports stood at 344.69 million.
- The number of operational airports stood at 103 as on 31 March 2019.
- Development of tier II city airports will sustain consumption growth.
- Estimated steel consumption in constructing airports is likely to grow more than 20% over the next few years.

### 5. **Railways**

- The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in the future.
- Introduction of high-speed bullet trains and metro trains will increase steel usage.
- Gauge conversion, setting up of new lines and electrification would drive demand for steel.
- 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.

### 6. **Oil & Gas**

- India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcfd, respectively, by 2040.
- This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity for the steel industry.

### 7. **Power**

- The Government has envisaged capacity addition of 58,384 MW from conventional sources between 2017-22\*. Also, the Government is targeting to achieve 175 GW of renewable power capacity by generation 2022.
- This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.

### 8. **Rural India**

- Rural India is expected to reach per capita consumption of 12-14 kgs of finished steel by 2020.
- Policies like Pradhan Mantri Awa Yojana and Pradhan Mantri Gram Sadak Yojana are driving growing demand for steel in rural India.
- In FY19, per capita consumption of steel in rural India was estimated to be between 10-15 kgs.

Source: [https://www.ibef.org/download/1667983138\\_Steel\\_Sector\\_August\\_2022.pdf](https://www.ibef.org/download/1667983138_Steel_Sector_August_2022.pdf)



## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Maiden Forging Limited.*

*All financial information included herein is based on our “Restated Financial information of the Company” included on page 172 of this Red Herring Prospectus.*

## BACKGROUND

Our Company was incorporated on February 11, 2005 as a private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, Delhi in the name and style of Maiden Forgings Private Limited. In 2022, the Company’s name changed to Maiden Forging Limited following its conversion into a public limited company. Our Company since its inception has been engaged in the business of manufacturing and sales of ferrous metal products including steel bright bars, wires, profiles and ground bars. The Promoters of the Company has a vast experience of over 34 years in this field.

Late Shri Sanjay Garg, founded the Company along with his uncle in 2005. Prior to that the business was being conducted through proprietorship since 1988. In year 2011, Mr. Nishant Garg, son of Late Shri Sanjay Garg, joined the business. Since then, our Company has diversified its product range to include specialized products and customized/tailor made solutions. The new management initiatives resulted into revenues growing by almost 15 times over an 11 years period. Following untimely demise of Late Shri Sanjay Garg in 2022, his wife Ms Nivedita Garg, has taken over active management responsibilities along with her son Mr. Nishant Garg.

Currently, our Company has three manufacturing plants, all located in Ghaziabad, Uttar Pradesh, India. The combined aggregated manufacturing capacity of these plants is 50,000 ton per annum. Our Company set up its first manufacturing plant in 2011 at Kavi Nagar Industrial Area at Ghaziabad. In 2015, the Company established its second plant nearby. The third plant of the Company started operations in 2018, also in Ghaziabad.

Over the last few years, our Company has focused extensively on research and technology development, quality measures and on adding new specialized products to its product portfolio besides offering customized solutions as per requirement of the customers. In 2022, our Company installed a new dedicated production line for manufacturing of collated pneumatic nails as a part of forward integration strategy. By these measures, the Company has created a niche for itself in a commoditized market, otherwise dominated by general wire and bar manufacturers. Our Company has been awarded thrice recently in the year 2018 with the ‘**fastest growth in our business category**’ award through business sphere magazine conferred by Hon’ble cabinet minister Dr. Harshvardhan, “**heroes next door award**” in the year 2019 conferred by Hon’ble cabinet minister Gen. V.K. Singh and the “**most versatile company for steel Bright bar in India**” conferred by Business Sphere.



Our Company supplies to diversified portfolio of over 450 B2B customers including Top Tier-I & Tier-II suppliers of major two-wheeler & four wheelers manufacturers. Our products form an important raw material base to the Original Equipment Manufacturer (OEMs) for B2B/B2C markets. Our products are further supplied by OEM's to marquee clients like Prestige TTK, Everest, UM Auto etc.

## OVERVIEW

Maiden Forgings Limited (“**MFL**” or “**Maiden**”) is in the business of manufacturing and sales of diversified ferrous metal products and focuses on providing customized and specialized solutions to a diverse client base across different industries.

Maiden specializes in design and manufacture of different type of ferrous metal products including carbon steel, stainless-steel and alloy steel, mainly in the form of drawn products like bright bars, wires, profiles and ground bars. Its fully integrated infrastructure consists of steel melting shops, rolling mills and finishing machines installed at its three manufacturing facilities (Unit-1, II & III), located at Kavi Nagar Industrial Area, Ghaziabad, Uttar Pradesh. These manufacturing facilities are spread over around 12,500 square yards land area having combined aggregated manufacturing capacity of 50000 MT/p.a.

Our Company manufactures its products in a large assortment of sizes starting from 0.19mm up to 100mm, from different grades of steel and in different shapes making it one of the few Indian manufacturing facilities offering such a diversified range of products. This product diversity helps our Company to maintain an edge over competition, since our Company can provide customized and specialized solutions to its customers. Further, the planned expansion into super alloys and other specialized products will help to transform our Company to become one of the only few similar global manufacturing facilities offering widest range of products. With a large infrastructure, zero tolerance quality policies and an energetic team of experts, our Company makes sure that it can fulfil any special customer requirements for various critical product applications. Our products are used across industries like automobile, engineering, infrastructure, hardware, utensils etc. Our major customers are spread across states Delhi, Rajasthan, Gujarat, Maharashtra and Uttar Pradesh. Our Company has been exporting small volumes to mainly to US. The exports are likely to grow significantly as recently installed collated pneumatic nail plant becomes fully operational.

The product range manufactured by the Company includes:

1. Carbon Steel Bright Bars: 2mm to 100mm
2. Stainless Steel Bright Bars: 2mm to 100mm
3. Alloy steel Bright bars: 2mm to 100mm
4. Carbon steel wires: 0.2mm to 22mm
5. Stainless steel wires: 0.8mm to 22mm
6. Alloy steel wires: 0.2mm to 22mm
7. Profiles and ground bars in different sizes and shapes
8. Collated Pneumatic Nails

Over the past decade, Maiden has been a driving force behind product innovation in Indian Steel Industry by continuously improving its manufacturing operations and enhancing its technology to address its customers' changing needs. In today's competitive 24/7 manufacturing world, where demands are high and increased quality, efficiency and productivity are critical for success,





manufacturers need quality raw material manufacturer that can deliver what they need and when they need it. Also, as technology further leads us, innovative products are now becoming a reality as well as a necessity to retain competitive advantage. By focusing on continued research and development & with its passion for innovation and overall commitment to the customers, our Company has become a domestic leader in the industry offering reliable customized solutions and constant access to new and cutting-edge solutions to its customers.

Our Company undertakes an extensive mechanical & chemical testing of its products through its in-house well-equipped metallurgical laboratory and expert team, which enables it to maintain tolerance levels as per international standards such as IS, BS, DIN, AISI, SAE, etc. These strengths have enabled Maiden to be an approved vendor to the OEMs & large auto ancillaries (tier-I & II OEM's). Our Company has all the required quality certifications including ISO and PED.

#### **Key milestones of our Company:**

<b>2005</b>	Incorporation as Private Limited Company
<b>2011</b>	Infusion of additional capital & set-up of 1 <sup>st</sup> owned manufacturing facility
<b>2013</b>	Commenced exports
<b>2015</b>	Established Unit-II & started manufacturing of stainless-steel bright bars
<b>2016</b>	Established full fledge product testing facility
<b>2017</b>	Started diversifying consumer portfolio
<b>2018</b>	Started Unit-III & commenced production of SS wires, Awarded with the 'Fastest Growing Company in our business category' by Business Sphere magazine
<b>2019</b>	Received the "Heroes Next Door" award
<b>2021</b>	Received the "Most Versatile Company for steel Bright bar in India" by Business Sphere
<b>2022</b>	Forward integration and expansion by installing collated pneumatic nails plant
<b>2022</b>	Converted to Public Limited Company

Our Company has extensive processes to ensure safety, welfare & health of all employees and third parties coming in contact with our work activities through the provision & maintenance of safe work place, well maintained plant & machinery and safe work flow, processes and environment.

#### **Future Directions**

Our company has been strategically focusing on increasing production of higher value add products through backward & forward integration, expansion of specialized products manufacturing and offering customized solutions to its customers as well as increasing its exports. Our promoter Mr. Nishant Garg is passionate about offering innovative product line and focused on the specialty steel market, to help boost the profitability of the Company. Our Company plans to increase share of higher value-added product to around 25 % of its overall production over next few years, particularly through in-house manufacturing to ensure stringent check on the quality and have less dependence on third party manufacturer.

As part of this strategic shift and to establish market, our Company had earlier started getting plastic coil





pneumatic nails and wire welded coil nails manufactured on job work basis through third parties by providing the raw material i.e. steel wire for further processing and contract manufacturing. After having the brand and customer base established for this specialty product, our Company has recently installed own in-house dedicated production line for manufacturing of collated pneumatic nails at the Company's main plant at Ghaziabad, i.e. Unit I. Our Company has already imported and installed machinery for the same, which is under trail and will likely be fully operational from Q1, 2023. These pneumatic nails are generally used in construction industry in specially developed Pneumatic Nail Guns, which are currently being utilized by the developed nations for saving the high labour costs as well as to enhance the speed of construction. As much as 95% of the production of the 1st line is likely to be exported given that currently India has a limited demand due to high cost of imported products. With product availability in India itself at lower cost, the adoption of this technology is likely to grow in India in future and likely to add to domestic demand and allow for import substitution. Given a very high global demand and limited supplies including from India, the product is expected to bring in higher profitability for the Company.

Our Company is planning further horizontal expansion and diversification by installing a 5000 TPA oil tempered Induction Wire plant. This product is largely being utilized in the automotive sector widely for the manufacturing of suspension, clutch and valve springs. Our Company has done extensive research and development for the technology and is in advance discussions for import of new technology/technology tie-up for this product to be at par with technology being used in developing countries. India currently has a very good demand for this product and the quality materials manufactured with this technology is largely being imported mainly from countries like Italy, Japan, South Korea, Malaysia and China. Our project will lead to an import substitution by allowing customer to shift procurement from us instead of from global suppliers.

Our company plan to continue to add similar new technologies/products to our basket to help increase value addition and improved margins. The Company is also planning to consolidate its manufacturing facilities in a larger single manufacturing facility nearby to achieve economies of scale and bring efficiencies in the manufacturing costs.

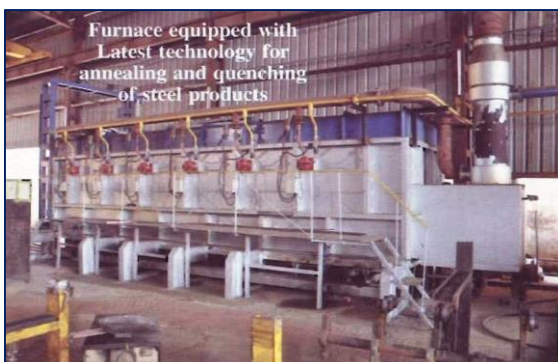
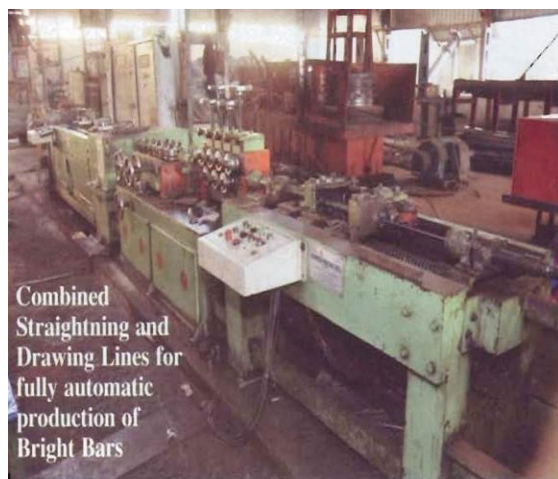
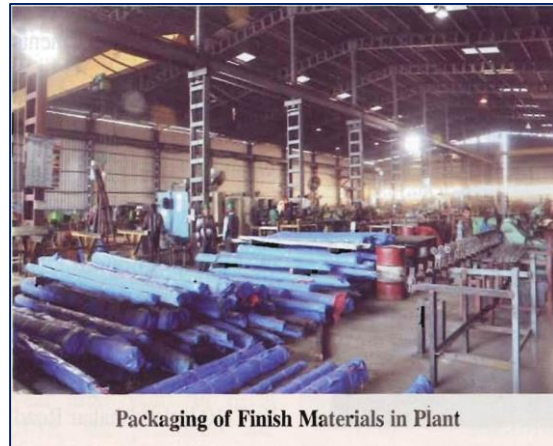
Our Company has robust growth and improvement in top line and bottom line on standalone basis in the past Financials years which is explained below:

( ₹ in Lakhs)

Particulars	Dec 31, 2022	FY 2021-22	FY 2020-21	FY 2019-20
Revenue From operation	16351.66	21050.98	19923.61	20412.44
Other Income	29.38	32.74	13.87	27.93
<b>Total Revenue</b>	<b>16381.04</b>	<b>21083.72</b>	<b>19937.49</b>	<b>20440.37</b>
Profit Before Tax	1113.33	294.10	238.28	230.21
Profit After Tax	801.51	213.94	168.94	165.95

## DETAILS OF OUR MANUFACTURING PLANT

Unit	Location	Products Manufactured	Area (Sq Yards)
Unit-I	E 201 Industrial Area Kavi Nagar, Ghaziabad, U.P.	Collated Pneumatic Nails	1404
Unit-II	C 10 B.S. Road Industrial Area, Ghaziabad, U.P	SS & Alloy Steel Bright Bars	5224
Unit-III	C 118 B.S. Road Industrial Area, Ghaziabad, U.P.	SS, Mild Steel & Alloy Steel Wires	5754



## OUR PRODUCTS & ITS APPLICATION

### ✓ S.S. Round Bright Bars - Size: 3mm to 100 mm

The Stainless-Steel Bright Bars can be described as raw materials that are primarily created from the stainless-steel alloy through the process of cold drawing. They have a very precise geometric molecular structure and come with a very smooth finish. This is why the bars have a very shiny appearance and that is why they are known as bright bars. Depending on the type and grade of stainless steel used in making the bright bars, they have different chemical composition and hence varied properties. The SS Bright Round Bars are highly corrosion resistant, durable, and come with enhanced strength. They also have excellent weld ability and machinability, which is why they are used for various applications.



### Cold drawn bright bars vs Peeled Bars

The stainless-steel cold drawn bright bars are normally drawn at room temperatures, and that is why it is known as the cold working procedure. This cold drawing also has an impact on the properties of the metal. It helps in the desired scaling of the bar, and also helps to maintain a close dimensional tolerance. Also, the surface finish is quite vibrant and free of any scale. The Stainless-Steel Peeled Bars are manufactured by chipping off the surface of the steel. Thus, these bars have a very smooth and polished surface. Because of this method, some surface defects might easily be removed from the rolled product.



### Application of SS Round Bright Bars

- Automobile Industries: Automobile industry majorly requires bright bars as they are required in making nuts, bolts, shafts and all the constituents of engines. For this purpose, special grade of bright bars is required.
- Heavy engineering Industries: used in making heavy machines and tools for manufacturing various products.
- Textile industry uses the bars for manufacturing machines required to make textiles
- Electric pumps and electric motors require bright steel bars
- Railway engines and coaches are made with usage of steel bright bars
- Army and defence sector require the bars for making arms and ammunitions
- Agricultural sector uses the bright bars to make machinery and equipment required for agriculture.
- Sports and health equipment are also crafted from bright steel bars
- Various types of machineries are manufactured, using bright bars
- Splendid decorative furniture and lamps are fabricated out of them
- These steel bars are used in manufacturing gears, bearings and hinges
- All the fixtures, tools and hoses are made with usage of bright steel bars
- Cold headed components are also drafted from the bright bars
- Bright steel bars are also used in the food processing industry for manufacturing machines.

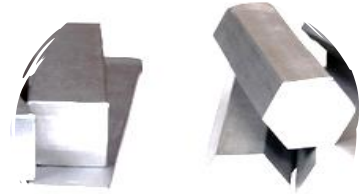




- Oil and petroleum industry require bright steel bars
- These bars are used during mining process
- Bright bars are used making conveyor shafts

✓ **S.S. Hex & Square Bright Bars- Size: 5mm to 65mm**

Along with round bars, our company also produces Hexagon & Square Bars. Our products range from 5mm to 65 mm and conform to standards these products are highly machinable and suitable for component producing companies.



**Application of S.S. Hex & Square Bright Bars**

- Automobile industries
- Machining equipment
- Fasteners
- Machining Tools
- Heavy engineering
- Textile industries



✓ **S.S. Wires - Size: 0.25mm to 23mm**

Our Company supply and process stainless steel wire. Our wires can be customized in terms of sizes, strength, diameter and grade as per customer requirements. The final made to order product is of the highest quality meeting the industry expectations and standards. Our wires division is well-equipped to manufacture high-quality products having in-house facilities for solution annealing, bright annealing, dry and wet wire drawing, high-speed drawing, medium wire pattern laying, fine wire spooling, layer winding, random winding, TIG wire straightening and cutting facilities to name a few.



**Application of S.S. Wires**

☑ The product has wide application and is used in Automotive Products, Balls & taper Roller Bearings, Brushes, Chains, Conveyor Belts, Filters, Fasteners, Nails, Kitchen Ware, Pins, Spokes, Springs, Utensils, Wire Cloth, Wire Ropes, Hinges and Handles etc.



✓ **Carbon & Alloy Steel Bright Bars : Size: 3mm to 100 mm**

☒ Carbon & Alloy Bright steel bar is usually a carbon steel alloy which has had the surface condition improved by drawing, peeling or grinding over the hot rolled finish supplied by the steel mill. Advantages achieved include improved machining, less wastage at component production stage, enhancement of physical and mechanical properties and improved dimensional tolerances and straightness. There are four types of carbon steel namely: low carbon steel, medium carbon steel, high carbon steel and very high carbon steel based on the amount of carbon present in the alloy. Lower carbon steels are softer and more easily formed, and steels with a higher carbon content are harder and stronger, but less ductile, and they become more difficult to machine and weld



**Application of Carbon & Alloy Steel Bright Bars**

- Chemical Industry
- Plumbing
- Heating
- Oil & Gas Industry
- Water Supply Systems
- Paper & Pulp Industry
- Power Plant
- Fabrication Industry
- General purpose applications
- Food Processing Industry
- Structural Pipe
- Heat Exchangers

Also used for other industrial purpose etc.



✓ **Carbon & Alloy Steel Hex & Square Bright Bars: Size: 4mm to 65mm**

These bars are made out of optimum quality of steel and other specific chemical compositions. Our Company offer these bars in different grades and dimensions as required by clients. Our steel bars are checked on well-defined parameters to ensure flawless quality and complete client satisfaction. It is basically used for highest integrated usage--life, strength & durability purpose in various industries.



### Application of Carbon & Alloy Steel Hex & Square Bright Bars

The Application of the Carbon & Alloy Steel Hex & Square Bright Bars is over varied industries as in case of Bright Bars. These are used in Plumbing, Heating, Oil & Gas Industry, Water Supply Systems, Paper & Pulp Industry, Power Plant, Fabrication Industry General Purpose applications, Food Processing Industry, Structural Pipe, and Heat Exchangers etc.




### ✓ Carbon & Alloy Steel Wires : Size: 0.25mm to 23mm

Alloy steel wire is a type of steel that contains other alloying elements in addition to carbon. The most common alloying elements include manganese, chromium, nickel, molybdenum, and vanadium. Alloy steel wires are used for various applications such as springs, fasteners, and cables. The process of making alloy steel wire begins with melting the raw material in an electric arc furnace. This is followed by adding the desired alloying elements and casting the molten metal into ingots. The ingots are then hot rolled into wire rods which are further made into wires of the desired thickness and hardness.



### Application of Carbon & Alloy Steel Wires

Carbon steel wire rod is extensively used to manufacture many wire products, such as:

- Agricultural and commercial uses
- Bright wire for electrolytic zinc coating
- Normal for automatic nailing
- Barbed wire
- Chains
-  Screws, nuts and bolts



### ✓ Plastic Coil Pneumatic Nails and Wire Welded Coil Nails:



Our Company presently processing this product on job work basis. Our current finished product i.e. wires are raw material for producing this nails, hence it is part of forward integration strategy of our company. Maiden has imported new plant & machinery for producing this product and that has been installed at our Unit-I. The project is under trail & will commence the commercial operations from Q1' 23. Our company plans to produce plastic collated, paper collated and wire collated nails for the application in construction industry around the world. The project is targeted with 95% export-oriented production as these nails are used in Pneumatic Nail Guns, which are currently being utilized by the Developed nations for saving the high labor costs as well as to enhance the speed of construction.





### **Application of Plastic Coil Pneumatic Nails and Wire Welded Coil Nails**

These handy tools use compressed air to hammer or shoot nails into wood. Typically, pneumatic nailers are dedicated to specialty uses, such as framing and sheathing, finish, or roofing. These nails are applied through Nail guns and is useful where ever multiple nails are needed to be installed. This smoothens the process and save time. As of now this product is mostly used in Export markets and specifically in construction of wooden houses.



### **Our Strategies**

The Company is producing steel bright bars and wires for almost 2 decades now, and have built a reputation and goodwill for our products as well as our business conduct. During these two decades, our company has expanded the revenues and customer base. In this period Maiden has expanded the product portfolio as well. Today our company is producing both bright bars and wires in all 3 types of steel that is Stainless Steel, Carbon Steel & Alloy steel, catering to more than 450 + customers on regular bases, belonging to more than 10 different industries. The major benefit our customer get from Maiden is that because of our wide product range in similar line of products is that they can procure all their bright steel requirements from a single vendor.

### **Our USPs for the domestic markets that we have always maintained:**

- **Fastest delivery model:** Our company produces and delivers Carbon & Alloy steel products within 48 hours of receiving the orders, whereas, the general industry standard is of 1 week's delivery minimum.
- **Firm commitment for deliveries:** our company always believe in under commit and deliver even faster. This strategy gives Maiden an unbeatable customer loyalty, as the customer doesn't have to be scared of losses due to production halts due to raw material shortage as well as reduces their inventory costs. This has also given us a strong brand positioning in the eyes of our customer base that we are same thing to bright product industry and dominos is to pizza industry.
- **Single Window Service:** Our Customers gets all requirements of Bright products of steel under one roof for their machining, fabrication, or any other steel needs.
- **Quality Consistency:** Despite the delivery system being the fastest, the return rate of materials is less than 1% of the total produce, due to strong focus on quality parameters and systems. The Quality systems are directly checked on weekly system by the management directly. This has positioned us as a reliable brand in the market.

### **AWARDS & RECOGNITIONS**

Since last 9 years the management of our company has been focused at ensuring that all the stakeholders are getting maximum value and the relationship between the company and the stakeholders are getting stronger every time. The vision of the management is to “*Provide Growth for All*”. For our efforts we have been awarded with following recognitions:



- In the year 2018 we are awarded with the ‘Fastest Growing Company in our business category’ by Business Sphere magazine. The award was conferred by Honorable cabinet minister Dr. Harshvardhan.
- Our Company received the “Heroes Next Door Award” in the year 2019 conferred by Honorable cabinet minister Gen. V.K. Singh.
- Our company received the “Most Versatile Company for steel Bright bar in India” by Business Sphere magazine in 2021. The award was conferred by honorable cabinet minister Dr. Sanjeev Balyan & MP lok Sabha Shri Manoj Tiwari.

## OUR FOCUS

Our Company serves different sectors with different customized product offerings. Following are our focused sector:

- **Auto Sector:** It includes all the tier two and tier three vendors to the auto sector as our products would always be further processed before assembling into the final vehicle. It includes all three subsections i.e. 2-wheeler, 4-wheeler and heavy vehicle industry.
- **Hardware industry:** It includes all the lock manufacturers, wire mesh manufacturer, bolts manufacturers, door locks manufacturers, etc.
- **Furniture industry:** It includes all the manufacturers and exporters of wrought iron furniture, modular kitchen equipment and cupboards, bar stools, and other handicraft kind of items.
- **Engineering Industry:** It includes a huge variety of manufacturers ranging from fasteners, nut bolts, wire ropes, filters, machineries, mechanical motors, plant manufacturers, PEB shed manufacturers, etc.
- **Others:** Belong to unorganized sector for which the applications are not fixed either they are manufacturing small components, or trading our products as it is.

## OUR CUSTOMERS

Our products have application in several industries ranging from small industries to large Infrastructure companies as well. We are current having relationship with around 450 + customers across the globe and keep on increasing the network. We sell our products to many of the customers who are OEM to large manufacturing companies in different industries domains.

## OUR CORPORATE PHILOSOPHY

We are firm believers of creating mutually beneficial long-term relationships with our customers, suppliers, employees and all the other stakeholders.





## MISSION & VISION

### Mission

To engage in a collaborative effort with our Customers, Employees & Suppliers to boost Quality & Productivity of our machines and enhance Customer Satisfaction.

### Vision

To become a global brand recognized for manufacturing '**Excellence**', and to be the first choice of customers requiring '**Super Precision**' machines tools.

## OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success and position us well for future growth:

- **Scalability:** Our Company already has established a large product portfolio, market and customer base. While, the current volumes are moderate, the business model is highly scalable with significant global demand for the products manufactured by us. We intend to scale our operations continuously with aim to become the market leader in the industry both in India and globally. Our Company would continue to be investing in new plants & adding new product line to scale the operations.
- **Wide size and grade range:** Our Company has created a large assortment of products which is a unique offering under one roof. Within production line of steel bright bars and steel wires, our Company has size range starting from 0.19mm going up to 100mm. Secondly in terms of grades of steel, our Company is producing almost all the grades in all three categories of steel that is stainless steel, alloy steel and carbon steel. Thus, in terms of size range and steel grades, the Company is capable of supplying its customers entire product range from a single window, which is a competitive edge in current market scenario.
- **Specialty Products:** Our Company along with the large number of sizes and grade ranges also caters to premium segment by producing complex shapes of bright bars such as hexagonal, square, d-sections, octagon and other special profiles. Also Pump Shaft Quality (PSQ) bars are a slightly new development from past 6 months, which is being sold at good margins and market is increasing gradually. Further, our Company has installed plant for manufacturing collated pneumatic nails, which will start commercial production very soon. Our Company is also planning to install plant to manufacture oil tempered Induction Wire within next 12 months. These specialty products enable the Company to target high end of market segments with premium rates adding to the gross margins of the company.
- **Production capabilities:** Our Company has built capability to produce all its products with each of the manufacturing operations being capable to perform in-house. This gives the company an edge in terms of faster deliveries, better quality and reduced costs of operations. Our company has three units spread across around 12,500 square yards in Ghaziabad, having annual combined manufacturing capacity of 50,000 MT



- **Experience of Management:** Management of our company have been well experienced in the industry and have their own expertise with the products and their mindset to expand into the high value add product lines, which, although being related to the existing product lines, are based on new and advanced technology for the Indian markets. Our management is keenly involved in the research process and networking with the global manufacturers to bring those advanced technologies to India.
- **Strong Market Network:** Our Company has a strong market network with around 450 plus customers as on date including marque brands like Prestige TTK, Everest, UM Auto etc. to name a few. This network and track record makes new customer acquisition relatively easy. Our Company has a very healthy customer retention rate.
- **Market Growth** – While, our Company is seeing good demand growth for its existing and planned products, many of the existing customers have communicated their intent to increase their volumes of purchase from the Company. With global macro factors and changes including focus of Indian Government on “Make in India” and many global manufacturers contemplating shifting of part of their manufacturing from China to India, we are confident of robust market growth. Considering this expected growth, our Company is planning to consolidate and expand its manufacturing to a larger facility over next 12 months.
- **Strong Marketing Team directly supervised by Management:** Top management of our company are themselves engaged in marketing supervision supported by a strong marketing team.
- **Approvals:** This enables our company to receive orders from reputed clients with which it has already established relations. Our company also has all the required certifications from Apex certification body TUV required for sales to domestic as well export customers requiring quality products.
- **Export Development:** Our Company started exports about 3 years back and gradually our exports have increased from just about 1% of our total turnover to about 3% of our total turnover. We have exported to many countries including Israel, USA, UK, Germany, Cyprus, Lebanon, Serbia, etc. with repeat orders and supplies and have been able to satisfy out customers with the quality & delivery.
- **Aggressive marketing policy:** Our Company has been representing itself in various national and international industry related fairs and exhibitions for the purpose of brand building which has given our company a good recognition as a brand at national and international level. With the expansion to super alloys and other speciality products, this exposure would increase, as supply of these products is limited worldwide and with the addition of these products Maiden would be well positioned to highlight availability of these new products at international platforms.
- **Credibility:** Our Company has a good credibility in the market for its quality products, timely delivery, guarantee and service.
- **Vision, Commitment & Past success:** The strong vision of the directors and the commitment towards the Company and its expansion has been proved from time to time including growing our revenues by over 15 times during short period of 11 years. Our company has always succeeded in expanding its product portfolio over last 7 years and each product today has its own market share and has been recognized by renowned brands.



- **Competition:** There are good numbers of manufacturers of similar products in India and globally and although they can be considered competition, however, considering the demand, potential growth and multiple uses and wide range of the quality products being manufactured, our Company has been able to withstand the competition and believes that in future also, there is no significant threat from the competition. Further, experience of top management in the same industries with good knowledge of products and market, enables the Company to anticipate the likely changes in the market scenario and take corrective actions in advance. Also, the quality and delivery of the Company is highly rated by its customers and has a brand recognition in the market. Further, the demand of the products manufactured by the Company is high globally as compared to available supplies, reducing any significant competition possibilities.
- **Strong Financial Discipline:** Our Company maintains strong financial discipline and is regular in payment of banks interest/ instalments as well as creditors on time. Our company follows stringent financial policies. Our company has policy of having internal audits done from time to time to ensure that there is no margin of error.

## OUR BUSINESS STRATEGY

### 1. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process and skill up-gradation of workers to optimize the utilization of resources. We regularly analyze our material procurement policy and manufacturing process to de-bottleneck any grey areas and take corrective measures for smooth and efficient working thereby putting resources to optimal use.

### 2. Quality Assurance

Our Company is dedicated towards continuously maintaining and improving quality of our products which has helped us to maintain long term relations with our customers and has also facilitated us to entrench with new customers. Our quality assurance department ensures that our products comply with required quality standards. We perform tests and inspections on finished products from our well established in-house testing lab and then only supply them to the customers. Our Company is ISO, PED certified. Each consignment from our company is passed through strenuous tests and inspections as a part of our commitment to quality.

### 3. Expand our Current Business Operations

Our company since its inception is engaged in the business of manufacturing and sales of Steel bright bars and steel wires with our fully integrated infrastructure at our plant located at Ghaziabad (Unit-I, II & III). Our company has three units spread across 12,500 square yards in Ghaziabad, having annual combined manufacturing capacity of 50,000 MT. We are planning to expand our current business operations by optimum utilization of resources and adding new product line as per our forward & backward integration strategy and also consolidate and shift our manufacturing operating to a single large facility over next 12 months.

#### *Strategy ahead for Future Growth (Domestic & International market expansion):*

Our company in the next step we plan to expand our markets by exploring markets of the USA, Europe & Africa. For this we have already built strong foundation by regularly exporting our products for last 3 years and regularly participating in various international exhibitions in the Europe specifically in Germany & Czech Republic which are central locations of European business for past 6 years. Our



Company aims to expand to these markets more aggressively in the coming years as those markets are very lucrative for the Indian Manufacturers. In order to develop these markets our company need to enhance product mix. In this regard our company has shortlisted products which are our forward and vertical integrations to our current product portfolio. These products specifically include:

- 1. Collated Pneumatic Nails:** We have recently imported machinery and installed the same to produce collated pneumatic nails from in-house manufacturing facility. Currently, the project is undergoing trials and likely to commence commercial production from Q1 '2023 The project is targeted to produce plastic collated, paper collated and wire collated nails for the application in construction industry around the world. 95% of the production is targeted for exports as these nails are used in pneumatic nail guns, which are currently being utilized by the developed nations for saving the high labor costs as well as to enhance the speed of construction. Phase 2 of the same project includes popularizing the concept of the same technology in India as well to ensure that the nation is able to do construction activities at a faster pace. The product worldwide has a very good demand but very limited supply. The project would be amongst the first few in India.
- 2. Oil Tempered Induction Wire:** This product is being utilized in the automotive sector of India widely for the manufacturing of suspension, clutch and valve springs. Currently Indian manufacturers generally uses the technology, which results in a lower production. We are planning to setup a 5000 ton per annum capacity project to manufacture oil tempered Induction Wire with import of technology that has already been upgraded in other developed nations. India currently has huge demand and the quality materials manufactured from this technology are being imported from countries like Italy, Japan, South Korea, Malaysia and China. Our project will lead to import substitution and also possibly allow exports to developing nations. **Currently, the project is covered under the Production Linked Incentive (PLI) scheme of the Indian Government & Company is expected to enjoy benefits of the same over and above the manufacturing margins. Our company is targeting to commence commercial production of oil tempered induction wire within 12 months.**
- 3.** Our Company over last 5 years, have been developing capabilities to manufacture speciality steels including super alloys. Although we haven't captured significant market yet with our volumes limited to around 1000 MT per annum, but believe that we are in right position to develop and grow the market for these speciality steel products and more than double our volumes over next 12-18 months. We plan extensive advertising and publicity in order to reach out to the right markets that require such steels as the demands are generally high globally. While the volumes of these speciality alloys are low, but margin are relatively much higher.
- 4.** As we are planning to consolidate and expand our manufacturing facility in a single larger facility nearby over next 12 months, the consolidation and expansion is likely to result in economies of scale, better operational efficiencies and increase in production. We are also likely to better cater to large global customers looking to shift their manufacturing base to India with our larger facility.



## SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Wide range of products – grades, metallurgical properties, sizes and shapes</li> <li>• Specialty Products</li> <li>• Quality production capabilities with in- house testing lab</li> <li>• Experience of management</li> <li>• Strong market network &amp; aggressive marketing policies</li> <li>• Wide market penetration</li> <li>• Strong marketing team</li> <li>• Vendor approvals from large established brands</li> <li>• Export development</li> <li>• Customer credibility</li> <li>• Vision, commitment &amp; past success</li> <li>• Strong Financials</li> </ul>	<ul style="list-style-type: none"> <li>• Access to capital being still a MSME company.</li> <li>• Relatively lower geographical reach.</li> <li>• The sector has very limited experienced people at specialty steel management and it is not easy to train and allow them to manage the international operations efficiently at same time.</li> <li>• Development &amp; access to technology</li> <li>• Difficulty in accessing details of other potential international buyers.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Significant growth potential in the field of specialty steels/super alloys, oil tempered induction wires &amp; collated pneumatic nails markets due to large gap in demand and supply.</li> <li>• Possibility of improving product mix and use existing production as raw material for the speciality products and thus improving operating margins.</li> <li>• The Government incentives through Production Linked Incentive (PLI) Scheme &amp; various export incentive scheme for the products manufactured by our Company.</li> <li>• Opportunities to expand into existing markets and penetrate new markets faster considering Company having renowned brand image, wide network of customers, and wide range of customized products.</li> <li>• Significant export expansion opportunities considering that the Company has been able to exports in developed countries such as USA, Germany, Israel, etc. and has gained good knowledge of these markets.</li> <li>• Macroeconomic and global</li> </ul>	<ul style="list-style-type: none"> <li>• Export of products is mainly dependent on the respective policies of the importing countries, import duties levied by them and regulatory frame works, which are unpredictable. Many of these countries may be looking to become self-sustained and reduce their dependence on imports.</li> <li>• Air and Sea Freight are heavily depending on world oil prices which in-turn effects export potential.</li> </ul>



<p>geopolitical factors are favouring development and expansion of Indian manufacturing in a significant manner with many large global players planning to establish/shift their operations to India. This presents very good opportunity to an established quality manufacturer like our Company to become preferred vendor for such global companies.</p>	
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**OUR INFRASTRUCTURE**

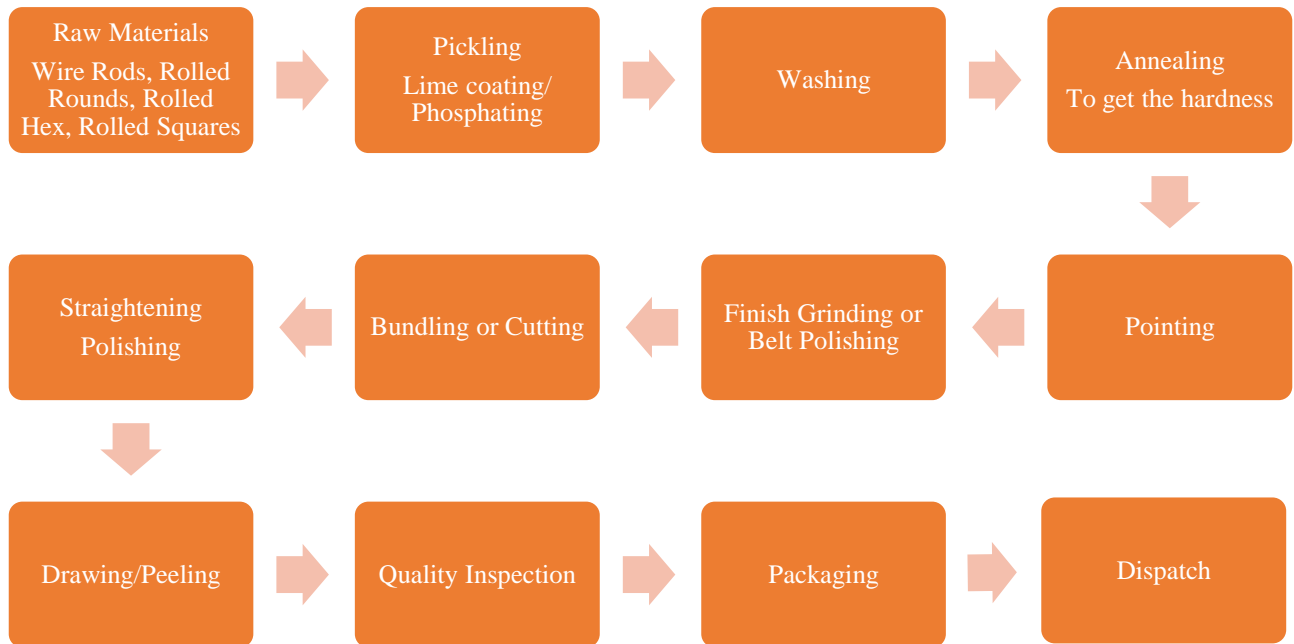
Our company has three manufacturing facilities in UPSIDC’s Industrial Areas at Bulandshahar Road, Ghaziabad and Kavi Nagar Industrial Area, Ghaziabad, and the entire infrastructure is available in this industrial area.





## MANUFACTURING PROCESS

The products manufactured by our Company typically go through the following procedure: -



The general manufacturing process of our products is as under:

1. The steel wire rods and steel rounds, hexagonal and squares are inspected by the QC department to check for surface cracks and accuracy of dimensions and chemical composition.
2. These raw materials are then made to go through the process of pickling during which they are dipped into 3 different tanks- first one being an acid tank for the purpose of rust removal, second, these materials are taken to water for washing away impact of acid on the material. Finally, the material is taken to lime or phosphate tank for the purpose of smoothness of finish in order to achieve better production on the machines and to reduce wear and tear of the machinery during the subsequent processes.
3. After this process of pointing is performed. At this step the tip of the pickled wire rod or round is trimmed using pointing machines in order to make it usable for the draw benches and wire drawing blocks to be used in the next step.
4. The pickled material is passed through draw benches or wire drawing blocks which pull the material through a die of specific size in order to achieve better accuracy and finish.
5. After this the pointed edges of the material that were made at the 3rd step are cut using bend saws. The cut edges are sold as scrap later on.
6. Further in order to get better straightening and polish of the finish and to further improve the surface of material the material is passed through automatic cutters and straightening machines and thus bright bars for standard customers is manufactured at this step in specific lengths and sizes.
7. After this, for the customers who require high quality product the bright bars are passed to center less grinders and disc polishing machines for shiny finish and better appearance of the product. This depends on specific requirement of the customers.
8. After this, the bright bars manufactured are bundled together and weighed on the weighing scales available with the company and tied together as bundles of specific weights using binding wires in order to handle the bundles easily.
9. Few customers also demand specific hardness of the finish product that is different from the original hardness of that grade of material. For this, process of annealing is performed i.e. heating of the material to specific levels



in an annealing furnace and then cooling it slowly at a specific rate.

10. After this point the material is inspected thoroughly for checking of surface finish, accuracy of dimensions, hardness of material, etc in our fully equipped in-house lab.
11. Some customers also demand Magnetic Particle Material test that is for the purpose of checking the internal cracks (if any exist in the finished material) For that we have procured separate machinery through which the entire lot is passed under a testing solution and the internal cracks get visible when dipped into the solution under LED lights.
12. The varieties of shapes are virtually endless and profiles are produced to the exact specification with very close tolerances.
13. The finished products is sent for packing and thereafter to dispatch section.
14. The finished products may further go for electroplating or some other coating by different outside vendors.
15. The scrap steel shall be squashed to compact size through Bailing Press and shall be sent to raw material supplier for re-melting or sold to scrap dealers of steel.

### **OUR R&D AND LABORATORY**

Our company is growth oriented and always deliver the best to our clients. MFL constantly strive to develop something better. Our technical team is always trying to give our customers better than what they are getting today. Also, we try to keep up with the dynamic business scenario and therefore, try to enhance our capabilities with the best testing and development equipment. For this, our Company has a full-fledged working lab equipped with latest technologies for all kinds of metallurgical testing's and development. We also have well qualified team that operate this lab, for constant research and development of different materials. Our lab is capable of any kind of mechanical and chemical testing of the materials. The details of equipment installed includes:

1. Chemical Spectrometer
2. PMI for chemical testing on the spot
3. Ultrasonic testing for internal crack detection
4. MPI testing for surface cracks & sub surface cracks detection
5. Dial Gauges for Straightness testing
6. Microstructure Testing
7. Hardness Testing
8. Tensile Testing
9. General Digital Vernier Callipers & Micrometres for Size checks

All the above equipment is of latest technology which is calibrated regularly and is up to date in best condition.

### **CAPACITY AND UTILISATION**

While, our nominal capacity is 50,000 ton per annum, due to the nature of business and industry in which the Company operates, it is difficult to ascertain the exact capacity available and its utilization since the same machineries can be used to manufacture various types of products of different dimensions and the available capacity and utilization varies based on different product mix. As a general approximation however, we are running at 70% of the capacity utilization. To fulfil the gap between installed capacity & utilized capacity, we have embarked on the forward integration as detailed above including for collated pneumatic nails. These forward integrations will utilize the spare capacity of production as our bright bars and wires are the basic raw materials of collated nails. This gives us new markets, added margins as well as reduced risks by way of reduced receivable cycle, since these products belong to short supply markets. This also should enable us to utilize our existing capacities to the optimum level. Availability of additional capital will also allow us to bridge this gap and help us utilize the planned expansion of the capacity in the planned consolidated manufacturing complex nearby, where the current manufacturing facilities are planned to be shifted and consolidated.





## UTILITIES & INFRASTRUCTURE FACILITIES

Our office is equipped with computer systems, servers, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### Material & Components

The basic material and components required for manufacturing bright bars and wires is ferrous metal including carbon steel, stainless steel and alloys. These materials are procured majorly from domestic suppliers like TATA Steel, SAIL etc. These are the large suppliers of these material and most of our requirements are met by them. Generally, there is no major inconsistency in the quality or fluctuation in price.

**Land:** An aggregate industrial land area admeasuring approximately 12,500 sq. yard is being utilized for our three manufacturing facilities for which required licenses and approvals including factory license has been granted by the competent authorities. The lay-out plan of the shed & building has been also approved by the competent authorities.

### Shed & Building:

Factory Shed	10000 Sq. Yd.
Stores	200 sq. Yd.
Godown for RM & finished Goods	Inside factory shed
Genset Shed	50 sq. Yd.
Administration Office	500 sq. Yd.
Residence for staff	100 sq. yd. (at first Floor)
Security Guard Room	100 sq. Yd.
Rest Room/Toilets	100 sq. yd. (3 no's at GF)

### Utilities:

**Power Connection:** Power connections of 200KVA at Unit I, 500KVA at Unit II, and 700KVA at Unit III are available. Gensets are available for backup in case of power failures.

**Water:** There is no significant water requirement and the requirement is met from the bore well. We also have water-harvesting system to reserve rain water and also recycling water with help of adequate technology and small investment. Per day consumption of all three manufacturing facilities is approximately 6,000 litres/day.

**Manpower:** The manpower requirement for smooth running of the manufacturing facilities in two shifts consists of:

Top Management	5
Skilled Mid-Level Managerial staff	15
Semi-skilled personnel	20
Unskilled labour	45
Administration	15
Marketing	5
Security Guards	10
<b>Total</b>	<b>115</b>



The manufacturing process is technical hence it requires qualified, experienced and trained manpower for smooth functioning of plant. Since, the promoters are well qualified and have good experience and networking in the industry, there is no difficulty in getting appropriate manpower for smooth working of this plant.

**Transportation:** Both inward and outward transportation is required for any business in manufacturing industry. Plant is linked with proper road for transportation of material and good numbers of large/ medium/small transporters are available all the time on one call.

**Communication:** Communication network is appropriate at the plant area. All major national communication service providers are providing their different communication services in this area resulting in availability of good communication options.

**Storage Facilities:** Adequate storage facilities are available at the manufacturing facilities for the raw material and finished products. The raw materials are heavy in form of wire rod coils and rounds of steel and have great variety of grades therefore separate 3,000 sq. yard area has been assigned to raw materials in the project layout. The raw material doesn't require any specific storage conditions. However, finished products need to be protected from rust and therefore appropriate storage arrangements have been made in the layout itself. A separate store is maintained for storage of consumables and tools.

**Effluent Treatment:** We have installed Effluent Treatment plants wherever it is required for the treatment of the chemicals used for coating and washing of our steel products.

## PLANT & MACHINERY

Our Company's manufacturing units are situated at E 201 Industrial Area Kavi Nagar, Ghaziabad, U.P, C 10 B.S. Road Industrial Area, Ghaziabad, U.P and C 118 B.S. Road Industrial Area, Ghaziabad, U.P.

Following is the list of major plant & machineries used by us in the manufacturing process:

Sr. No.	Name of Machinery	Qty.
1.	Pickling Tanks	15
2.	De-scalers	03
3.	Wire Drawing Blocks	50
4.	Pointing machines	10
5.	Draw Benches	06
6.	Straightening & Cutting machines	08
7.	Automatic Drawing and Straightening machines	04
8.	Gravity Block	01
9.	Annealing furnaces & intermediate annealing furnaces.	05
10.	Polishing Machines	04
11.	Straight-line Drawing blocks	02
12.	Grinders	04
13.	Other Machines	
	• Lathe machines	03
	• Eot Cranes	12
	• Packing Machines	05
	• Effluent Treatment plant	02
	• Gensets-	
	○ 125KVA,	02
	○ 85KVA,	01
	○ 20KV	01



14.	Nail Making machines	07
15.	Wire Collating Machines	01
16.	Plastic Collating Machines	01

## RESEARCH AND DEVELOPMENT

Our Company has dedicated R&D team of qualified engineers, focused on developing new products and evaluate the possibility of expansion of our product lines to maintain the leadership in the industry. The team is continuously working to develop affordable products for many new applications in different industries such as automobile, infrastructure, utensils etc.

While developing new products, our team actively participates in trade exhibitions to introduce our products and obtain feedback from our customers and learning about their needs. At the same time, we collect information about our customer's request and requirements of any new product.

## OUR BRIEF FINANCIAL

Our brief financials based on Restated Standalone Financial Statements are as under:-

*Amount in ₹ Lakhs, except per share data*

Particulars	For the stub period ended	For the year ended March 31		
	December 31, 2022	2022	2021	2020
Share Capital	1042.80	521.40	521.40	464.90
Net Worth	3914.56	3113.05	2899.11	2136.92
Revenue from Operations	16351.66	21050.98	19923.61	20412.44
Profit after Tax	801.51	213.94	168.94	165.95
Earnings per share				
- Basic	7.69	4.10	3.24	3.57
- Diluted	7.69	4.10	3.24	3.57
Net Asset Value per Equity Share (in Rs.)	38.30	60.47	56.46	47.31
Total Borrowings (As per Restated Balance Sheet)				
- Long Term	1876.96	1927.07	2013.90	2468.59
- Short Term	4648.21	4243.68	3415.03	3319.54

The major reason for increase in profits during the half year ended Dec 31, 2022 is as under:

1. Implementation of GST;
2. Economy of Scales
3. Rationalizing of the Debt
4. Adding new product lines such as Pneumatic Nails



**Major product wise revenue details for last three financial years:-**

*Amount in ₹ Lakhs, except per share data*

Sr. No.	Products	As at December 31, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
		Amount	% of total Sales	Amount	% of total Sales	Amount	% of total Sales	Amount	% of total Sales
1.	SS	3,534.89	21.58%	4,915.47	23.35%	6,056.79	30.40%	8,916.58	43.68%
2.	MS	12,741.61	77.78%	16,136.18	76.65%	13,869.26	69.60%	11,497.66	56.32%
<b>TOTAL</b>		<b>16,276.50</b>	<b>99.36%</b>	<b>21,051.65</b>	<b>100.00%</b>	<b>19,926.06</b>	<b>100.00%</b>	<b>20,414.24</b>	<b>100.00%</b>

**Major Party Wise Revenue details for last three financial years: -**

*Amount in ₹ Lakhs, except per share data*

S r. N o.	Particulars	As at December 31, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
		Amount	% of total Sales	Amount	% of total Sales	Amount	% of Total Sales	Amount	% of total Sales
1.	Top 5	2047.59	12.50%	2398.97	11.39%	1789.22	8.96%	1989.69	9.75%
2.	Top 10	3342.68	20.41%	3795.68	18.03%	3016.97	15.14%	3300.27	16.17%

**The detail of export is as follows:**

*Amount in ₹ Lakhs, except per share data*

Country	December 2022	2022	2021	2020
U.K				29.24
Serbia	349.17	432.71	215.39	257.03
Israel				6.80
Lebanon			28.96	13.79
U.S.A.	148.53			23.68
Israel	(12.82)			103.05
Nepal	2.67	1.17		2.07
Doha Qatar			12.55	
Cyprus		41.85	8.98	
U.S.A		303.98		
Israel		26.21		
<b>TOTAL</b>	<b>487.56</b>	<b>805.92</b>	<b>265.88</b>	<b>435.67</b>

Until now, our Company predominantly sales in domestic markets, although we have exported pneumatic nails to US and European markets. In future the Company is planning to expand export markets particularly USA. This will be feasible after the collated pneumatic nail plant recently installed starts commercial production in Q1'2023, since 95% of the production is likely to be exported.



## SALES AND MARKETING

- **Marketing team:** Our marketing team includes overall seven personnel, out of which 4 are senior managerial persons with vast experience and good industry connect. The marketing team is constantly striving to connect with more customers and expanding the customer base of the Company. These are specialist of their product & market such as domestic market for steel wires, Export markets for stainless steel bright bars, alloy steel bright bars for domestic auto industry, etc.
- **Online Promotions:** The Company realises the strength of digitalization and thus is engaged actively in promoting the Company and its products on all major online portals. For this, we have specific marketing person engaged to cater to all the new queries that reach us daily via these online portals. We have been active members of trade portals such as Indiamart, etc. and have always catered aggressively any leads generated through online portals. Also, the SEO of the company is excellent as it is being implemented from past 8 years, thus, there is traffic of new potential clients through the website of the Company. This is specific to the key words that people search on google for our product. We have promoted our SEO schematics on more than 30 keys words. Thus, all of the potential buyers for our product line contact us directly by landing on our website in their google searches.
- **Exhibitions & Trade fairs:** The Company has been participating in many international and national trade fairs as an exhibitor. Such business promotion fairs, which are industry and product specific, give good advantage to the branding activities of the Company and many a times bring in major new customers, who in future has proven out to be huge buyers of our product. So far, the Company has participated in multiple exhibitions in Germany & India in addition to one in the Czech Republic in the year 2017. These exhibitions are generally Messe Dusseldorf- Wire & Tube, Wire & Cable Fair, Stainless Steel World Fair, etc.
- **Networking & Tie-ups:** Team MFL and its directors have a vast network of industry specialists, who through informal agreements have been constantly enabling company to acquire new customers. The reputation of the Company and its directors have enabled such arrangements.
- **Databases:** In continuation of our belief in the Digital technology, MFL also has membership of online portals that provide regular updated data of specific markets including customer base and their purchase patterns. The Company engages in data crunching of such data and provide latest leads of the customers to its marketing team to acquire potential customers of our product line.
- **Networking Events:** MFL always supports and encourages its directors and marketing team to attend the networking events which are specific to the industry we operate in. Thus, by attending such events that happen time to time, we get good knowledge of the current trends as well as it helps us to build connect with more potential customers.
- **Foreign Agents:** Company currently engages 1 agent in Israel, and 1 agent in USA on transactional bases. But in the coming financial year the company with its plans to increase its export sales, MFL plans to engage more such agents in foreign markets with good reputation and experience.

## COMPETITION

We operate in a highly competitive market with large numbers of manufacturer supplying similar products. Moreover, there are minimal entry barriers in this industry and any expansion in capacity of existing producers may further intensify competition. . We may face competition from our peers who have similar one or more division of our business and/or on some of the many competitive factors. Competition emerges not only from small but also from big regional, national and international players. We compete primarily on price, quality, product range and delivery speed factors. We generally compete favourably in respect of these factors as compared to competition.



Our experience in this business has enabled us to provide quality products in wide range of sizes and specifications with better delivery speed in response to customer's demand.

### INTELLECTUAL PROPERTY

The Company has following trademark registered /applied for:

Sr. No.	Logo	Act Under Which Application Was Made	Country	Date of Application / Approval date	Application No./Trade mark No.	Class	Current Status	Valid Upto
1.		Trade Marks Act, 1999	India	05-11-2022	56707926	Under Process	Applied	-

### LAND & PROPERTIES

The following table sets for the properties taken on lease by us:

Sr. No.	Location of the property	Date	Licensor / Lessor	Lease Rent/ License Fee (PM)	Lease/License period	Purpose
1.	B-5 Arihant Tower , D Block Vivek Vihar- 110092	15.10.22	Shri Ram Kumar Sharma	10,000/-	11 Months	Registered Office of the company

The following is the details of the properties taken on lease by the Company:

Sr. No.	Location of the property	Date	Licensor / Lessor	Lease Rent/ License Fee	Lease/ License period	Area (Sq. Yards)	Purpose
1	E 201 Kavi Nagar Industrial Area (Unit I), Ghaziabad (UP)	March 28, 2005	U.P. State Industrial Development Corporation Limited	<ul style="list-style-type: none"> <li>• Rs. 2000 per year for First 30 years</li> <li>• Rs. 5000 per year for Next 30 years</li> <li>• Rs. 10000 per year for Next 30 years</li> </ul>	90 Years	1404	Plant & Corporate office
2	C 10 BS Road Industrial Area (Unit I), Ghaziabad (UP)	August 28, 2016	U.P. State Industrial	<ul style="list-style-type: none"> <li>• Rs. 0.20/Rs. 1</li> </ul>	90 Years	5224	Plant



	II) Ghaziabad (UP)		Development Corporation Limited	<ul style="list-style-type: none"> <li>per sq. mtr. per year for first thirty years</li> <li>Rs. 0.50/Rs. 2.5 per sq. mtr. per year for next thirty years</li> <li>Rs. 1/Rs. 5 per sq. mtr. per year for next thirty years</li> </ul>			
3	C 118 BS Road Industrial Area (Unit III)\ Ghaziabad (UP)*	March 28, 2003	U.P. State Industrial Development Corporation Limited	<ul style="list-style-type: none"> <li>Rs. 2000 per year for First 30 years</li> <li>Rs. 5000 per year for Next 30 years</li> <li>Rs. 10000 per year for Next 30 years</li> </ul>	90 Years	5754	Plant

\*Note: The land in respect of the property for Unit III is owned by a related company, Annapurna Melters and Founders Private Limited. The beneficial ownership and possession of the land is with our company pursuant to the agreement signed between our company and Annapurna Melters and Founders Private Limited.

## INSURANCE

The following are the details of the general insurance policies obtained by our Company:

Insurance Co. Name	Property / Machine	Policy No.	Types of Policy	From	To	Sum ASSURED Amount (Rs. In Crore)	Premium Paid Amount (in Rs.)
Iffco-Tokio General Insurance Co. Ltd	C-10 Building	12532795	Bharat Sookshma Udyam Suraksha	30/11/22	29/11/23	4.00	32,143
The New India Assurance Co. Ltd.	C-118 Building	32160011 22800000 0227	New India Bharat Sookshma Udyam Suraksha Policy	10/10/22	09/10/23	3.57	39,406



Icici Lombard General Insurance Company Limited	E-201 Building	1016/2575 18809/00/ 000	Icici Bharat Sookshma Udyam Surkasha	07/09/22	06/09/20 23	4.50	50,537
The New India Assurance Co. Ltd.	Hero Machine	32160011 22800000 0154	New India Bharat Sookshma Udyam Suraksha Policy	25/07/22	24/07/23	1.87	23,402
The New India Assurance Co. Ltd.	Hero Machine	32160011 22800000 0152	New India Bharat Sookshma Udyam Suraksha Policy	25/07/22	24/07/23	2.00	25,016
Icici Lombard General Insurance Company Limited	Stock	1017/2474 07225/00/ 000	Burglary & Icici Bharat Laghu Udyam Suraksh	05/05/22	04/05/23	45.00	4,38,784
United India Insurance Company Limited	Tata Capital-Machinery	22290012 22p10826 8035	Burglary Standard Policy	19/11/22	18/11/23	2.71	23,289
Icici Lombard General Insurance Company Limited	Tata Capital-Machinery (New 2.05 Cr)	1016/2475 24145/00/ 000	Icici Bharat Sookshma Udyam Surkasha	12/05/22	11/05/23	2.60	23,007
Icici Lombard General Insurance Company Limited	Sidbi-Machine Loan	1016/2469 04395/00/ 000	Icici Bharat Sookshma Udyam Surkasha	07/05/22	06/05/23	3.01	26,631
Icici Lombard General Insurance Company Limited	Hydra	3008/2520 24727/00/ 000	General Insurance Services	12/07/22	11/07/23	0.06 (RS-65000)	10,700





## TEAM AND HUMAN RESOURCES

Promoted by visionary and far-sighted promoters with hard-core success dreams in their sleeve, they have steered the business in the right direction with their experience, expertise and unmatched leadership skills. Valuing each and every individual of the team as the value-provider.

Our team is consisting of dedicated workforce at every level be it Quality, Production, Sales & Marketing or Administration. Our Company has a team of qualified engineers, diploma holders, MBAs, Chartered Accountant and experienced management staff.

We focus on attracting and retaining best possible talent. Our Company has access to a large pool of skilled and experienced personnel. As on January 31, 2022 we have 115 employees. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

### Breakup of employees:

Top Management	5
Skilled Mid-Level Managerial staff	15
Semi-skilled personnel	20
Unskilled labour	45
Administration	15
Marketing	5
Security Guards	10
<b>Total</b>	<b>115</b>

### Interest as Member of our Company

As on the date of this Red Herring Prospectus, our Promoters, Ms. Nivedita Garg holds 6256800 Equity Shares and Mr. Nishant Garg holds 4170600 Equity Shares of our Company and are 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 Promoters in our Company our Promoters do not hold any other interest in our Company.

### *Payment Amounts or Benefit to Our Promoters during the Last Two Years*

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Red Herring Prospectus except as mentioned / referred to in this chapter and in the section titled “Our Management”, “Restated Financial Information” and “Capital Structure” on pages 146, 172 and 63 respectively of this Red Herring Prospectus. Further as on the date of this Red Herring Prospectus, there is no bonus or profit sharing plan for our Promoters.



## KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the Income Tax Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

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 Statutory Approvals” beginning on page 224 of this Red Herring Prospectus.

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

### APPLICABLE LAWS AND REGULATIONS

- **The Factories Act, 1948 (“Factories Act”)**

The Factories Act, a central legislation, extends to the whole of India. It is the principal legislation that governs the health, safety and welfare of factory workers. Under the Factories Act each state is empowered to issue its own rules for licensing and administering factories situated in such states (“Factories Rules”). Under the Factories Rules, prior to commencing any manufacturing process, a person needs to obtain a license to register such factory. Separate license needs to be obtained in respect of each premise where a factory is set up or proposed to be set up. The Factories Act defines a factory to cover any premises which employs 10 (ten) 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 (twenty) workers without the aid of power. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is prohibition on employing children below the age of 14 (fourteen) years in a factory.

- **Legal Metrology Act, 2009 (“Legal Metrology Act”)**

The Legal Metrology Act came into effect on April 1, 2011 and has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act was enacted with the objectives 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 and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the controller.

The Legal Metrology Act contains provisions for verification of prescribed weight or measure by Government approved test center. Qualifications are prescribed for legal metrology officers appointed by the Central Government or State Government. It also provides for exemption regulations of weight or measure norms for goods manufactured exclusively for export. Fee is levied under the Legal Metrology Act for various services. A director may be nominated by a company who is responsible for complying with the provisions of the enactment. There is penalty for offences and provision for compounding of offences under the Legal Metrology Act. Further, it provides for appeal against the decision of various authorities and empowers the Central Government to make rules for enforcing the provisions of the enactment.

- **Consumer Protection Act, 2019 (“COPRA, 2019”)**

COPRA, 2019 came into force on August 9, 2019, replacing the Consumer Protection Act, 1986. It has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle



consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, 79 unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes' redressal mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. COPRA, 2019 provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as 5.00 million to imprisonment which may extend to life sentences, for distinct offences under the act.

- **LAW RELATED TO RELEVANT STATE**

### **Shops and establishments legislations**

Under the provisions of local shops and establishments legislations applicable in 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 act, 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.

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

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents.

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **ANTI-TRUST LAWS**

Competition Act, 2002 an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General



he shall be punishable with a fine which may exceed to 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

- **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act, 2013**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

### **The Arbitration and Conciliation Act, 1996**

The purpose of the 1996 Act is to amend and unify domestic arbitration and international commercial arbitration and enforce foreign arbitral awards. The law was also amended in 2015 and 2019 to reduce court involvement in the arbitration. Section 89 of the Civil Procedure Code focuses on the importance of arbitration.

- **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961 ("IT Act")**

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

### **Goods and Service Tax (GST)**

Gujarat Goods and Services Tax Act, 2017 Central Goods and Services Tax Act, 2017 The Integrated Goods and Services Tax Act, 2017 Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST. (Integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Patents Act, 1970
- The Copyright Act, 1957



- The Trade Marks Act, 1999

- Design Act, 2000

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **Designs Act, 2000**

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

## **FOREIGN INVESTMENT RELATED LAWS AND REGULATIONS**

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 (FEMA) read with the applicable FEM Rules. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DIPP (now DPIIT) makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DIPP (now DPIIT) issued the FDI Policy which consolidates the policy framework on FDI issued by DIPP (now DPIIT), in force on August 28, 2017 and reflects the FDI policy as on August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP (now DPIIT). As per the FDI Policy, FDI up to 100% is permitted in wholesale trading under automatic route and up to 51% is permitted in multi brand retail trading under the government route subject to certain conditions prescribed under FDI policy. As per the Press Note No. 3 of 2020 dated April 17, 2020 issued by the DIPP, has amended the FDI Policy to include restrictions on entities belonging to a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, where they can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investment.

### **The Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (FEMA Rules) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior



consents and approvals are required from the RBI for Foreign Direct Investment (FDI) under the —automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed thereunder

The Foreign Trade (Regulation and Development) Act, 1992 (FTA), and the rules framed thereunder, is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993 provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a Director General of Foreign Trade ‘for the purpose of the Act, including formulation and implementation of the Export-Import Policy. The FTA prohibits anybody from undertaking any import or export under an Importer-Exporter Code member (IEC) granted by the Director General of Foreign Trade pursuant to Section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority., then from degradation of the resource

## **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930, The Indian Contract Act, 1872 are also applicable to the company.





## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### HISTORY OF OUR COMPANY

Our Company was originally incorporated on February 11, 2005 as 'Maiden Forgings Private Limited', as a private limited company, under the provisions of the Companies Act, 1956. Later on, consequent upon the conversion of our Company into public limited company, the name of our Company was changed to "Maiden Forgings Limited" and fresh Certificate of Incorporation dated December 02, 2022 was issued by Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U29810DL2005PLC132913.

Today; our Company is an ISO 9001:2015 certified manufacturer, exporter and supplier of all types of Bright steel bars, stainless steel bright bars & all grades of steel wires.

We are backed by a strong infrastructural base, which is well equipped with latest technology, advance machines and equipment's which assist us in maintaining the quality and quantity of wires. We have a strong focus on manufacturing process and have a full-fledged quality testing laboratory and well qualified and experienced personnel. All raw-materials and consumables are tested at various stages in manufacturing process as per stipulated standards to ensure good quality products which confirms to ISO standards.

We operate from our Corporate Office located at E-201, Sector-17, Industrial Area, Kavi Nagar, Ghaziabad-201 002 (U.P.) ("Manufacturing Unit I").

Our second manufacturing unit ("Unit II") is situated at C-10, B.S. Road, Industrial Area, Ghaziabad and third manufacturing unit is situated at C-118 B.S. Road, Industrial Area, Ghaziabad ("Unit III").

### CHANGES IN OUR REGISTERED OFFICE

Registered Office of the Company is presently situated at B-5, Arihant Tower Block D Market, Vivek Vihar Delhi East Delhi 110092, India.

Following are the details of the changes in the address of the registered office of our Company since incorporation:

Date of Change	From	To	Reason for Change
July 21, 2014	XV5352/A, Shora Kothi, Paharganj, Delhi- 110055, India	C-25, Pharma Apartment, IP Extension, Patparganj, Delhi-110092, India	Administrative purposes
February 22, 2018	C-25, Pharma Apartment, IP Extension, Patparganj, Delhi-110092, India	A 161F/F Vivek Vihar, Delhi-110092, India	Administrative purposes
October 15, 2022	A 161F/F Vivek Vihar, Delhi- 110092, India	B-5 Arihant Tower Block D Market, Vivek Vihar, Delhi-11009, India	Administrative purposes





## MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

1. To carry on the business of manufacturing, producing, drawing, twisting, milling, forging and turning, extruding, coiling, galvanizing, plating, coating, treating, forming and to act as agent, broker, importer, exporter, job worker, convertor, stockiest, distributor or otherwise to deal in all kind of wires, and components made of all types of iron, steel, alloy steel or any compounds thereof in all specification, description, applications sizes and dimensions.
2. To carry on the business of buying, selling, and otherwise dealing in all kinds of forged iron and steel,
3. To carry on the business of manufacturing, producing, fabrication, assembling, processing, and to act as agent, broker, importer, exporter, buyer, seller, stockiest, distributor and otherwise to deal in all kind of forged iron and steel components.
4. To carry on the business of making die, casting of alloy, steel and bright bars.

## AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:

Since incorporation, there has been following amendment made to the MoA of our Company:

Date of Amendment	Particulars of Amendment
	<b>Alteration in Capital Clause:</b>
February 28, 2005	The authorised share capital of our Company has been increased from ₹ 6,00,000/- divided into 60,000 Equity Shares of ₹ 10/- each to ₹ 9,00,000/- divided into 90,000 Equity Shares of ₹ 10/- each.
January 01, 2012	The authorised share capital of our Company has been increased from ₹ 9,00,000/- divided into 90,000 Equity Shares of ₹ 10/- each to ₹ 25,00,000/- divided into 250,000 Equity Shares of ₹ 10/- each.
March 28, 2014	The authorised share capital of our Company has been increased from ₹ 25,00,000/- divided into 250,000 Equity Shares of ₹ 10/- each to ₹ 55,00,000/- divided into 550,000 Equity Shares of ₹ 10/- each.
September 24, 2016	The authorised share capital of our Company has been increased from ₹ 55,00,000/- divided into 550,000 Equity Shares of ₹ 10/- each to ₹ 2,00,00,000/- divided into 20,00,000 Equity Shares of ₹ 10/- each.
March 20, 2017	The authorised share capital of our Company has been increased from ₹ 2,00,00,000/- divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 2,50,00,000/- divided into 25,00,000 Equity Shares of ₹ 10/- each.
February 02, 2018	The authorised share capital of our Company has been increased from ₹ 2,50,00,000/- divided into 25,00,000 Equity Shares of ₹ 10/- each to ₹ 4,51,00,000/- divided into 45,10,000 Equity Shares of ₹ 10/- each.
March 11, 2019	The authorised share capital of our Company has been increased from ₹ 4,51,00,000/- divided into 45,10,000 Equity Shares of ₹ 10/- each to ₹ 4,66,00,000/- divided into 46,60,000 Equity Shares of ₹ 10/- each.
September 01, 2020	The authorised share capital of our Company has been increased from ₹ 4,66,00,000/- divided into 46,60,000 Equity Shares of ₹ 10/- each to ₹ 5,80,00,000/- divided into 58,00,000 Equity Shares of ₹ 10/- each.



October 12, 2022	The authorised share capital of our Company has been increased from ₹ 5,80,00,000/- divided into 58, 00,000 Equity Shares of ₹ 10/- each to ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each.
December 02, 2022	<b>Alteration in Name Clause:</b> The name of our Company has been changed from 'Maiden Forgings Private Limited' to 'Maiden Forgings Limited' pursuant to conversion of private company into public company.

#### **DETAILS OF BUSINESS OF OUR COMPANY**

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "Our Business", "Management Discussion and Analysis of Financial Position and Results of Operations" and "Basis for Issue Price" on page 108, 207 and 90 respectively.

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company does not have any Holding Companies as on the date of filing of this Red Herring Prospectus.

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company has no Subsidiary Company as on the date of filing of this Red Herring Prospectus.

#### **OTHER DECLARATIONS AND DISCLOSURES**

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

#### **FUND RAISING THROUGH EQUITY OR DEBT**

For details in relation to our fund-raising activities through equity and debt, please refer to the chapters titled "Capital Structure" and Annexure – VIII of Restated Financial Information of the Company beginning on page number 63 and 199, respectively, of this Red Herring Prospectus.

#### **REVALUATION OF ASSETS**

Our Company has not re-valued its assets since its incorporation.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as stated in this Red Herring Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Red Herring Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled "Our Management" on page 146 of this Red Herring Prospectus.



#### **INJUNCTIONS OR RESTRAINING ORDERS**

Our Company is not operating under any injunction or restraining order.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

#### **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Red Herring Prospectus, our employees are not unionized.

#### **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **SHAREHOLDERS' AGREEMENT**

Our Company does not have any subsisting shareholders' agreement as on the date of this Red Herring Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

Our Company does not have any strategic partner(s) as on the date of this Red Herring Prospectus.

#### **FINANCIAL PARTNERS**

As on the date of this Red Herring Prospectus, our Company does not have any financial partners.

#### **ACQUISITION OF BUSINESSES/ UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last five years.

#### **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

There has been no divestment by the Company of any business or undertaking since inception.

#### **NUMBER OF SHAREHOLDER OF OUR COMPANY**

Our Company has 8 shareholders as on date of the Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled "Capital Structure" beginning on page 63 of this Red Herring Prospectus.



#### **DETAILS OF PAST PERFORMANCE**

For details of Change of management, please see chapter titled “Our Business” and “Our History and certain corporate matters” on page 108 and 141 respectively of this Red Herring Prospectus.

#### **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Restated Financial Information” beginning on page 172 of this Red Herring Prospectus.

#### **COLLABORATION AGREEMENT**

As on the date of this Red Herring Prospectus, Our Company is not party to any collaboration agreement.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Red Herring Prospectus, our Board consist of 5(five) Directors. Mr. Nishant Garg is the Managing Director and Ms. Nivedita Garg is the Chairman and Whole-time Director of Our Company. The Board consists 1(One) Managing Director, 1(One) Wholetime Director, and 3 (Three) Non- Executive Independent Directors. The Company has 1 (one) Woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

S.N.	Name	DIN	Category	Designation
1	Mr. Nishant Garg	03088601	Executive Director	Managing Director
2	Ms. Nivedita Garg	03359751	Executive Director	Whole Time Director & Chairman
3	Ms. Urvi Agarwal	02949847	Non-Executive	Independent Director
4	Mr. Raj Kumar Mittal	09836029	Non-Executive	Independent Director
5	Mr. Abhilash Rastogi	09835969	Non-Executive	Independent Director

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Red Herring Prospectus:

#	Particulars	Details
1	<b>Name</b>	<b>Mr. Nishant Garg</b>
	Father's Name	Late Mr. Sanjay Garg
	Address	KJ-162, Kavi Nagar, Ghaziabad, Uttar Pradesh – 201002, India
	Date of Birth	April 24, 1990
	Age	32 Years
	Designation	Managing Director
	Status	Executive
	DIN	03088601
	Occupation	Business
	Nationality	Indian
	Qualification	MBA (Marketing)
	No. of Years of Experience	11 years
	Date of Appointment (DOA) & Term	DOA: 28/11/2022 Term: Liable to retire by rotation
	Directorship in other Companies	Annapurna Melters And Founders Private Limited Rarepixel Ventures Private Limited
2	<b>Name</b>	<b>Ms. Nivedita Garg</b>
	Father's Name	Mr. Chandra Prakash Govil
	Address	KJ-162, Kavi Nagar, Ghaziabad, Uttar Pradesh – 201002, India
	Date of Birth	May 16, 1965
	Age	57 years
	Designation	Chairman & Whole Time Director
	Status	Executive



	DIN	03359751
	Occupation	Business
	Nationality	Indian
	Qualification	M.A
	No. of Years of Experience	10 years
	Date of Appointment (DOA) & Term	DOA: 28/11/2022
		Term: Liable to retire by rotation
	Directorship in other Companies	Annapurna Melters And Founders Private Limited
3	<b>Name</b>	<b>Ms. Urvi Agarwal</b>
	Father's Name	Mr. S.C. Agarwal
	Address	1312 Siena H2 Block Mahagun Moderne, Sector 78, Noida, Uttar Pradesh-201309
	Date of Birth	September 26, 1986
	Age	36 Years
	Designation	Independent Director
	Status	Non – Executive
	DIN	02949847
	Occupation	Entrepreneur
	Nationality	Indian
	Qualification	B.tech
	Date of Appointment (DOA) & Term	DOA: 06/01/2023
		DOA on present designation: 06/01/2023
Term: 5 years with effect from 06/01/2023		
Directorship in other Companies	Brans Infotech Private Limited Bilaroo Entertainment Private Limited	
4	<b>Name</b>	<b>Mr. Raj Kumar Mittal</b>
	Father's Name	Mr. Om Prakash Mittal
	Address	E 239, Naraina Vihar, Kair, South West Delhi, Delhi- 110028
	Date of Birth	September 10, 1955
	Age	67
	Designation	Independent Director
	Status	Non – Executive
	DIN	09836029
	Occupation	Self Employed
	Nationality	Indian
	Qualification	B.Sc.
	Date of Appointment (DOA) & Term	DOA: 06/01/2023
		DOA on present designation: 06/01/2023
		5 years with effect from 06/01/2023
Directorship in other Companies	NIL	



5

Name	Mr. Abhilash Rastogi
Father's Name	Mr. Shive Kumar Rastogi
Address	6 H 50, Sector 5, Rajendra Nagar, Sahibabad, Ghaziabad, Uttar Pradesh- 201005
Date of Birth	December 03, 1990
Age	32
Designation	Independent Director
Status	Non – Executive
DIN	09835969
Occupation	Business
Nationality	Indian
Qualification	B.tech
Date of Appointment (DOA) & Term	DOA: 06/01/2023
	DOA on present designation: 06/01/2023
	5 years with effect from 06/01/2023
Directorship in other Companies	NIL

#### BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

**Mr. Nishant Garg**, aged 32 years, Executive Director of the Company. He holds Masters' Degree in Business Administration – Marketing (MBA-Marketing). He has good domestic and international network in the same product lines. Ever since his joining as director he has taken the company out to various domestic and international platforms and enabled the company to increase its turnover in huge values over the past 10 years.

**Ms. Nivedita Garg**, aged 57 years, is the Chairperson and Whole-time Director of our Company. She holds the degree of Master of Arts from University of Delhi. She is responsible for implementation of all the systems related to the administration of Maiden Forgings Limited. She has been actively engaged into handling the office staff and works since her appointment as a Director of the company. She is currently involved with entire administrative handling of the company and is a great support to the company. She would be continuing the same task in the new plant.

**Ms. Urvi Agarwal**, aged 36 years, is the Independent Director of the Company. She is a founder of Media29, (professional speaker and software engineer), consults various brands, professionals, and celebrities by guiding them on various aspects based on successful case studies which can change their growth drastically. She is also a certified professional speaker, A master in leadership & transformation, trained more than 10000+ people, Empowering them with the knowledge to evaluate different products and make informed decisions in various areas including finance, entrepreneurship, sales, startups, etc. She has extensive experience of working with renowned Corporates and financial organizations like the National Stock Exchange (NSE), Idfc Bank, Hdfc Bank, IT companies, etc.

**Mr. Raj Kumar Mittal**, aged 67 years, is the Independent Director of the Company. He holds Bachelors' Degree of Science in civil engineering from Zakir Hussain College of Engineering and Technology, Aligarh Muslim University in the year 1980. He has vast experience of working with many reputed organizations like Delhi Development Authority, Wig Brothers Construction Private Limited and many more.

**Mr. Abhilash Rastogi**, aged 32 years, is the Independent Director of the Company. He holds Bachelors' Degree in Technology in Electronics and communication from Jaypee Institute of Information Technology in the year 2013. Since then he has been an entrepreneur himself running business of Electricals Trading in Delhi, NCR. He is young and dynamic personality and has over 9 years of experience of entrepreneurship himself.





**Note:**

- 1) None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Red Herring Prospectus.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 3) None of the Promoters, Directors or persons in control of our Company, have been or are 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.

**FAMILY RELATIONSHIP BETWEEN DIRECTORS**

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

S. No.	Name of the Director	Relationship
1.	Mr. Nishant Garg	Son of Ms. Nivedita Garg
2.	Ms. Nivedita Garg	Mother of Mr. Nishant Garg

**Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension**

None of our Directors is / was a director in any listed company during the last five years before the date of filing of this Red Herring Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

**Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting**

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

**Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors were selected as a director or member of senior management.**

There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or member of the senior management.

**TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS**

*i. Executive Directors*

Name	Mr. Nishant Garg
Designation	Managing Director
Period	Five Years from November 28, 2022
Date of approval of shareholder	November 28, 2022



Remuneration	₹ 24,00,000/- per annum
Perquisite	NIL

Name	Ms. Nivedita Garg
Designation	Chairman – Whole-time Director
Period	Five Years from November 28, 2022
Date of approval of shareholder	November 28, 2022
Remuneration	₹ 12,00,000/- per annum
Perquisite	NIL

#### ii. Non-Executive Directors

Non-Executive & Non-Independent Directors and Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board. They are entitled to a sitting fee for attending the meeting of the Board and the Committee thereof respectively.

*Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.*

#### SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Red Herring Prospectus:

Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our Company
Nishant Garg	41,70,600	39.994%
Nivedita Garg	62,56,800	60.00%

#### INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that



may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

#### ***Interest in promotion of Our Company***

Except Promoters, none of our Directors have any interest in the promotion of our Company.

#### ***Interest in the property of Our Company***

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Red Herring Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

#### ***Interest in the business of Our Company***

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “Restated Financial Information” beginning on page number 199 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

### **DETAILS OF SERVICE CONTRACTS**

None of our directors, except the Managing Director and Whole Time Director, have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

There is no bonus or profit-sharing plan for the Directors of our Company.

### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

No Director has received or is entitled to any contingent or deferred compensation.

### **OTHER INDIRECT INTEREST**

Except as stated in chapter titled “Restated Financial Information” beginning on page 172 of this Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

### **BORROWING POWER OF THE BOARD**

In terms of the special resolution passed in the Extra Ordinary General Meeting of our Company held on November 28, 2022, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from



time totime notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 100 Crore (Rupees One Hundred Crore Only).

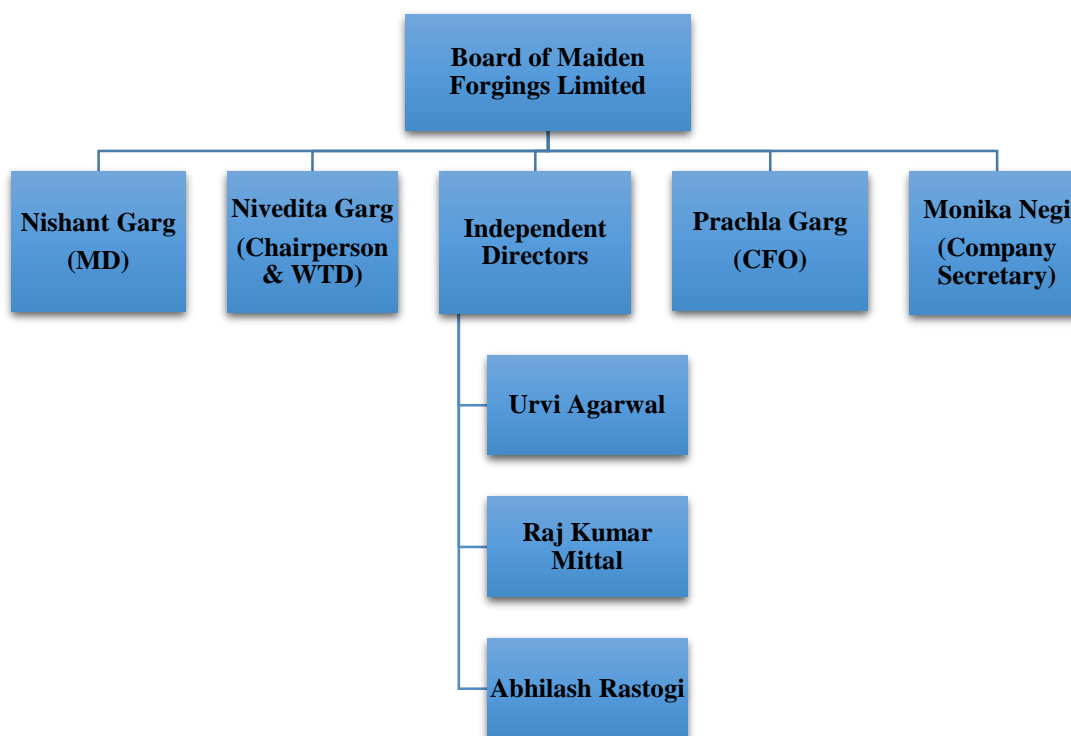
#### CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of the Director	Date of Appointment / Change in designation / Resignation	Reason for Change
Mr. Nishant Garg	01/04/2019	Appointment as Director
Ms. Nivedita Garg	09/02/2022	Appointment as a Non-Executive Director
Mr. Sanjay Garg	26/09/2022	Resignation due to death
Mr. Ashish Gupta	06/01/2023	Resignation
Ms. Urvi Agarwal	06/01/2023	Appointment as Non- Executive and Independent Director
Mr. Nishant Garg	28/11/2022	Appointed as Managing Director
Mr. Nivedita Garg	28/11/2022	Appointed as Whole-time Director Director
Mr. Raj Kumar Mittal	06/01/2023	Appointment as Non- Executive and Independent Director
Mr. Abhilash Rastogi	06/01/2023	Appointment as Non- Executive and Independent Director



## MANAGEMENT ORGANIZATION STRUCTURE



## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges. As on date of this Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee



## AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated January 06, 2023 pursuant to the provisions of Section 177 of Companies Act, 2013 and rules made thereunder read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s)) thereof for the time being in force). As on the date of this Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Ms. Urvi Agarwal	Chairperson	Non-Executive and Independent Director
Mr. Abhilash Rastogi	Member	Non-Executive and Independent Director
Mr. Nishant Garg	Member	Managing Director

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 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 Companies Act, 2013;
  - 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 Red Herring 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 and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;



- 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 blower 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;
- monitoring the end use of funds raised through public offers and related matters;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

In accordance to the Regulation 18 of the SEBI (LODR) Regulations, 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 director.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted pursuant to the provisions of Section 178(5) of the Companies Act 2013 and rules made thereunder read with Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) at a meeting of the Board of Directors held on January 06, 2023. As on the date of this Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Abhilash Rastogi	Chairperson	Non-Executive and Independent Director
Mr. Raj Kumar Mittal	Member	Non-Executive and Independent Director
Ms. Urvi Agarwal	Member	Non- Executive and Independent Director

Any of the member of the Committee may be removed or replaced at any time by the Board. Any member of this committee ceasing to be a director and/or officer shall also be ceased to be a member of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall act in accordance with the Companies Act, 2013 and the terms of reference are as under:

- 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;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;





- 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.
- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

In accordance to the Regulation 19 of the SEBI (LODR) Regulations, the Nomination and Remuneration Committee shall meet at least once in a year. The quorum for a meeting shall be either two members present, or one-third of the members of the, whichever is greater, provided that there should be a minimum of one independent directors present.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee was constituted pursuant to the provisions of Section 178(1) of the Companies Act 2013 and the rules made thereunder read with Regulation 20 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) by the Board of Directors at the meeting held on January 06, 2023. As on the date of this Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Raj Kumar Mittal	Chairperson	Non-Executive and Independent Director
Mr. Abhilash Rastogi	Member	Non-Executive and Independent Director
Mr. Nishant Garg	Member	Managing Director

Any of the member of the Committee may be removed or replaced at any time by the Board. Any member of this committee ceasing to be a director and/or officer shall also be ceased to be a member of the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee shall oversee all the matters pertaining to investors of the Company and the terms of reference are as follows:

- 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 prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

In accordance to the Regulation 20 of the SEBI (LODR) Regulations, the Stakeholders' Relationship Committee



shall meet at least once in a year.

### **Compliance with SME Listing Regulations**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE.

### **KEY MANAGERIAL PERSONNEL**

Mr. Nishant Garg, our Managing Director, Ms. Nivedita Garg, our Whole-time Director, Ms. Prachla Garg, our Chief Financial Officer, and Ms. Monika Negi, our Company Secretary & Compliance Officer are the Key Managerial Personnel of our Company as defined in Section 2(51) of the Companies Act, 2013.

All the Key Management Personnel are permanent employees of our Company.

### **Brief profile of our Key Managerial Personnel**

For a brief profile of Mr. Nishant Garg and Ms. Nivedita Garg, see “Our Management – Board of Directors” on page 146 of this Red Herring Prospectus.

The details of our other Key Managerial Personnel as of the date of this Red Herring Prospectus are set forth below:

#### **Ms. Prachla Garg Chief Financial Officer**

Ms. Prachla Garg is the Chief Financial Officer of the Company. She holds a degree of M.com from the Kota University. She is having almost 30 years of experience in the field of finance and accounting. She is associated with our company for more than 20 years and handles the entire finance department with her team in most efficient manner.

#### **Ms. Monika Negi Company Secretary**

Ms. Monika Negi is the Company Secretary and Compliance Officer of the Company. She is an Associate Member of the institute of Company Secretaries of India (ICSI) having Membership number- A42847. She is having experience in the field on corporate laws. She is having background of working with listed entities. She is responsible for implementing the legal and secretarial compliances of the company. Companies with she was associated were involved in Infrastructure sector, Non-Banking Financing Companies, etc.

#### **Notes:**

- *All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.*
- *There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.*
- *None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.*



#### **FAMILY RELATIONSHIP BETWEEN KMP**

Except the following, none of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

<b>S. No.</b>	<b>Name of the Director</b>	<b>Relationship</b>
1.	Mr. Nishant Garg	Son of Ms. Nivedita Garg
2.	Ms. Nivedita Garg	Mother of Mr. Nishant Garg

#### **BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except Mr. Nishant Garg who is holding 41,70,600 Equity Shares and Nivedita Garg who is holding 62,56,800 Equity Shares of the Company none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Red Herring Prospectus.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS**

Following have been the changes in the Key Managerial Personnel during the last three years:

<b>#</b>	<b>Name of Director</b>	<b>Date of Joining</b>	<b>Reason for Change</b>
1	Nishant Garg	November 28, 2022	Appointed as Managing Director
2	Nivedita Garg	November 28, 2022	Appointed as Whole-time Director
3	Prachla Garg	November 28, 2022	Appointment as Chief Financial Officer
4	Monika Negi	November 28, 2022	Appointment as Company Secretary & Compliance Officer

*Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.*



#### **SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

There are no loans outstanding against the key managerial personnel except as mentioned under chapter “Restated Financial Information- Related Party Transaction” on page 199 of this Red Herring Prospectus.

#### **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “Restated Financial Information” and the chapter titled “Our Business” beginning on pages 172 and 108 of this Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Red Herring Prospectus.

#### **RETIREMENT BENEFITS**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.




## OUR PROMOTERS


**The Promoters of our Company are:**

#	Name	Category	Shareholding
1.	Nishant Garg	Individual Promoter	41,70,600
2.	Nivedita garg	Individual Promoter	62,56,800

*For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page 63 of this Red Herring Prospectus.*

**Brief profile of our Promoters are as under:**

<b>3. Nishant Garg</b>	
	<p><b>Mr. Nishant Garg</b>, aged 32 years, is Promoter &amp; Managing Director of our Company. He is a dynamic young personality who did his Masters in Business Administration from Amity University. He is a dynamic marketer and has been into business now for approximately 11 years. He has been mainly responsible for marketing bright bars &amp; HB wires and forging products. He has good domestic and international network in the same product lines. Ever since his joining as director he has taken the company out to various domestic and international platforms and enabled the company to increase its turnover multiple times over the past 10 years. He holds 41,70,600 Equity Shares, representing 39.99% of the pre issue, subscribed and paid-up Equity Share capital of our Company. For the complete profile of Mr. Nishant Garg, along with details of his educational qualifications, professional experience, directorships held, see "Our Management – Board of Directors" on page 146.</p>
<b>Date of Birth</b>	April 24, 1990
<b>Nationality</b>	Indian
<b>PAN</b>	AQKPG5904H
<b>Passport</b>	U6449410
<b>Driving Licence</b>	UP1420080037911
<b>Bank Account Details</b>	Account No. 59109910321325 with HDFC Bank, Devika Towers, Commercial Complex, Chander Nagar, Ghaziabad - 201010
<b>Residential Address</b>	KJ- 122 Kavi Nagar, Ghaziabad, Uttar Pradesh- 201002

<b>2. Nivedita Garg</b>	
	<p><b>Ms. Nivedita Garg</b>, aged 57 years, is the Chairman and Whole-time Director of the Company. She is responsible for implementation of all the systems related to the administration of Maiden Forgings Limited. She has been engaged into handling the office staff and works since her appointment as Director of the company. She holds 62,56,800 Equity Shares, representing % of the pre issue, subscribed and paid-up Equity Share capital of our Company.</p>
<b>Date of Birth</b>	May 16, 1965
<b>Nationality</b>	Indian
<b>PAN</b>	AGVPG4431A
<b>Passport</b>	NA
<b>Driving Licence</b>	NA
<b>Bank Account Details.</b>	Account No. 03022010100330 with Punjab National Bank, III-D, 9, Nehru Nagar, Nasirpur, Ghaziabad – 201002
<b>Residential Address</b>	KJ- 122 Kavi Nagar, Ghaziabad, Uttar Pradesh- 201002

## DECLARATION

- i. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as willful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
- ii. Our Promoters has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
- iii. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against him. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

*For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Entities” beginning on page no. 166 of this Red Herring Prospectus.*

## Relationship of Promoters with our Directors

Our Promoters are the part of our Board of Directors as Managing Directors and/or Directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.



Promoters	Director	Relationship
Mr. Nishant Garg	Ms. Nivedita Garg	Son and Mother
Ms. Nivedita Garg	Mr. Nishant Garg	Mother and Son

## **INTEREST OF PROMOTERS**

### ***Interest in promotion of Our Company***

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

### ***Interest in the property of Our Company***

Except as given in the chapter titled “Restated Financial Information”, “Related Party Transaction” and “Our Business” on page 172, 199 and 108. 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 Red Herring 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***

Our Promoters jointly hold 1,04,27,400 Equity Shares aggregating to 99.99% of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Nishant Garg and Ms. Nivedita Garg as given in the chapter titled “Our Management” beginning on page number 146 of this Red Herring Prospectus, our Promoters hold no other interest in our Company.

### ***Interest as Director of our Company***

Except as stated in the “Related Party Transactions” beginning on page number 199 of the Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

### **Other Ventures of our Promoters**

Save and except as disclosed in the chapters titled “Our Group Entities” beginning on page 166 of the Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### **Change in the control of Our Company**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus except as stated below:

- Mr. Sanjay Garg due to his sad demise has ceased to be the Director of the Company on September 26, 2022.
- As on September 26, 2022, Mr. Sanjay Garg was holding 49,36,900 Equity Shares of ₹ 10/- each representing 94.69% of the total paid up share capital.

### **Litigation involving our Promoters**





For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “Outstanding Litigation and Material Developments” beginning on page 217 of this Red Herring Prospectus.

#### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Save and except as disclosed under “Related Party Transactions”, as Restated appearing as Annexure VIII on page number 199 of the section titled “Restated Financial Information” beginning on page number 172 of the Red Herring Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Red Herring Prospectus.

#### **Other Confirmations**

As on the date of this Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Red Herring Prospectus, except as disclosed under chapter titled “Outstanding Litigation and Material Developments” beginning on page 217 of this Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

#### **Guarantees**

Except as stated in the section titled "*Financial Statements*" beginning on 172 of this Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Red Herring Prospectus.

#### **Related Party Transactions**

For details of related party transactions entered into by our Company, please refer to “Related Party Transactions”, as Restated appearing as Annexure VIII on page number 199 of the section titled “Restated Financial Information” beginning on page number 172 of the Red Herring Prospectus.

#### **Information of our group companies**

For details related to our group companies please refer “Our Group Entities” on page no. 166 of this Red Herring Prospectus.



## OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

### A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations form part of our Promoter Group:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Nishant Garg	Late Mr. Sanjay Garg	Father
	Ms. Nivedita Garg	Mother
	Ms. Apoorva Garg	Sister
	Ms. Divya Jaisawal Garg	Wife
	Ms. Anshu Jaiswal	Wife's Mother
	Mr. Shailendra Jaiswal	Wife's Father
	Mr. Priyanshu Jaiswal	Wife's Brother
	Mr. Priya Jaiswal Taneja	Wife's Sister
Nivedita Garg	Late Mr. Sanjay Garg	Husband
	Mr. Ram Niwas Garg	Husband's Father
	Mr. Ajay Garg	Husband's Brother
	Ms. Seema Gupta	Husband's Sister
	Mr. Nishant Garg	Son
	Ms. Apoorva Garg	Daughter
	Mr. Harsh Prakash Govil	Brother
	Mr. Hemant Govil	Brother
	Ms. Divya Jaiswal Garg	Daughter in law

### B. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

Particulars	Entity
Any Body corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family (HUF) in which the promoters or any one or more of his immediate relative is a member.	Annapurna Melters & Founders Private Limited Rarepixel Ventures Private Limited
Any company in which a company (mentioned above) holds 20% of the total holding	<b>Nil</b>
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 20% of the total holding	<b>Nil</b>



*All persons whose shareholding is aggregated pursuant to Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations for the purpose of disclosing in the Red Herring Prospectus under the heading “shareholding of the promoter group”*

Sr. No.	Name
1.	Mr. Nishant Garg
2.	Ms. Nivedita Garg
3.	Ms. Apoorva Garg
4.	Ms. Divya Jaiswal Garg
5.	Mr. Harsh Prakash
6.	Mr. Hemant Kumar
7.	Mr. Mayank Govil
8.	Mr. Sarthi Agarwal

#### **COMMON PURSUITS OF OUR PROMOTERS**

The promoter Group entities are having business objects similar to our business. Further, currently we do not have any non-compete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

#### **DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoter have not disassociated themselves from any of the companies/partnership firms during preceding three years.



## OUR GROUP ENTITIES

Pursuant to a resolution of our Board dated January 06, 2023, in accordance with the SEBI (ICDR) Regulations, 2018 and for the purpose of disclosure in the Red Herring Prospectus/ Prospectus (“Offer Document”) in connection to this Issue, Group Companies of our Company shall include: (i) those companies (other than our Promoters and Subsidiary) with which there were related party transactions as per the Restated Financial Statements of our Company as at and for any of the last three financial years; and (ii) such other company as considered material by our Board.

In terms of the Materiality Policy on Group Companies apart from the companies with which there have been related party transactions during the period for which financial information has been disclosed under this Red Herring Prospectus, a company is considered to be a material Group Company as under:

Below mention are the details of Companies / Entities promoted by the Promoters of our Company. No equity shares of our group entities are listed on any of the stock exchange and they have not made any public or rights issue of securities in the preceding three years.

### A. The Group Companies of our Company are as follows:

Sr. No	Name of Entity	PAN No.	CIN
1.	Annapurna Melters And Founders Private Limited	AABCA2508H	U27101UP1984PTC006378
2.	Rarepixel Ventures Private Limited	AALCR6822P	U51909UP2022PTC160265

## DETAILS OF GROUP COMPANIES

### ANNAPURNA MELTERS AND FOUNDERS PRIVATE LIMITED

#### Corporate Information

Annapurna Melters and Founders Private Limited was incorporated under the Companies Act, 1956 on January 3, 1984, is a private limited company, having CIN U27101UP1984PTC006378. The registered office of Annapurna Melters And Founders Private Limited is situated at C-118 Bulandshahr Road Industrial Area Ghaziabad Uttar Pradesh - 201002. Annapurna Melters And Founders Private Limited is involved in Manufacture of Basic Iron & Steel.

#### Board of Directors

The Directors of Annapurna Melters And Founders Private Limited as on the date of this Red Herring Prospectus are as follows:

Name	Designation
Nishant Garg	Director
Nivedita Garg	Director



### Shareholding Pattern

The Shareholding Pattern of Annapurna Melters And Founders Private Limited as on the date of this Red Herring Prospectus is as follows:

Shareholders name	No. of shares	% of total holding
Nishant Garg	70	1.40%
Nivedita Garg	4831	97.20%
Apporva Garg	70	1.40%
<b>Total</b>	<b>4,971</b>	<b>100.00%</b>

### Financial Performance

Certain details of the audited financials of Annapurna Melters And Founders Private Limited are set forth below:

(₹ in Lakhs, except per share data and no. of shares)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Income	0.26	405.30	0.23
Profit after Tax	-2.14	1.63	1.77
Equity Capital	4.97	4.97	4.97
Reserves & Surplus (excluding revaluation reserve)	4.21	6.35	4.71
Net worth	9.18	11.32	9.68
NAV per share	184.7	227.8	194.9
Earnings per share (EPS) (Basic) in ₹	-	-	-
Earnings per share (EPS) (Diluted) in ₹	-	-	-
No. of Equity Shares of ₹ 100/- each	49,71	49,71	49,71

### RAREPIXEL VENTURES PRIVATE LIMITED

#### Corporate Information

Rarepixel Ventures Private Limited was incorporated under the Companies Act, 2013 on March 2, 2022, is a private limited company, having CIN U51909UP2022PTC160265. The registered office of Rarepixel Ventures Private Limited is situated at E 201, Sector 17 Kavi Nagar Ind. Area, Ghaziabad, Uttar Pradesh 201002. Rarepixel Ventures Private Limited aspire to serve in wholesale trade and commission trade, except of motor vehicles and motorcycles activities across the India.

#### Board of Directors

The Directors of Rarepixel Ventures Private Limited as on the date of this Red Herring Prospectus are as follows:

Name	Designation
Nishant Garg	Director
Neeraj Naman	Director

### Shareholding Pattern

The Shareholding Pattern of Rarepixel Ventures Private Limited as on the date of this Red Herring Prospectus is as follows:



Shareholders name	No. of shares	% of total holding
Nishant Garg	19800	99%
Neeraj Naman	200	1%
<b>Total</b>	<b>20,000</b>	<b>100.00%</b>

### Financial Information

(₹ in Lakhs, except per share data and no. of shares)

Particulars	Fiscal 2022*	Fiscal 2021	Fiscal 2020
Total Income	8.60	-	-
Profit after Tax	-0.41	-	-
Equity Capital	2.0	-	-
Reserves & Surplus (excluding revaluation reserve)	-0.41	-	-
Net worth	1.58	-	-
NAV per share	7.94	-	-
Earnings per share (EPS) (Basic) in ₹	-2.06	-	-
Earnings per share (EPS) (Diluted) in ₹	-2.06	-	-
No. of Equity Shares of ₹ 10/- each	20,000	-	-

\*Note- Company has been incorporated on March 03, 2022

### DECLARATIONS

- None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.
- None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.
- None of the entities in the Promoter Group Companies has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

### LITIGATIONS

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled “Outstanding Litigations and Material Developments” on page 217 of the Red Herring Prospectus.

### DEFUNCT GROUP COMPANIES

There is no defunct Group Companies of our Company as on the date of this Red Herring Prospectus.

### UNDERTAKING / CONFIRMATIONS

Our Promoters and Group Companies confirm that they have not been declared as a wilful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or



- ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

**OTHER DETAILS OF GROUP COMPANIES/ENTITIES:**

- 1. There are no defaults in meeting any statutory/ bank/ institutional dues;
- 2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

**NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES**

**(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled “Restated Financial Information–Annexure VIII- Related Party Transaction” on page 199 of this Red Herring Prospectus.

**(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Red Herring Prospectus with Stock Exchange**

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Red Herring Prospectus with Stock Exchange.

**(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.





### **RELATED PARTY TRANSACTION**

For details on related party transaction of our Company, please refer to Annexure VIII of Restated Financial Information beginning on page 199 of this Red Herring Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

The factors that may be considered by the Board before making any recommendations for the dividend, include but are not limited to:

- a) Profits earned during the financial year;
- b) Liquidity of the Company
- c) Obligations towards repayment of debt including maintaining debt service reserves;
- d) Future expansion plans and capital requirements;
- e) Applicable taxes including tax on dividend
- f) Exemptions under tax laws available to various categories of investors from time to time.

The list of persons entitled to receive Dividends at the closure date shall be prepared by the Share Registrar according to the Company's instructions and prevailing legislation. The time, place and procedure for payment of Dividends shall be publicly communicated to shareholders in advance of the register closure date and payment date. There are no dividends declared by our Company since incorporation.

**Our Company has not formed the dividend distribution policy.**



## SECTION VII- FINANCIAL INFORMATION

### FINANCIAL STATEMENT AS RESTATED

#### INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

To

**The Board of Directors,**

**Maiden Forgings Limited**

**B-5,ARIHANT TOWER**

**BLOCK D MARKET, VIVEK VIHAR**

**East Delhi 110092 , India**

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Maiden Forgings Limited** (the “Company” or the “Issuer”), which comprise of Restated Standalone Balance Sheet for the period of 9 months ended on 31st December, 2022 and year ended at 31st March, 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020, the Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Changes in Equity and Restated Statement of Cash Flows for the for the period of 9 months ended on 31st December, 2022, and 31st March, 2022, 31<sup>st</sup> March, 2021, and 31<sup>st</sup> March, 2020, and the Summary of Significant Accounting Policies and other explanatory information (collectively referred to as the “restated standalone financial information” or “restated standalone financial statements”) annexed to this report and initialed by us for identification purposes. These Restated Standalone 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 February 02, 2023 for the purpose of inclusion in the Red Herring Prospectus (“DRHP”) and Red Herring Prospectus (“RHP”) to be prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) on Stock Exchange.

2. These restated summary statements have been prepared in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Company Act, 2013 (the “Act”);
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

3. The Company’s Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the DRHP and RHP to be filed with Securities and Exchange Board of India (“SEBI”), the stock exchanges where the equity shares of the Company are proposed to be listed (“Stock Exchanges”) and the Registrar of Companies, Delhi, situated at Delhi (“ROC”), in connection with the proposed IPO. The Restated Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Standalone Financial Information.

The Board of Directors of the company included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Board of Directors of the company are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

4. We have examined such Restated Standalone Financial Information taking into consideration:



- a) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed IPO of Equity Shares of the Company.
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - b) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information;
  - c) 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 proposed IPO of equity shares of the Company.

5. These Restated Standalone Financial Information have been compiled by the management from audited standalone financial statements of the Company for the period of 9 months ended on 31st December 2022 and as at 31st March, 2022, 31st March 2021 and 31st March 2020 prepared in accordance with Ind AS prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the “standalone financial statements”), which have been approved by the Board of Directors at their Board meetings held on February 02, 2023.
6. Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period 01.04.2022 to 31.12.2022 and the financial years ended 31st March, 2022, 31st March, 2021 and 31st March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the period ended at 31st December, 2022;
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
  - c) does not contain any qualifications requiring adjustments;
  - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note;
  - e) adequate disclosures has been made in the financial statements as required to be made by the issuer as per Schedule III of the Companies Act, 2013;
  - f) the Accounting standards prescribed under the Companies Act, 2013 has been followed; and
  - g) The financial statements present a true and fair view of the Company’s accounts.
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:
  - The “Restated Summary Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at for the period of 9 months ended on 31st December 2022 and as at financial year ended 31st March 2022, 31st March 2021 and 31st March 2020 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.



- The “Restated Summary Statement of Profit and Loss” as set out in Annexure II to this report, for the period of 9 months ended on 31st December 2022 and as at financial year ended on 31st March 2022, 31st March 2021 and 31st March 2020 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
  - The “Restated Summary Statement of Cash Flow” as set out in Annexure III to this report, of the Company for the period of 9 months ended on 31st December 2022 and financial year ended 31st March 2022, 31st March 2021 and 31st March 2020 are prepared by the Company and approved by the Board of Directors. These Restated summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV 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 period of 9 months ended on 31st December 2022 and financial year ended 31st March 2022, 31st March 2021 and 31st March 2020 proposed to be included in the DRHP / RHP of the company:

<b>Annexure No.</b>	<b>Particulars</b>
I	Restated Statement of Assets & Liabilities
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.3A	Restated Statement of Long-Term Provisions
I.4	Restated Statement of Short-Term Borrowings
I.5	Restated Statement of Trade Payable
I.6	Restated Statement of Other Current Liabilities
I.7	Restated Statement of Short-Term Provisions
I.8	Restated Statement of Property, Plant and Equipment
I.9	Restated Statement of Intangible Assets
I.10	Restated Statement of Long-Term Loans and Advances
I.11	Restated Statement of Inventories
I.12	Restated Statement of Trade Receivable
I.13	Restated Statement of Cash & Cash Equivalent
I.14	Restated Statement of Short-Term Loans and Advances
I.15	Restated Statement of Other Current Assets
II	Restated Statement of Profit & Loos
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Manufacturing & Operating Expenses
II.4	Restated Statement of Cost of Material Consumed
II.5	Restated Statement of Changes in Inventories of Finished Goods
II.6	Restated Statement of Employees Benefit Expenses
II.7	Restated Statement of Other Expenses
II.8	Restated Statement of Depreciation& Amortisations Expenses
II.9	Restated Statement of Financial Expenses
II.10	Restated Statement of Expenditure in Foreign currency



II.11	Restated Statement of Earnings in Foreign Currency
II.12	Restated Statement of Earnings Per Share
Other Annexures:	
III	Statement of Cash Flow, As Restated
IV	Statement of Significant Accounting Policies
V	Restated Adjustments to Audited Financial Statements
VI	Other Notes to the Restated Standalone Financial Statements
VII	Restated Summary Statement of Tax Shelters
VIII	Statement of Related Parties & Transactions
IX	Changes in the Significant Accounting Ratios- As restated
X	Statement of Capitalisation- As restated
XI	Restated Statement of Dividend

9. We H.G. & Company, Chartered Accountant 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.

10. The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP and RHP to be filed with SEBI, Stock exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For H G & CO.,  
Chartered Accountants  
Firm's Registration No.: 013074C

Himanshu Garg  
Partner  
Place: Delhi  
Membership No.: 403482

Date: February 2, 2023  
UDIN: 23403482BGX0IQ8122



## Annexure I- Restated Statement of Assets and Liabilities

(All amounts are in Lakhs, unless otherwise stated)

Particulars		Note No.	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>I</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>Shareholders' Funds</b>					
	(a) Equity Share Capital	I.1	1042.80	521.40	521.40	464.90
	(b) Reserves and Surplus	I.2	2871.76	2591.65	2377.71	1672.02
	<b>Non-Current Liabilities</b>					
	(a) Long-Term Borrowings	I.3	1876.96	1927.07	2013.90	2468.59
	(b) Deferred Tax Liabilities (net)		59.61	29.89	42.65	59.83
	(c) Long-Term Provisions	I.3A	19.95	9.74	2.23	2.83
	<b>Current liabilities</b>					
	(a) Short-Term Borrowings	I.4	4648.21	4243.68	3415.03	3319.54
	(b) Trade Payables	I.5				
	(i) total outstanding dues of micro enterprises and small enterprises; and		.00	.00	.00	.00
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1163.94	730.78	1266.38	1315.53
	(c) Other Current Liabilities	I.6	630.38	867.09	758.44	547.92
	(d) Short-Term Provisions	I.7	282.09	92.93	86.52	38.90
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12595.69</b>	<b>11014.23</b>	<b>10484.25</b>	<b>9890.05</b>	
<b>II</b>	<b>ASSETS</b>					
	<b>Non-current assets</b>					
	(a) Property, Plant and Equipment and Intangible assets					
	(i) Property, Plant and Equipment	I.8	3034.20	2448.67	2553.92	2920.86
	(ii) Intangible Assets	I.9	.00	.00	.00	.00
	(b) Long-Term Loans & Advances	I.10	428.97	428.77	425.77	407.44
	(c) MAT credit		.00	.00	4.44	4.44
	<b>Current assets</b>					
	(a) Inventories	I.11	4997.27	4143.38	3654.45	2380.51
	(b) Trade Receivables	I.12	2457.96	2714.68	3305.72	3086.24
	(c) Cash and Bank Balances	I.13	343.54	300.22	362.84	212.39
	(d) Short-Term Loans and Advances	I.14	1092.77	892.16	57.09	760.78
	(e) Other Current Assets	I.15	240.98	86.34	120.03	117.39
	<b>TOTAL ASSETS</b>		<b>12595.69</b>	<b>11014.23</b>	<b>10484.25</b>	<b>9890.05</b>


**Annexure II- Restated Statement of Profit and Loss**
*(All amounts are in Lakhs, unless otherwise stated)*

Particulars		Note No.	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
I	Revenue from Operations	II.1	16351.66	21050.98	19923.61	20412.44
II	Other Income	II.2	29.38	32.74	13.87	27.93
III	<b>Total Income (I + II)</b>		<b>16381.04</b>	<b>21083.72</b>	<b>19937.49</b>	<b>20440.37</b>
IV	<b>Expenses</b>					
	(a) Manufacturing & Operating expenses	II.3	541.48	665.55	446.49	599.38
	(b) Cost of Material Consumed	II.4	14453.25	19027.57	18514.81	18176.02
	(c) Changes in inventories of Finished Goods	II.5	-823.79	-382.79	-707.29	-3.82
	(d) Employee Benefits Expenses	II.6	227.13	188.51	167.75	147.92
	(e) Sales , administration and other expense	II.7	222.31	354.22	163.67	177.80
	(f) Depreciation and Amortisation Expenses	II.8	235.69	341.02	408.25	439.23
	(g) Finance Cost	II.9	411.64	595.54	705.53	673.63
	<b>Total Expenses</b>		<b>15267.71</b>	<b>20789.62</b>	<b>19699.21</b>	<b>20210.16</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		1113.33	294.10	238.28	230.21
VI	Exceptional Items & Extraordinary items					
VII	<b>Profit Before Tax (V + VI)</b>		1113.33	294.10	238.28	230.21
VIII	<b>Tax Expense:</b>					
	(a) Current Tax		282.09	92.93	86.52	80.72
	(b) Mat Credit Entitlement					
	(c) Deferred Tax		29.73	-12.77	-17.18	-16.46
	(c) Previous Year Taxes					
	<b>Total Tax Expense</b>		<b>311.82</b>	<b>80.16</b>	<b>69.34</b>	<b>64.26</b>
IX	<b>Profit After Tax (VII - VIII)</b>		801.51	213.94	168.94	165.95
X	<b>Earnings Per Share of Rs. 10 each (Previous Years Rs. 1 each):</b>					
	(a) Basic	II.12	7.69	4.10	3.24	3.57
	(b) Diluted	II.12	7.69	4.10	3.24	3.57





### Annexure III- Restated Statement of Cash flows

(All amounts are in Lakhs, unless otherwise stated)

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Profit before tax</b>	<b>1113.33</b>	<b>294.10</b>	<b>238.28</b>	<b>230.21</b>
<b>Adjustments for:</b>				
Depreciation & amortization expense	235.20	340.36	407.59	438.77
Interest expense on borrowings	.00	.00	.00	.00
Foreign Exchange Gain	.00	.00	.00	.00
<b>Operating Profit before working capital changes</b>	<b>1348.53</b>	<b>634.46</b>	<b>645.87</b>	<b>668.98</b>
<b>Changes in operating assets and liabilities:</b>				
Increase/(decrease) in trade payables	433.15	-535.59	-49.15	-1171.31
Increase/(decrease) in other current liabilities	-236.72	108.65	210.52	130.63
Increase/(decrease) in other non-current liabilities	10.20	7.52	-.60	2.83
Decrease/(increase) in loans and advances and other current assets	-355.25	-801.39	701.05	154.94
Decrease/(increase) in trade receivables	256.73	591.03	-219.48	727.35
Decrease/(increase) in inventories	-853.89	-488.93	-1273.93	-188.83
Decrease/(increase) in other non-current assets	-.20	-3.00	-18.34	-11.58
<b>Cash generated from operations</b>	<b>602.55</b>	<b>-487.26</b>	<b>-4.06</b>	<b>313.02</b>
Income taxes paid	92.93	82.07	38.90	48.73
<b>Net cash flow from operations (A)</b>	<b>509.62</b>	<b>-569.33</b>	<b>-42.96</b>	<b>264.29</b>
<b>Cash flow from investing activities</b>				
Purchase of /Advances for property, plant & equipment	820.72	235.11	40.65	279.99
Purchase of Intangible assets	0	.00	.00	.00
<b>Net cash used in investing activities (B)</b>	<b>820.72</b>	<b>235.11</b>	<b>40.65</b>	<b>279.99</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of equity shares	.00	.00	593.25	.00
Proceeds/(Repayment) of Long Term Borrowings	-50.11	-86.83	-454.69	-203.14
Proceeds/(Repayment) of Short Term Borrowings	404.53	828.65	95.49	150.60
Interest paid	.00	.00	.00	.00
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>354.42</b>	<b>741.82</b>	<b>234.05</b>	<b>-52.53</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	43.32	-62.62	150.44	-68.23
Cash and cash equivalents at the beginning of the year	300.22	362.84	212.39	280.62
<b>Cash and cash equivalents at the closing of the year</b>	<b>343.54</b>	<b>300.22</b>	<b>362.84</b>	<b>212.39</b>



**a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note I-13):**

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Cash in hand	6.08	22.42	17.78	11.06
FD with SBI (Pledge as margin money with SBI)	122.50	122.50	122.50	121.75
FD with banks	173.18	149.66	92.49	.00
Balances with Banks	41.78	5.64	130.07	79.58
	<b>343.54</b>	<b>300.22</b>	<b>362.84</b>	<b>212.39</b>

**Notes forming part of the Restated Financial Statements**

**NOTE -1 Group Information**

The Company is registered under Companies Act 1956 and it is incorporated on 11th February 2005 with CIN No.U29810DL2005PTC132913. The company is engaged in in the manufacturing and sales of ferrous metal products including steel bright bars, wires, profiles and ground bars.

**NOTE -2 significant accounting policies**

**(a) Basis of accounting and preparation of financial statements**

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at December 31, 2022, March 31, 2022, 2021 and 2020 the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the for the year /years ended December 31, 2022, March 31, 2022, 2021 and 2020 (hereinafter collectively referred to as “Restated Financial Information”) have been extracted by the management from the audited financial statements for the December 31, 2022, March 31, 2022, 2021 and 2020 approved by the respective Board of Directors of the companies. These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 („the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**(b) Use of estimates**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**(c) Inventories**

Raw Materials, Stores & Spare parts and Packing Material are valued at cost. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out basis.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest income is recognized on accrual basis on balance outstanding as at end of financial year.

**(d) Revenue Recognition**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the



consideration that will be derived from the sale of goods. Sales are recognized net of trade discounts, rebates and Goods and Service Tax.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest income is recognized on accrual basis on balance outstanding as at end of financial year.

**(e) Depreciation & amortisation**

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the written down value method Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act 2013 which are as follows :

<b>Asset Head</b>	<b>Useful life</b>
Building	30 Years
Plant & Machinery	15 Years
Vehicles	8 Years
Furniture & Fixtures	10 Years
Computers	3 Years
Electrical Equipment's	15 Years
Office Equipment's	5 Years

The residual value and the useful life of an asset is reviewed at each financial year end.

**(f) Property, Plant & Equipment**

Items of Property, plant and equipment are measured at its cost less any accumulated depreciation and any accumulated impairment losses. The cost comprises its purchase price including import duties and non- refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standards of performance.

Items of property, plant and equipment retired from active use and held for disposal is stated at the lower of their carrying amount and net realisable value. Any write-down in this regard is recognised immediately in the statement of profit and loss.

**(g) Intangible Assets**

An intangible asset is recognised only when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Subsequent expenditure on an intangible asset after its purchase or its completion recognised as an intangible asset it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measured and attributed to the asset reliably.

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. An intangible asset is derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal. The depreciable amount of an intangible asset is allocated on a systematic basis over the best estimate of its useful life.

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The company has capitalized all costs relating to acquisition and installation of intangible fixed assets.

**(h) Cash flow statement**



Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**(i) Cash and Cash equivalent**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**(j) Foreign currency transactions**

Foreign Currency Transactions related to purchase and sales are recorded at the exchange rates prevailing under Customs Act on the date of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payments or realisations as the case may be. Monetary assets and liabilities denominated in foreign currency as on Balance Sheet date are translated into functional currency at the exchange rates prevailing on that date and Exchange differences arising out of such conversion are recognised in the Statement of Profit and Loss. Other foreign currency transactions are recorded at prevailing RBI rates.

**(k) Investment**

Investments are classified as long term investments and current investments. The carrying amount for current investments is the lower of cost and fair value. For current investments, any reduction to fair value and any reversals of such reductions are included in the profit and loss statement. Long-term investments are usually carried at cost. Any decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

**(l) Employee benefits**

- i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii. **Defined Benefit Plans:**  
Gratuity and Leave encashment are defined benefit plan payable at the end of the employment. The provision for gratuity has been made on the basis of 15days Salary and wages calculated for each completed year of service.
- iii. **Defined Contribution Plans:**  
Defined contribution plans are those plans in which the company pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation beyond the monthly contributions and are recognised as an expenses in Statement of Profit & Loss.

**(m) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account

**(n) Segment Reporting**



A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

Internal organisation and management structure of an enterprise and its system of internal financial reporting to the board of directors and the chief executive officer should normally be the basis for identifying the predominant source and nature of risks and differing rates of return facing the enterprise and, therefore, for determining which reporting format is primary and which is secondary.

#### Reportable Segments

A business segment or geographical segment should be identified as a reportable segment if

- (a) its revenue from sales to external customers and from transactions with other segments is 10 per cent or more of the total revenue, external and internal, of all segments; or
- (b) its segment result, whether profit or loss, is 10 per cent or more of :
  - i. the combined result of all segments in profit, or
  - ii. the combined result of all segments in loss,
  - iii. its segment assets are 10 per cent or more of the total assets of all segments.

#### (o) Earnings per share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

#### (p) Accounting for taxes on income

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on Accounting for Taxes on Income" (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

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.

#### (q) Impairment of Assets

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment



loss been recognized for the asset in prior years. However, there is no such kind of Fixed Asset in the company which require impairment.

**(r) Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(s) Additional Regulatory Information**

- (i) The Company has not been declared a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- (ii) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iii) The Company has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting years except as reported in the financial statements.
- (iv) There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- (v) The Company do not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vi) All the quarterly statements of current assets filed by the Company with banks or financial institutions agree with books of accounts.
- (vii) The Company did not enter transactions in Cryptocurrency or Virtual currency during the period ended December 31, 2022 and March 31, 2022, 2021 and 2020.
- (viii) The company does not have any relationship with companies struck off (as defined by Companies Act, 2013) and did not enter into transactions with any such company for the year ended December 31, 2022 and March 31,2022, March 31,2021 and March 31,2020.

**(t) Corporate Social responsibility (CSR)**

Provisions of Section 135 of Companies Act, 2013 are not applicable on the company. Hence, no provision for CSR expense has been made during the period.



## I.1 Restated Statement of Equity Share Capital

### I.1.1 Equity Share Capital

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>(a) Authorised Share Capital*</b>				
Equity Share Capital	1500.00	580.00	580.00	464.90
<b>Total Authorised Share Capital</b>	1500.00	580.00	580.00	464.90
<b>(b) Issued, Subscribed &amp; Fully Paid up Shares</b>				
Equity Share Capital	1042.80	521.40	521.40	464.90
<b>Total Issued, Subscribed &amp; Fully Paid up Shares</b>	1042.80	521.40	521.40	464.90

### Details of No. of Shares

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>(a) Authorised Share Capital *</b>				
No of Equity Shares (in Lakhs)	150.00	58.00	58.00	46.49
Face Value per Share is Rs.10	10.00	10.00	10.00	10.00
Equity Share Capital	1500.00	580.00	580.00	464.90
<b>(b) Issued, Subscribed &amp; Fully Paid up Shares</b>				
No of Equity Shares	104.28	52.14	52.14	46.49
Face Value per Share	10.00	10.00	10.00	10.00
Equity Share Capital	1042.80	521.40	521.40	464.90

### I.1.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 Dec, 2022		As at 31 March, 2022		As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>								
<b>Balance at the beginning of the year</b>	52.14	521.40	52.14	521.40	46.49	464.90	46.49	464.90
Issued during the year	52.14	521.40			5.65	56.50		
Call money receipts for shares issued during the previous years								
Shares bought back								
<b>Balance at the end of the reporting year</b>	104.28	1042.80	52.14	521.40	52.14	521.40	46.49	464.90

### I.1.3 Terms/ rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



#### I.1.4 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 Dec, 2022		As at 31 March, 2022		As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each fully paid-up **</b>								
Nishant Garg	41.71	39.9942%	.00	0.00%	.00	0.00%	.00	0.00%
Nivedita Garg	62.57	60.0000%	2.77	5.31%	2.77	5.31%	2.77	5.96%
Late Mr. Sanjay Garg			49.37	94.69%	49.37	94.69%	43.72	94.04%

#### I.1.5 Details of Promoter shareholding

Name of Shareholder	As at 31 Dec, 2022		As at 31 March, 2022		As at 31 March, 2021		As at 31 March, 2020	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each fully paid-up **</b>								
Nivedita Garg	62.57	60.0000%	2.77	5.31%	2.77	5.31%	2.77	5.96%
Nishant Garg	41.71	39.9942%						
Late Mr. Sanjay Garg	.00	0.000%	49.37	94.69%	49.37	94.69%	43.72	94.04%
Apoorva Garg	.00	0.0010%						
Divya Jaiswal	.00	0.0010%						
Sarthi Agarwal	.00	0.0010%						
Harsh Prakash	.00	0.0010%						
Hemant Kumar	.00	0.0010%						
Mayank Govil	.00	0.0010%						
<b>% change during the year/period</b>								
Nivedita Garg	59.80	54.690%						
Nishant Garg	41.71	39.994%						
Late Mr. Sanjay Garg	(49.37)	(94.69%)						
Apoorva Garg	.00	0.0010%						
Divya Jaiswal	.00	0.0010%						
Sarthi Agarwal	.00	0.0010%						
Harsh Prakash	.00	0.0010%						
Hemant Kumar	.00	0.0010%						
Mayank Govil	.00	0.0010%						

#### I.2 Restated Statement of Reserves and Surplus

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>a. Securities Premium account</b>				
Opening Balance	1674.35	1674.35	1137.60	1137.60
(+) Current Year Transfer			536.75	
(-) Bonus Shares Issued		521.40		
Closing Balance	1152.95	1674.35	1674.35	1137.60





<b>b. Statement of Surplus</b>				
<b>At the beginning of the year</b>	917.30	703.36	534.42	<b>370.94</b>
Add: Profit for the year	801.51	213.94	168.94	165.95
Less: Interest on income tax				2.46
<b>Total</b>	<b>1718.81</b>	<b>917.30</b>	<b>703.36</b>	<b>534.42</b>
<b>Total</b>	<b>2871.76</b>	<b>2591.65</b>	<b>2377.71</b>	<b>1672.02</b>

### I.3 Restated Statement of Long-Term Borrowings

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Secured</b>				
(i) Piramal Capital Housing Finance*	.00	21.56	56.43	72.05
(ii) Vehicle Loan **	70.81	14.20	30.21	27.72
(iii) IndusInd Bank ***	.00	343.02	762.51	475.13
(iv) Hero Moto Fin Corp #	16.28	121.80	222.04	215.48
(v) Edelwiess # #	13.81	80.11	150.32	150.27
(vi) HDFC @	428.47	475.78	530.90	
(vii) Tata Capital Finance Service Ltd.@@	235.95	286.95	161.02	158.99
(viii) Northern ARC Capital Ltd. @@@	112.13	206.38	272.15	250.00
(ix) SIDBI ****	283.32	300.05		.00
(x) Consolidated Capital Invt.	.00	.00	.00	50.00
(ix) ICICI Bank				557.83
(iix) YES Bank ***	313.80			
<b>Total (A)</b>	<b>1474.57</b>	<b>1849.85</b>	<b>2185.58</b>	<b>1957.46</b>
<b>Unsecured</b>				
(i) Directors	373.12	157.07	182.74	750.21
(ii) covid loan	80.91	592.83		
(iii) Corporate Entities	457.24	108.57	296.84	294.63
<b>Total (B)</b>	<b>911.26</b>	<b>858.46</b>	<b>479.58</b>	<b>1044.84</b>
Less:- Amount maturing within 1 Year		508.88	781.24	651.26
<b>Total (A+B)</b>		<b>1876.96</b>	<b>1927.07</b>	<b>2013.90</b>
				<b>2468.59</b>

\* Loans from Piramal Capital Housing Finance by hypothecation of machinery financed by them.

\*\* Vehicle Loans are taken from Daimler Financial Services India (P) Ltd., ICICI Bank Ltd. And HDFC Bank by way of hypothecation of vehicle financed by them under their finance scheme.

\*\*\* Exclusive first charge by way of equitable mortgage of the property situated at C-10 , Site-1 Bulandshahr Road , Industrial area , Ghaziabad, E-201, sector 17 kavi Nagar, Industrial area , Ghaziabad, and Residential plot at Khasra No. 1246 , Morta , Meerut Road , Ghaziabad(Registered deed of this property is in the name of Director Shri Sanjay Garg) . Further exclusive charge by way of hypothecation of Wire drawing / Single block 900 mm complete with 56 KW motor & Panels. Loan of Indusind Bank has been taken over by YES Bank but securities have not transferred till 31.12.2022 and is under process.

# Exclusive charge given to Hero Moto Fin Corp on related machinery procured from this loan.



# # Exclusive charge given to Edelweiss on related machinery procured from this loan.

@ Exclusive first charge in favour of HDFC Bank by way of equitable mortgage of the property situated at C-118 Industrial area Ghaziabad, KJ-122 kavi nagar Ghaziabad and hypothecation on stock. This loan has been taken over by HDFC from ICICI bank w.e.f. July 2021

@@ Loans from Tata Capital Finance Service Ltd. by hypothecation of machinery financed by them.

@@@ Northern ARC Capital Ltd. by hypothecation of machinery financed by them.

\*\*\*\* SIDBI by hypothecation of machinery financed by them.

### I.3A Restated Statement of Long-Term Provisions

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Provision for Gratuity	19.95	9.74	2.23	2.83
<b>Total</b>	<b>19.95</b>	<b>9.74</b>	<b>2.23</b>	<b>2.83</b>

### I.4 Restated Statement of Short-Term Borrowings

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Secured</b>				
(A) From State Bank of India, Navyug Market -Ghaziabad	444.55	483.59	431.46	485.89
(B ) From IndusInd Bank , RDC , Ghaziabad	.00	2111.38	1292.27	1244.73
(C ) From HDFC Bank	1770.88	1648.71	1691.31	1588.92
(D ) From YES Bank	2432.78	.00	.00	.00
<b>Total</b>	<b>4648.21</b>	<b>4243.68</b>	<b>3415.03</b>	<b>3319.54</b>

#### #Terms of Loan:

SBI: (Hypothecation of Raw material purchased exclusively from Steel Authority of India Limited & FDR)

INDUSIND BANK: Hypothecation of entire current assets comprising of stock of raw material, WIP, finished goods & receivables, book debts and other current assets, on Pari passu basis with HDFC BANK. Equitable mortgage of Factory Land at C-10 Bulandshahar Road Industrial Area, Site-1 Ghaziabad, Residential plot at Khasra No. 1246, Morta, Jalalabad, Meerut Road, GZB and E-201, sec.17, kavi nagar GZB besides personal guarantee of directors

HDFC BANK 1.Hypothecation of entire current assets comprising of stock of raw material, WIP, finished goods & receivables, book debts and other current assets on Pari-Passu charge with Indusind Bank 2. Exclusive first charge in favour of HDFC Bank by way of equitable mortgage of the property situated at C-118 Industrial area Ghaziabad, KJ-122 kavi nagar Ghaziabad. This loan has been taken over by HDFC from ICICI bank w.e.f. July 2021

YES BANK: Loan of Indusind Bank has been taken over by YES Bank but securities have not transferred till 31.12.2022 and is under process.

### I.5 Restated Statement of Trade Payables

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Trade Payables</b>				
(i) Micro enterprises and small enterprises		-	-	-
(ii) Other than micro enterprises and small enterprises	1163.94	730.78	1266.38	1315.53



<b>Total</b>	<b>1163.94</b>	<b>730.78</b>	<b>1266.38</b>	<b>1315.53</b>
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Company has confirmed that there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2022. This information is disclosed as required under the Micro, Small and Medium Enterprises Development Act, 2006.

#### I.6 Restated Statement of Other Current Liabilities

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Advance received from customers	57.98	42.34	57.64	.00
Duties and taxes payables	31.70	8.22	10.00	4.91
Expenses Payable	31.81	35.29	39.54	9.30
Current maturities of long term borrowings	508.88	781.24	651.26	533.71
<b>Total</b>	<b>630.38</b>	<b>867.09</b>	<b>758.44</b>	<b>547.92</b>

#### I.7 Restated Statement of Short-Term Provisions

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits				
Provision for Income Tax (Net of advance tax)	282.09	92.93	86.52	38.90
<b>Total</b>	<b>282.09</b>	<b>92.93</b>	<b>86.52</b>	<b>38.90</b>

#### I.10 Long-Term Loans & Advances

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Security Deposit	50.21	50.01	47.01	28.67
Long term advances*	378.76	378.76	378.76	378.76
<b>TOTAL</b>	<b>428.97</b>	<b>428.77</b>	<b>425.77</b>	<b>407.44</b>

\* This amount of Rs. 378.76 lacs has been restated as long term advances paid in respect of purchase of shares held by Mr. Sanjay Garg of Annapurna Melters & Founders Private Limited (Annapurna). The same had been earlier considered in the audited financial statement as Fixed Asset being land (C-118 Bulandshar Road Industrial Area). While, the title deed of the land is in the name of Annapurna, the beneficial ownership and possession of the Land is with the Company pursuant to an agreement signed amongst the Company, Annapurna and Mr. Sanjay Garg, agreeing to transfer shares held by Mr. Sanjay Garg of Annapurna to the Company, thereby vesting beneficial ownership of the Land in favour of the Company. Further the land has been mortgaged



in favour of the lenders in respect of loan availed by the Company with Annapurna having completed all required formalities in this regard.

#### I.11 Restated Statement of Inventories

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>(As taken valued and certified by the management)</b>				
Raw Material	2898.42	2868.32	2762.17	2195.52
Finished Goods & WIP	2098.85	1275.06	892.28	184.99
<b>Total</b>	<b>4997.27</b>	<b>4143.38</b>	<b>3654.45</b>	<b>2380.51</b>

#### I.12 Restated Statement of Trade receivables

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>(Unsecured, considered good)</b>		-	-	
Outstanding for a period of less than six months	2383.17	2584.42	3229.30	2968.09
Outstanding for a period of more than six months	74.79	130.26	76.41	118.15
<b>Total</b>	<b>2457.96</b>	<b>2714.68</b>	<b>3305.72</b>	<b>3086.24</b>

#### I.13 Restated Statement of Cash and Bank Balances

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Cash and Cash Equivalents</b>				
a. Balance with bank	41.78	5.64	130.07	79.58
b. FD with SBI (Pledge as margin money with SBI)	122.50	122.50	122.50	121.75
c. FD with banks	173.18	149.66	92.49	.00
d. Cash in hand	6.08	22.42	17.78	11.06
<b>Total</b>	<b>343.54</b>	<b>300.22</b>	<b>362.84</b>	<b>212.39</b>



#### I.14 Restated Statement of Short-Term Loans and Advances

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Unsecured, considered good;</b>				
Advances to Suppliers	1092.77	892.16	57.09	760.78
<b>Total</b>	<b>1092.77</b>	<b>892.16</b>	<b>57.09</b>	<b>760.78</b>

#### I.15 Restated Statement of Other Current Assets

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Unsecured, considered good;</b>				
Duties and Taxes Receivables	44.74	52.25	80.70	58.84
Fees Paid for Enhancement for Authorised Capital	8.86	1.07	1.73	1.36
Others	187.39	33.02	37.60	57.18
<b>Total</b>	<b>240.98</b>	<b>86.34</b>	<b>120.03</b>	<b>117.39</b>

#### II.1 Restated Statement of Revenue from Operations

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Revenue from operation	16351.66	21050.98	19923.61	20412.44
<b>Total (A+B)</b>	<b>16351.66</b>	<b>21050.98</b>	<b>19923.61</b>	<b>20412.44</b>

#### II.2 Restated Statement of Other Income

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Job work	.00	.67	2.44	1.79
Interest On FDR	6.64	10.38	7.66	9.38
Incentive and Other	13.95	10.00	3.78	16.76
Interest Received On Upseb Security	1.09	1.19	.00	.00
Exchange Fluctuation	7.70	10.50	.00	.00
<b>Total</b>	<b>29.38</b>	<b>32.74</b>	<b>13.87</b>	<b>27.93</b>

#### II.3 Restated Statement of Manufacturing & Operating expenses

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Consumption of Stores & Spares	169.74	213.07	157.50	247.37
Material Handling & Weighment Charges	2.72	4.22	2.56	1.72
Power and Fuel	235.29	331.97	246.52	293.77
Freight Inward	106.24	92.10	31.52	39.98



Repair & Maintenance - Plant & Machinery	7.27	.11	.27	1.56
Generator Expenses	.00	.22	.03	.89
Packing Material	17.46	23.13	7.42	1.57
Job Work	2.76	.73	.67	12.54
<b>TOTAL</b>	<b>541.48</b>	<b>665.55</b>	<b>446.49</b>	<b>599.38</b>

#### II.4 Restated Statement of Cost of Material Consumed

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening Stock	2868.32	2762.17	2195.52	2010.52
Add :- Purchases	14483.35	19133.71	19081.46	18361.02
Less :- Closing Stock	2898.42	2868.32	2762.17	2195.52
<b>Total</b>	<b>14453.25</b>	<b>19027.57</b>	<b>18514.81</b>	<b>18176.02</b>

#### II.5 Changes in Inventories of Finished goods

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Opening stock	1275.06	892.28	184.99	181.17
Less:- Closing Stock	2098.85	1275.06	892.28	184.99
<b>(Increase)/Decrease</b>	<b>-823.79</b>	<b>-382.79</b>	<b>-707.29</b>	<b>-3.82</b>

#### II.6 Restated Statement of Employee Benefits Expenses

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Salaries & Wages	207.26	172.64	161.89	138.76
Contribution to ESI	3.69	1.71	1.36	1.40
Labour & Staff Welfare	1.41	.88	.71	.81
Gratuity	10.20	7.52	-.60	2.83
P.F. Employer's Contribution	4.57	5.76	4.39	4.12
<b>Total</b>	<b>227.13</b>	<b>188.51</b>	<b>167.75</b>	<b>147.92</b>



## II.7 Restated Statement of Sales, administration and other expense

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Advertisement	.62	.26	.26	3.71
Auditor Remuneration	.90	.90	.90	.90
Computer Software Exp.	.50	.34	.34	2.48
Conveyance & Travelling	41.12	49.92	30.22	15.85
Commission	.00	.72	.52	5.51
Directors Remuneration	17.00	24.00	30.00	24.00
Freight & Weighment charges Outward	51.65	36.08	41.51	43.20
VAT Paid	.00	3.17	8.84	.78
Lab Testing	.00	.33	.04	.00
Legal and Professional Expenses	24.71	8.79	6.99	34.58
Insurance	8.32	6.71	4.84	.63
Miscellaneous Exp.	8.03	6.19	1.23	.16
Office Expenses	.20	.03	.64	2.75
Postage & Telephone	2.11	2.71	2.40	1.15
Printing & Stationary	1.61	2.02	1.31	21.81
Rebate & Discount	1.07	6.51	4.54	.00
Rent, Rates & taxes	2.82	4.97	5.68	5.68
Repair & Maintenance - others	12.98	24.69	.51	.61
Security Charges	9.12	15.10	10.21	13.98
Income tax and GST demand	.00	3.83	3.76	.00
Interest on GST,TDS,TCS and income tax	.07	14.44	5.93	.00
Penalty on tds & tcs, gst	.00	.00	3.00	.00
Forwarding Expense	34.92	.03	.00	.00
Sales Expenses	4.56	142.50	.00	.00
<b>Total</b>	<b>222.31</b>	<b>354.22</b>	<b>163.67</b>	<b>177.80</b>

## II.8 Restated Statement of Depreciation and Amortisation Expenses

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation on Property, Plant & Equipment	235.20	340.36	407.59	438.77
Amortisation exp	.49	.66	.66	.45
<b>Total</b>	<b>235.69</b>	<b>341.02</b>	<b>408.25</b>	<b>439.23</b>



## II.9 Restated Statement of Finance expenses

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Bank, Finance Charges & Interest on Loan	380.34	561.36	703.47	672.84
Other charges	31.30	34.18	2.06	.79
<b>Total</b>	<b>411.64</b>	<b>595.54</b>	<b>705.53</b>	<b>673.63</b>

## II.10 Restated Statement of Expenditure in Foreign currency

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Value of imports calculated on C.I.F basis by the company during the financial year in respect of				
Raw Materials		-	-	-
Components and Spare Parts		-	-	
Services				-
Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest and other matters;		-	-	-
Sales Promotion		-	-	-
Travelling Expenses		-	-	-

## II.11 Restated Statement of Earnings in Foreign currency

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Earnings in foreign exchange classified under the following heads,				
Export of goods calculated on F.O.B basis;	322.81	805.92	265.88	435.67
Royalty, know-how, professional and consultation fees;			-	
Interest and dividend;		-	-	-
Other income, indicating the nature thereof		-	-	-





## II.12 Restated Statement of Earnings per Share

### (A) Reconciliation of Basic and Diluted Shares used in computing Earnings Per Share

Particulars	For 9 month ended 31 December, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Basic earnings per equity share - weighted average number of equity shares outstanding (Nos) - Opening	52.14	52.14	46.49	46.49
Add: Shares Issued during the year		-	5.65	-
Weighted Average Shares	52.14	52.14	52.14	46.49
Add: Impact of shares Consolidation in ratio of 1:10			-	-
Add: Impact of Bonus Issued in ratio of 1:1	52.14		-	-
<b>Basic earnings per equity share - weighted average number of equity shares outstanding (Nos) - Closing</b>	104.28	52.14	52.14	46.49
Add/(Less): Effect of dilutive shares (Nos)	-	-	-	-
<b>Diluted earnings per equity share - weighted average number of equity shares outstanding (Nos)</b>	104.28	52.14	52.14	46.49

### (B) Computation of basic and diluted earnings per share

Particulars	For 9 month ended 31 December, 2022	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Basic earnings per share</b>				
Profit after tax	801.51	213.94	168.94	165.95
Weighted average number of shares (For Basic EPS)	104.28	52.14	52.14	46.49
<b>Basic EPS</b>	7.69	4.10	3.24	3.57
<b>Basic EPS as per the Current Capital Structure</b>	7.69	2.05	1.62	1.59
<b>Diluted earnings per share</b>				
Profit after tax	801.51	213.94	168.94	165.95
Add/(less): Effect of dilution on profit	-	-	-	-
Revised profit after tax	801.51	213.94	168.94	165.95
Weighted average number of shares (For Diluted EPS)	104.28	52.14	52.14	46.49
<b>Diluted EPS</b>	7.69	4.10	3.24	3.57

# Not annualized

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earnings per share of the company remain the same.



### I.8 Restated Statement of Property, Plant and Equipment

Particular	Land *	Buildi ng	Plant & Machin ery	Furnit ure & Fixture	Vehicles	Office Equipment's	Generator	Computers	Electrical	Total
<b>Gross Block</b>										
<b>As at March 31, 2019</b>	<b>619.73</b>	<b>253.43</b>	<b>2857.12</b>	<b>1.26</b>	<b>94.41</b>	<b>4.20</b>	<b>5.27</b>	<b>3.87</b>	<b>11.53</b>	<b>3850.81</b>
Addition	0	2.19	272.22	.12	4.77	.14	.00	.55	.00	279.99
Deletion	0	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>619.73</b>	<b>255.62</b>	<b>3129.34</b>	<b>1.38</b>	<b>99.18</b>	<b>4.33</b>	<b>5.27</b>	<b>4.41</b>	<b>11.53</b>	<b>4130.80</b>
Addition		.00	27.12	.00	13.53	.00	.00	.00	.00	40.65
Deletion	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>As at March 31, 2021</b>	<b>619.73</b>	<b>255.62</b>	<b>3156.46</b>	<b>1.38</b>	<b>112.71</b>	<b>4.33</b>	<b>5.27</b>	<b>4.41</b>	<b>11.53</b>	<b>4171.45</b>
Addition	.00	.00	234.82	.00	.00	.29	.00	.00	.00	235.11
Deletion	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>As at March 31, 2022</b>	<b>619.73</b>	<b>255.62</b>	<b>3391.28</b>	<b>1.38</b>	<b>112.71</b>	<b>4.62</b>	<b>5.27</b>	<b>4.41</b>	<b>11.53</b>	<b>4406.56</b>
Addition	.00	.00	716.40	.00	99.70	4.62	.00	.00	.00	820.72
Deletion	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>As at Dec. 31, 2022</b>	<b>619.73</b>	<b>255.62</b>	<b>4107.69</b>	<b>1.38</b>	<b>212.40</b>	<b>9.25</b>	<b>5.27</b>	<b>4.41</b>	<b>11.53</b>	<b>5227.28</b>
<b>Depreciation</b>										
<b>As at March 31, 2020</b>	.00	59.22	1064.23	.64	69.65	3.25	3.02	3.59	6.34	1209.94
for the year	.00	18.66	376.38	.19	10.01	.49	.41	.52	.94	407.59
Adjustments	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>As at March 31, 2021</b>	<b>.00</b>	<b>77.88</b>	<b>1440.60</b>	<b>.83</b>	<b>79.66</b>	<b>3.74</b>	<b>3.43</b>	<b>4.11</b>	<b>7.28</b>	<b>1617.53</b>
for the year	.00	16.89	311.45	.14	10.32	.27	.33	.19	.77	340.36
Adjustments	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>As at March 31, 2022</b>	<b>.00</b>	<b>94.76</b>	<b>1752.05</b>	<b>.97</b>	<b>89.98</b>	<b>4.01</b>	<b>3.76</b>	<b>4.30</b>	<b>8.05</b>	<b>1957.88</b>
for the year	.00	11.46	198.45	.08	23.58	.90	.21	.05	.47	235.20
Adjustments	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
<b>As at Dec. 31, 2022</b>	<b>.00</b>	<b>106.22</b>	<b>1950.50</b>	<b>1.05</b>	<b>113.56</b>	<b>4.91</b>	<b>3.97</b>	<b>4.35</b>	<b>8.53</b>	<b>2193.08</b>
<b>As at March 31, 2020</b>	<b>619.73</b>	<b>196.40</b>	<b>2065.11</b>	<b>.74</b>	<b>29.52</b>	<b>1.08</b>	<b>2.26</b>	<b>.82</b>	<b>5.19</b>	<b>2920.86</b>
<b>As at March 31, 2021</b>	<b>619.73</b>	<b>177.75</b>	<b>1715.86</b>	<b>.55</b>	<b>33.05</b>	<b>.59</b>	<b>1.85</b>	<b>.30</b>	<b>4.25</b>	<b>2553.92</b>
<b>As at March 31, 2022</b>	<b>619.73</b>	<b>160.86</b>	<b>1639.23</b>	<b>.41</b>	<b>22.73</b>	<b>.61</b>	<b>1.51</b>	<b>.11</b>	<b>3.48</b>	<b>2448.67</b>



As at Dec. 31, 2022	619.73	149.40	2157.19	.33	98.84	4.34	1.31	.06	3.01	3034.20
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\* Out of the Land Value, an amount of Rs. 378.76 lacs has been restated as long term advances paid in respect of purchase of shares held by Mr. Sanjay Garg of Annapurna Melters & Founders Private Limited (Annapurna). The same had been earlier considered in the audited financial statement as Fixed Asset being land (C-118 Bulandshar Road Industrial Area). While, the title deed of the land is in the name of Annapurna, the beneficial ownership and possession of the Land is with the Company pursuant to an agreement signed amongst the Company, Annapurna and Mr. Sanjay Garg, agreeing to transfer shares held by Mr. Sanjay Garg of Annapurna to the Company, thereby vesting beneficial ownership of the Land in favour of the Company. Further the land has been mortgaged in favour of the lenders in respect of loan availed by the Company with Annapurna having completed all required formalities in this regard.

## Annexure V Statement of Restatement Adjustments to Audited Financial Statements

### PART-A

#### V.1 Reconciliation between audited profit and restated profit

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
A. Profit after tax (as per audited financial statements)	801.51	219.19	169.29	167.99
B. Add/(Less) : Adjustments on account of -				
1. Change in Provision of Gratuity Estimates	.00	-7.52	.60	-2.83
2. Deferred Tax	.00	2.26	-.95	.79
3. Provision for Taxation and MAT Credit	.00	.00	.00	.00
Sub Total	.00	-5.26	-.35	-2.04
C. Restated profit after tax (A+B)	<b>801.51</b>	<b>213.94</b>	<b>168.94</b>	<b>165.95</b>

#### V.2 Reconciliation between total audited equity and total restated equity

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
A. Total Equity as per audited financial statements	3914.56	3120.70	2901.51	2138.96
B. Restatement Adjustments				
(i) Audit Qualifications	.00	.00	.00	.00
(ii) Other material adjustments				
Income Tax Provisions and Mat Credit	.00	.00	.00	.00
Deferred Tax Provisions	.00	2.09	-.17	.79
Change in Provision of Gratuity Estimates	.00	-9.74	-2.23	-2.83
C. Total Equity as Restated Statement of Assets and Liabilities(A+B)	3914.56	3113.05	2899.11	2136.92

(Here total equity means Equity Share Capital and Reserves and Surplus)

#### V.3 Reconciliation between total audited land and total restated land

Particulars	As at 31 Dec, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
A. Total Land as per audited financial statements	998.49	998.49	998.49	998.49
B. Restatement Adjustments				
(i) Long Term Advances *	378.76	378.76	378.76	378.76



C. Total Land & building as Restated Statement of Assets (A-B)	619.73	619.73	619.73	619.73
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\* The amount of Rs. 378.76 lacs has been restated as long term advances paid in respect of purchase of shares held by Mr. Sanjay Garg of Annapurna Melting & Foundry Private Limited (Annapurna). The same had been earlier considered in the audited financial statement as Fixed Asset being land (C-118 Bulandshar Road Industrial Area). While, the title deed of the land is in the name of Annapurna, the beneficial ownership and possession of the Land is with the Company pursuant to an agreement signed amongst the Company, Annapurna and Mr. Sanjay Garg, agreeing to transfer shares held by Mr. Sanjay Garg of Annapurna to the Company, thereby vesting beneficial ownership of the Land in favour of the Company. Further the land has been mortgaged in favour of the lenders in respect of loan availed by the Company with Annapurna having completed all required formalities in this regard.

## Part B Material Regrouping

Appropriate regroupings have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per AS financial information of the Company for the period ended March 31, 2022 prepared in accordance with Schedule III of Companies Act, 2013 and other applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

## Part C Non Adjusting items

**There are no non adjusting items.**

### Annexure VI: Other Notes to the Restated Standalone Financial Statements (All amounts are in Lakhs, unless otherwise stated)

- 1 The figures of the previous year have been regrouped / recast wherever necessary so as to make them comparable with current year's figures. Figures have been rounded off to the nearest lakhs.
- 2 Disclosure as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at 31 Dec, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	-	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-
The amount of further interest payable due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-	-	-



Note: The Company does not have any information available with it in respect of the amounts outstanding to Micro, small and Medium Enterprises.

In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated if realized in ordinary course of business. Provisions for known liabilities are made & not in excess of the amount reasonably necessary. Moreover Balances of Unsecured Loans, Receivables, Loans & Advances and Current Liabilities are subject to confirmation, reconciliation and adjustments, if any.

**ANNEXURE-VII : Restated Summary Statement of Tax Shelters**  
(All amounts are in Lakhs, unless otherwise stated)

Particulars	As at 31 Dec, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Profit Before Tax as per books of accounts (A)	1113.33	294.10	238.28	230.21
-- Normal Tax rate	27.82%	27.82%	27.82%	27.82%
-- Minimum Alternative Tax rate	16.69%	16.69%	16.69%	16.69%
Permanent differences				
Other adjustments				
Prior Period Item				
Donation Disallowances				
Total (B)				
Timing Difference				
Depreciation as per Books of Accounts	235.20	340.36	407.59	438.77
Depreciation as per Income Tax	344.75	302.59	342.41	382.43
Difference between tax depreciation and book depreciation	-109.55	37.77	65.18	56.34
Other adjustments	10.20	21.98	7.53	3.62
Foreign income included in the statement				
Total (C)	-99.35	59.75	72.70	59.95
Net Adjustments (D = B+C)	-99.35	59.75	72.70	59.95
Total Income (E = A+D)	1013.98	353.85	310.98	290.17
Brought forward losses set off (Depreciation)				
Tax effect on the above (F)				
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>1013.98</b>	<b>353.85</b>	<b>310.98</b>	<b>290.17</b>
Tax Payable for the year	282.09	98.44	86.52	80.72
Tax payable as per MAT	185.84	49.09	39.77	38.43
Tax expense recognised	311.82	80.16	69.34	64.26
Tax payable as per normal rates or MAT (whichever is higher)	282.09	98.44	86.52	80.72



**Annexure-VIII: Restated Standalone Statement of Related Party Disclosures as Restated**

(All Amounts Are In Lakhs, Unless Otherwise Stated)

As required by Accounting Standard-18, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, relevant information is provided here below:

**(a) List of Related parties during the year:**

Name	Relationship
Late. SANJAY GARG	Key Management Personnel (KMP)
NISHANT GARG	Key Management Personnel (KMP)
NIVEDITA GARG	Key Management Personnel (KMP)
DIVYA GARG	Relatives of KMP
Late. LALIT MOHAN GOVIL	Relatives of KMP
APPORVA GARG	Relatives of KMP
SANJAY GARG HUF	KMP's Control Exist
RARE PIXEL VENTURES PVT LTD	KMP's Control Exist
ANNAPURNA MELTERS AND FOUNDERS PRIVATE LIMITED	KMP's Control Exist

**(b) Following are the details of the transactions with the related party**

Nature of transactions	Related Parties	As at 31st December 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Director Remuneration	KMP	17.00	24.00	30.00	24.00
Remuneration	Relatives of KMP	.60	13.20	13.80	13.80
Rent Paid	KMP	1.20	3.60	3.60	3.60
Sales	KMP's Control Exists	416.15	10.08	.00	.00
Borrowings received	KMP	375.77	.00	84.56	236.73
Borrowings repaid	KMP	159.72	.67	638.28	5.26

**(c) Disclosure of material transactions:**

PARTICULARS	Relation	As at 31st December 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
<b>Directors Remuneration Paid</b>					
SANJAY GARG	KMP	5.00	12.00	12.00	.00
NISHANT GARG	KMP	9.00	12.00	11.00	12.00
NIVEDITA GARG	KMP	3.00	.00	7.00	12.00
<b>Remuneration Paid</b>					
Late. LALIT MOHAN GOVIL	Relatives of KMP	.60	7.20	7.20	6.60
APPORVA GARG	Relatives of KMP	.00	6.00	6.60	7.20
<b>Rent Paid</b>					
SANJAY GARG	KMP	1.20	3.60	3.60	3.60



<b>Sale of goods</b>					
RARE PIXEL VENTURES PVT LTD		416.15	10.08	.00	.00
<b>Borrowings received</b>					
NISHANT GARG		25.02	-	-	-
NIVEDITA GARG		30.90	-	-	-
SANJAY GARG		319.85	.00	84.56	236.73
<b>Repayment of Borrowings</b>					
NISHANT GARG		2.40	-	-	-
NIVEDITA GARG		17.06	-	-	-
SANJAY GARG		140.26	.67	638.28	5.26

(d) Balances outstanding as on reporting date

<b>Borrowings</b>	<b>Nature of Parties</b>	<b>As at 31st December 2022</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
	Unsecured Loan	373.12	157.07	157.74	711.46
<b>Payables</b>					
	Creditor				
	Rent	.00	.27	.28	.00
	Salary	4.15	2.39	3.13	.18
<b>Receivables</b>					
	Debtor	10.77	.00	.00	.00
	Loan and Advances	378.76	378.76	378.76	378.76

Annexure - IX : Restated Standalone Statement Of Significant Accounting Ratios

<b>Particulars</b>	<b>For 9 month ended 31 December, 2022</b>	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>	<b>For the year ended 31 March, 2020</b>
Current Ratio	1.32	1.36	1.34	1.23
Debt-Equity Ratio,	0.63	0.66	0.65	0.73
Debt Service Coverage Ratio	1.93	0.96	1.09	1.25
Return on Equity Ratio	20.48%	6.87%	5.83%	7.77%
Inventory turnover ratio	3.27	5.08	5.45	8.57
Trade Receivables turnover ratio	6.32	6.99	6.23	5.92
Trade payables turnover ratio	15.26	19.05	14.34	9.56
Net capital turnover ratio	7.64	10.61	12.97	16.89
Net profit ratio	4.89%	1.01%	0.85%	0.81%
Return on Capital employed	25.79%	16.97%	19.17%	19.61%
Return on Net worth (%)	20.48%	6.87%	5.83%	7.77%



Net Asset Value Per Shares (In Rs.) (Post consolidation of Face Value)	38.30	60.47	56.46	47.31
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# Not annualized

Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / (Total Debt +( Equity+ Reserves)
3. Debt Service Coverage Ratio = EBITDA / Finance Cost+Instalment paid
4. Return on Equity Ratio = Profit After Tax /Equity
5. Inventory Turnover Ratio = Sale / Inventory
6. Trade Receivable Turnover Ratio = Revenue from Operations / Average Trade Receivable
  
7. Trade Payable Turnover Ratio = Net Credit Purchase / Average Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations /Average working capital
9. Net Profit Ratio = Profit After Tax / Revenue
10. Return on Capital Employed= EBIT/ Capital Employed
11. Return on Net Worth= Net Income/ Equity Share Capital





**ANNEXURE - X : Restated Statement of Capitalisation**  
(All amounts are in Lakhs, unless otherwise stated)

Particulars	Pre-Issue	Post Issue
<b>Debt</b>		
Long Term Debt	1876.96	*
Short Term Debt	5157.09	*
<b>Total Debt</b>	<b>7034.04</b>	<b>*</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	1042.80	*
Reserves & Surplus	2871.76	*
<b>Total Shareholders' Fund (Equity)</b>	<b>3914.56</b>	<b>*</b>
Long Term Debt/Equity	0.48	*
<b>Total Debt/Equity</b>	<b>1.80</b>	<b>*</b>

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months
2. Long term Debts represent debts other than Short term Debts as defined above
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.2022.

**Annexure XI**  
**RESTATED STATEMENT OF DIVIDEND**

Particulars	As at 31 March			
	Dec-22	2022	2021	2020
<b>Share capital</b>				
Equity Share Capital	1042.80	521.40	521.40	464.90
<b>Dividend on equity shares</b>	<b>Nil</b>			
<b>Dividend in %</b>				
Interim Dividend				



**STATEMENT OF FINANCIAL INDEBTEDNESS**

Set forth below, is a brief summary of our Company's borrowings as on December 31, 2022 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

*(Amount in ₹ Lakhs)*

Sr. No.	Name of Lender	Type of Loan	Date of Sanction	Sanction Amount	Rate of Interest	Outstanding amounts as per books of accounts as on December 31, 2022
1.	HDFC Bank	Working Capital	July 23, 2021	1650	8%	<b>1,606.48</b>
2.	Yes Bank	Working Capital	January 01, 2023	2300	8.2%	<b>2,217.83</b>
3.	State Bank of India	Bill Discounting	March 16, 2021	490	8.85%	<b>444.55</b>
4.	Tata Capital Finance Service Ltd	Business Loan	March 27, 2021	35	16.5%	<b>25.33</b>
5.	Fed Bank Financial Services	Business Loan	March 30, 2021	30	16%	<b>5.68</b>
6.	Aditya Birla Finance	Business Loan	March 27, 2021	50	18%	<b>25.18</b>
7.	Yes Bank	Term Loan	September 01, 2022	333	2.80%	<b>313.80</b>
8.	HDFC Bank	Term Loan	July 23, 2021	511	7.5%	<b>428.47</b>
9.	Hero Fincorp Limited	Machine Loan	October 17, 2017	190	12.5%	<b>16.28</b>



10.	Edelweiss Retail Finance Limited	Machine Loan	August 23, 2017	177	14%	<b>10.70</b>
11.	Edelweiss Retail Finance Limited	Machine Loan	October 01, 2017	75	14%	<b>3.11</b>
12.	SIDBI	Machine Loan	March 30, 2022	300	7.25%	<b>283.32</b>
13.	Tata Capital Finance Service Ltd	Machine Loan	August 19, 2018	210	13.30%	<b>47.09</b>
14.	Tata Capital Finance Service Ltd	Machine Loan	May 28, 2005	205	10.30%	<b>188.86</b>
15.	Northern Arc Capital Limited	Machine Loan	January 02, 2020	250	16%	<b>112.13</b>
17.	HDFC Bank	Credit Facility	July 23, 2021	150	-	<b>148.67</b>
18.	Yes Bank	Credit Facility	September 01, 2022	300	-	<b>211.63</b>
19.	Hero Fincorp Limited	Covid Loan	August 26, 2020	49	11.50%	<b>30.57</b>
20.	Edelweiss Retail Finance Limited	Covid Loan	August 24, 2020	21	14%	<b>12.96</b>
21.	Edelweiss Retail Finance Limited	Covid Loan	August 24, 2020	9	14%	<b>5.77</b>



22.	Northern Arc Capital Limited	Covid Loan	September 25, 2020	50	14%	<b>31.61</b>
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**Details of Vehicle Loans:**

*(Amount in ₹ Lakhs)*

Sr. No.	Name of Lender	Type of Loan	Date of Sanction	Sanction Amount	Rate of Interest	Tenure	Outstanding amounts as per books of accounts as on December 31, 2022
1.	Daimler Financial Services India (P) Ltd	Vehicle Loan	June 27, 2022	69	7.16%	60 Months	<b>62.16</b>
2.	HDFC Bank	Vehicle Loan	January 07, 2021	14.2	7.8%	48 Months	<b>7.65</b>



## **OTHER FINANCIAL INFORMATION**

For Details on other financial information please refer to Annexure VIII - Restated Standalone Statement of Significant Accounting Ratios on page 199 under the chapter titled Financial Information as Restated 'beginning on page 172 of this Red Herring Prospectus.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Financial Statements for the period ended on December 31, 2022 and Financial Years 2022, 2021 and 2020 including the notes thereto and reports thereon, each included in this Red Herring Prospectus.*

*This Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Red Herring Prospectus. For further information, see "Forward Looking Statements" on page 16. Also read "Risk Factors" and "Restated Financial Information" on pages 26 and 172, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the period ended on December 31, 2022 and Financial Years 2022, 2021 and 2020 included herein is derived from the Restated Financial Information, included in this Red Herring Prospectus. For further information, see "Restated Financial Information" on page 172.*

*Our Company's Financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Maiden Forgings Limited, our Company.*

### **BUSINESS OVERVIEW**

Maiden Forgings Limited (MFL or Maiden) is in the business of manufacturing and sales of diversified ferrous metal products and focuses on providing customized and specialized solutions to a diverse client base across different industries.

Maiden specializes in design and manufacture of different type of ferrous metal products including carbon steel, stainless-steel and alloy steel, mainly in the form of drawn products like bright bars, wires, profiles and ground bars. Its fully integrated infrastructure consists of steel melting shops, rolling mills and finishing machines installed at its three manufacturing facilities (Unit-1, II & III), located at Kavi Nagar Industrial Area, Ghaziabad, Uttar Pradesh. These manufacturing facilities are spread over around 12,500 square yards land area having combined aggregated manufacturing capacity of 50000 MT/p.a.

The Company undertakes an extensive mechanical & chemical testing of its products through its inhouse well-equipped metallurgical laboratory and expert team, which enables it to maintain tolerance levels as per international standards such as IS, BS, DIN, AISI, SAE, etc. These strengths have enabled Maiden to be an approved vendor to the OEMs & large auto ancillaries (tier-I & II OEM's) including big brands such as Hero MotoCorp, Yamaha Motors, Honda Motorcycle, Mahindra & Mahindra, Escorts, Volvo-Eicher, Hyundai Motor India, Bajaj Motors, Volkswagen, BMW to name a few. The Company has all the required quality certifications including ISO and PED.

### **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022**

As per mutual discussion between the Board of the Company and BRLMs, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The Board of Directors of our Company in its board meeting held on November 29, 2022, allotted 52,



14,000 fully paid up equity shares of the Company of face value of ₹ 10.00/- each as fully paid bonus shares.

- The Board of Directors of our Company has approved and passed the following resolution on January 06, 2023:
  - Alter the terms of Appointment of Managing Director and Whole Time Director of the Company;
  - Consideration and formulation of Committees;
  - Recommendation to appoint Peer Review Auditor;
  - Recommendation to appoint of Independent Directors;
  - Initial Public Offer of Equity Shares of the Company;
- The members of our Company have approved the proposal of Board of Directors in its EGM held on January 06, 2023;, which are as follows:
  - Alter the terms of Appointment of Managing Director and Whole Time Director of the Company;
  - Appointment of Independent Directors;
  - Initial Public Offer of Equity Shares of the Company;

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 26 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Company’s results of operations and financial performance;
- Our ability to successfully execute our growth strategies;
- Our ability to retain our skilled personnel;
- General Economic and Market Conditions;
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Failure to adapt to the changing needs of industry and in particular IT Sector may adversely affect our business and financial condition;
- Arising any type of pandemic situation.

## **OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Restated Financial Statements” beginning on page 172 of the Red Herring Prospectus.

## **OVERVIEW OF REVENUE & EXPENDITURE**

### **Our Results of Operations**

The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended on December 31, 2022 and financial years ended March 31, 2022, 2021 and 2020 the components of which are also expressed as a percentage of total revenue for such period and financial years:



Amount (₹ in Lakhs)

Particulars	Up to period ended 31st December, 2022	(%)*	For the period ended 31st March, 2022	(%)*	For the period ended 31st March, 2021	(%)*	For the period ended 31st March, 2020	(%)*
<b>Total Revenue:</b>								
Revenue from Operations	16351.66	99.82%	21,050.98	99.84%	19,923.61	99.93%	20,412.44	99.86%
Other income	29.38	0.18%	32.74	0.16%	13.87	0.07%	27.93	0.14%
<b>Total Revenue</b>	<b>16381.04</b>	<b>100.00%</b>	<b>21,083.72</b>	<b>100.00%</b>	<b>19,937.49</b>	<b>100.00%</b>	<b>20,440.37</b>	<b>100.00%</b>
<b>Expenses:</b>								
Manufacturing & Operating expenses	541.48	3.31%	665.55	3.20%	446.49	2.27%	599.38	2.93%
Cost of Material Consumed	14453.25	88.23%	19,027.57	91.25%	18,514.81	93.99%	18,176.02	88.92%
Changes in inventories of Finished goods	-823.79	-5.03%	-382.79	-1.84%	-707.29	-3.59%	-3.82	-0.02%
Employee Benefit expenses	227.13	1.39%	188.51	0.91%	167.75	0.85%	147.92	0.72%
Sales, administration and other expenses	222.31	1.36%	354.22	1.70%	163.67	0.83%	177.80	0.87%
Finance Cost	411.64	2.51%	595.54	2.82%	705.53	3.58%	673.63	3.30%
Depreciation and Amortization Expenses	235.69	1.44%	341.02	1.64%	408.25	2.07%	439.23	2.15%
<b>Total Expenses</b>	<b>15267.71</b>	<b>93.20%</b>	<b>20,789.62</b>	<b>98.61%</b>	<b>19,699.21</b>	<b>98.80%</b>	<b>20,210.16</b>	<b>98.87%</b>
<b>Profit before Interest, Depreciation and Tax</b>	<b>1760.66</b>	<b>10.75%</b>	<b>1,230.65</b>	<b>5.84%</b>	<b>1,352.05</b>	<b>6.78%</b>	<b>1,343.07</b>	<b>6.57%</b>
<b>Profit before Tax and Extraordinary Expenses</b>	<b>1113.33</b>	<b>6.80%</b>	<b>294.10</b>	<b>1.39%</b>	<b>238.28</b>	<b>1.20%</b>	<b>230.21</b>	<b>1.13%</b>





Extraordinary Expenses	-	%	-	%	-	%	-	%
<b>Profit/(Loss) Before Tax</b>	1113.33	6.80%	<b>294.10</b>	<b>1.39%</b>	<b>238.28</b>	<b>1.20%</b>	<b>230.21</b>	<b>1.13%</b>
Current Tax	282.09	1.72%	92.93	0.44%	86.52	0.43%	80.72	0.39%
MAT Credit Entitlement	-	-	-	-	-	-	-	-
Deferred Tax	29.73	0.18%	-12.77	-0.06%	-17.18	-0.09%	-16.46	-0.08%
Previous year Taxes	-	-	-	-	-	-	-	-
<b>Total Tax Expenses</b>	<b>311.82</b>	<b>1.90%</b>	<b>80.16</b>	<b>0.38%</b>	<b>69.34</b>	<b>0.35%</b>	<b>64.26</b>	<b>0.32%</b>
<b>Profit/(Loss) After Tax</b>	801.51	4.89%	<b>213.94</b>	<b>1.01%</b>	<b>168.94</b>	<b>0.85%</b>	<b>165.95</b>	<b>0.81%</b>

\*(%) column represents percentage of total revenue.

## Revenue and Expenses

Our revenue and expenses are reported in the following manner:

### Total Revenues

#### ◆ Revenue of operations:

Our Company's revenue is primarily generated from exporting and supplying all types of Bright steel bars, stainless steel bright bars & all grades of steel wires.

#### ◆ Other Income:

Other income majorly includes income from Interest, job work and miscellaneous income.

#### ◆ Expenses

Our expenses primarily consist of Cost of Material Consumed, Employee Benefit Expenses, Other Expenses, Finance Costs, Depreciation and Amortization Expenses.

#### ◆ Cost of Material Consumed

Cost of Material Consumed comprises of expenses related to purchases of Raw Materials and Component Consumed.

#### ◆ Employment Benefit Expenses

It includes Salaries, Wages, Bonus, Director Remuneration and Staff Welfare Expenses.

#### ◆ Other Expenses



Other expense mainly comprises of expenses related to Software Subscription, Maintenance and Business Development, Professional Expenses, ROC Fee, Office Expenses, Rent and Audit fees etc.

◆ **Finance Costs**

Our finance costs mainly comprise of Interest on Loan, Bank charges and other financial charges.

◆ **Depreciation**

Depreciation includes depreciation on property plant and equipment amortisation of intangible assets.

◆ **Tax Expenses**

Tax expense comprises of current tax, previous year tax, and deferred tax.

## FINANCIAL YEAR 2021-22 COMPARED WITH THE FINANCIAL YEAR 2020-21

### **Total Revenue**

Our total revenue increased by 5.75% to ₹21,083.72 lakhs for the financial year 2021-22 from ₹19,937.49 lakhs for the financial year 2020-21 due to the factors described below:

- *Revenue from operations*

Our revenue from operations increased by 5.66% to ₹ 21,050.98 lakhs for the financial year 2021-22 from ₹ 19,923.61 lakhs for the financial year 2020-21. The increase was mainly due to expansion of our business.

- *Other Income.*

Our other income increased by 136.00% to ₹32.74 lakhs for the financial year 2021-22 from ₹13.87 lakhs income for the financial year 2020-21 it mainly due to fluctuations in foreign currency in result of export sales and increase in incentive and other miscellaneous incomes.

### **Total Expenses**

Total Expenses increased by ₹1,090.41 lakhs and 5.54%, from ₹19,699.21 lakhs in the financial year ended March 31, 2021 to ₹20,789.62 lakhs in the financial year ended March 31, 2022. Such increase was due to increase in business operations of the Company.

### **Manufacturing & Operating Expenses**

Cost of Manufacturing & Operating Expenses in terms value and percentage increased by ₹ 219.06 lakhs and 49.06% from ₹ 446.49 lakhs in the financial year ended march 31, 2021 to ₹ 665.55 lakhs in the financial year ended March 31, 2022. Cost of Manufacturing & Operating Expenses has increased due to business operations of the Company.

### **Cost of Material Consumed**

Cost of Materials Consumed in terms of value and percentage increased by ₹ 512.76 lakhs and 2.77% from ₹18,514.81 lakhs in the financial year ended March 31, 2021 to ₹19,027.57 lakhs in the financial year ended March 31, 2022. Cost of Material Consumed has increased due to increase in business operations of the Company.



### **Changes in inventories of Finished Goods**

Changes in inventories of Finished Goods in terms of value and percentage decreased by ₹ (324.50) lakhs and -45.87% from ₹ (707.29) lakhs in the financial year ended March 31, 2021 to ₹ (382.79) lakhs in the financial year ended March 31, 2022. Such change is due to decrease in closing Stock in Trade.

### **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by ₹ 20.76 lakhs and 12.38% from ₹ 167.75 lakhs in the financial year ended March 31, 2021 to ₹ 188.51 lakhs in the financial year ended March 31, 2022. Overall employee cost has increased due to increase in general increment in salary & incentives to employees.

### **Sales, administration and other expenses**

Sales, administration and other expenses in terms of value and percentage increased by ₹ 190.54 lakhs and 116.42% from ₹ 163.67 lakhs in the financial year ended March 31, 2021 to ₹ 354.22 lakhs in the financial year ended March 31, 2022. Other Expenses has increased mainly due to increase in sales of the Company and inline of that, we have increased our overheads related to repair and maintenance, legal and professional expenses and office expenses etc.

### **Profit Before Interest Tax and Depreciation**

Profit before interest tax and depreciation has decreased by ₹ 121.40 lakhs and (8.98%) from ₹ 1,352.05 lakhs in the financial year ended March 31, 2021 to ₹ 1,230.65 lakhs in the financial year ended March 31, 2022. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operations.

### **Finance Costs**

Finance Costs in terms of value and percentage decreased by ₹ 109.99 lakhs and (15.59)% from ₹ 705.53 lakhs in the financial year ended March 31, 2021 to ₹ 595.54 lakhs in the financial year ended March 31, 2022. Finance Costs has decreased mainly due to settlement of a car a loan.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by ₹ 67.23 lakhs and 16.47% from ₹ 408.25 lakhs in the financial year ended March 31, 2021 to ₹ 341.02 lakhs in the financial year ended March 31, 2022.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by ₹ 44.99 lakhs and 26.63% from profit of ₹ 168.94 lakhs of financial year ended March 31, 2021 to profit of ₹ 213.94 lakhs in the financial year ended March 31, 2022. Net profit has increased due to above factors.



## FINANCIAL YEAR 2020-21 COMPARED WITH THE FINANCIAL YEAR 2019-20

### Total Revenue

Our total revenue decreased by 2.46% to ₹19937.49 lakhs for the financial year 2020-21 from ₹ 20440.37 lakhs for the financial year 2019-20 due to the factors described below:

- *Revenue from operations*

Our revenue from operations decreased by 2.39% to ₹19,923.61 lakhs for the financial year 2020-21 from ₹ 20,412.44 lakhs for the financial year 2019-20. The decrease was due to COVID-19.

- *Other Income*

Our other income decreased by 50.33% to ₹13.87 lakhs for the financial year 2020-21 from ₹ 27.93 lakhs income for the financial year 2019-20 it is mainly due to decrease in Incentive and other miscellaneous income in financial year 2020-21.

### Total Expenses

Total Expenses decreased by ₹510.95 lakhs and (2.53)%, from ₹20,210.16 lakhs in the financial year ended March 31, 2020 to ₹ 19,699.21 lakhs in the financial year ended March 31, 2021. Our total expenses decreased due to the factors described below:

#### Manufacturing & Operating Expenses

Cost of Manufacturing & Operating Expenses in terms value and percentage decreased by ₹ 152.90 lakhs and 25.51% from ₹ 599.38 lakhs in the financial year ended March 31, 2020 to ₹ 446.49 lakhs in the financial year ended March 31, 2021. Cost of Manufacturing & Operating Expenses has decreased due to business operations of the Company.

#### Cost of Material Consumed

Cost of Materials Consumed in terms of value and percentage increase by ₹ 338.79 lakhs and 1.86% from ₹18,176.02 lakhs in the financial year ended March 31, 2020 to ₹18,514.81 lakhs in the financial year ended March 31, 2021. Cost of Material Consumed has increased due to increase in business operations of the Company.

#### Changes in inventories of Finished Goods

Changes in inventories of Finished Goods in terms of value decreased by ₹ (703.46) lakhs to ₹ (707.29) lakhs in the financial year ended March 31, 2021 from ₹ (3.82) lakhs in the financial year ended March 31, 2020. Changes in inventories of Finished Goods has decreased due decrease in closing Stock in Trade.

#### Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by ₹19.84 lakhs and 13.41% from ₹ 147.92 lakhs in the financial year ended March 31, 2020 to ₹167.75 lakhs in the financial year ended March 31, 2021. Overall employee cost has increased due to increase in general increment in salary & incentives to employees.

#### Sales, administration and other expenses

Sales, administration and other expenses in terms of value and percentage decreased by ₹14.13 lakhs and



7.95% from ₹177.80 lakhs in the financial year ended March 31, 2020 to ₹163.67 lakhs in the financial year ended March 31, 2021. Other Expenses has decreased mainly due to decrease in expenses related to advertisement, computer & software expenses and printing & stationary expenses.

### **Profit Before Interest Tax and Depreciation**

Profit before interest tax and depreciation has increased by ₹8.98 lakhs and 0.66% from ₹ 1,343.07 lakhs in the financial year ended March 31, 2020 to ₹1,352.05 lakhs in the financial year ended March 31, 2021. Profit before exceptional & extraordinary items and Tax has increased due to increase in revenue from operation & other income.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by ₹31.89 lakhs and 4.73% from ₹673.63 lakhs in the financial year ended March 31, 2020 to ₹705.53 lakhs in the financial year ended March 31, 2021. Finance Costs has increased mainly due to increase in interest and other charges expenses.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by ₹ 30.98 lakhs and 7.05% from ₹ 439.23 lakhs in the financial year ended March 31, 2020 to ₹408.25 lakhs in the financial year ended March 31, 2021.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by ₹2.99 lakhs and 1.80% from profit of ₹165.95 lakhs of financial year ended March 31, 2020 to profit of ₹168.94 lakhs in the financial year ended March 31, 2021. Net profit has increased due to above discussed factors.

### **Cash Flows**

The table below summaries our cash flows from our Restated Financial Information for the period up to September 30, 2022 financial years 2021-22, 2020-21 and 2019-20;

Particulars	For the period up to 31st December, 2022	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net cash from operating activities	602.55	-569.33	-42.96	264.29
Net cash used in investing activities	820.72	235.11	40.65	279.99
Net cash used in financing activities	354.42	741.82	234.05	-52.53
Net increase in cash and cash equivalents	43.32	-62.62	150.44	-68.23
Cash and cash equivalents at beginning of period	300.22	362.84	212.39	280.62
Cash and cash equivalents at end of period	343.54	300.22	362.84	212.39



## Other Key Ratios

Particulars	Up to period December 31, 2022	Financial year ending March 31 <sup>st</sup> ,		
		2022	2021	2020
Debt Equity Ratio	0.63	0.66	0.65	0.73
Current Ratio	1.32	1.36	1.34	1.23

Notes:

**Debt Equity Ratio:** This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long-term debt, based on Restated Standalone Financial Information.

**Current Ratio:** This is defined as current assets divided by current liabilities excluding current maturity of long-term debt, based on Restated Standalone Financial Information.

### INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

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 Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled “Risk Factors” beginning on page 26 of this Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

#### 3. Income and Sales on account of major product/main activities

Income and sales of our Company will be determined by demand/supply situation, government policies and other external and internal economic factor.

#### 4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

#### 5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and other external and internal economic factor.

#### 6. Future changes in relationship between Costs and Revenues



Other than as described in the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 26, 108 and 207 respectively, to our knowledge, no future relationship between costs and revenues is expected to have a material adverse impact on our operations and finances.

**7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in our revenues are by and large linked to increases in the volume of business.

**8. Total turnover of each major industry segment in which the issuer company operates**

The Company is operating in manufacturing, job work, buying, selling of all kind of wires and components of iron, steel, alloy steel. Relevant industry data, as available, has been included in the chapter titled “Our Industry” beginning on page 99 of this Red Herring Prospectus.

**9. Status of any publicly announced new products or business segments**

Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Red Herring Prospectus.

**10. The extent to which the business is seasonal**

Our Company’s business is not seasonal in nature.

**11. Any significant dependence on a single or few suppliers or customers**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Group’s customer vis a vis the total revenue from operations for the period ended as on December 31, 2022 and Financial year ended March 31, 2022, 2021 and 2020 are as follows:

Particulars	Customers			
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Top 5 (%)	12%	11%	9%	10%
Top 10 (%)	20%	18%	15%	16%

For further details refer the chapter titled “Risk factors” and “Our Business” on page 26 and 108 of Red Herring Prospectus.

**12. Competitive Conditions**

We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. Competitive conditions are as described under the Chapters “Our Industry” and “Our Business” beginning on pages 99 and 108 respectively of the Red Herring Prospectus.



## SECTION VIII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (ix) litigation or legal action against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Red Herring Prospectus; (x) pending litigations involving our Company, Directors, Promoters, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI ICDR Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI ICDR Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board in its meeting held on January 06, 2023 has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Red Herring Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of the revenue of the Company for the most recent audited fiscal period;*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*
- d) As per the materiality policy adopted by the Board of our Company in its meeting held on January 06, 2023 creditors of our Company The outstanding dues to creditors in excess of 2% of the trade payables of our company as per the audited previous full year financial statements will be considered material. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at <https://maidenforgings.in/>.*

*Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters or fraudulent borrower by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges*





against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

## **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS, SUBSIDIARIES, GROUP COMPANIES**

### **I. LITIGATIONS INVOLVING OUR COMPANY**

#### **A. AGAINST OUR COMPANY**

##### **(i) Litigation involving Criminal Laws**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(ii) Litigation involving Civil Laws**

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against the Company.

##### **(iii) Litigation involving action by Statutory/ Regulatory Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities against the Company.

##### **(iv) Litigation involving Tax Liability**

As on the date of this Red Herring Prospectus, there are no outstanding tax litigations initiated against the Company.

#### **B. BY OUR COMPANY**

##### **(i) Litigation involving Criminal Laws**

Following cases has been filed by our company:

<b>S.no.</b>	<b>Party Name</b>	<b>Next Hearing Date</b>	<b>Amount ₹</b>	<b>Status</b>	<b>Case Description</b>
1	TECHMACS ENGG PVT LTD	20-03-2023*	7,54,911.54	The case is ongoing	The case was filed on 13/10/2017 for bouncing of cheques of Rs 25,00,000.
3	RACHNA INDUSTRIES	20-03-2023	2,11,866.00	The case is ongoing	The case was filed on 11/06/2020 for bouncing of cheques of Rs 70,000
4	INDIAN WIRE TRADERS	20-03-2023*	6,89,201.00	The case is ongoing	The case was filed on 11/06/2020 for bouncing of cheques of Rs 4,13,504.



5	LAXMI AUTO	05-04-2023	Nil	To be withdrawn	The case was filed on 28/1/2016 for bouncing of cheques of Rs 6,00,000
6	SHARMA INDUSTRIES	23-03-2023*	Nil	To be withdrawn	Case was filed on 15/5/2015 for bouncing of cheques of Rs 97,011
7	HIGH TECH	01-05-2023	Nil	To be withdrawn	Case was filed on 19/10/2019 for bouncing of cheques of Rs 2,23,821
8	YASH TRADING COMPANY	-	7,37,284.26	To be withdrawn	The case was filed on 19/06/2020 for bouncing of cheques of Rs 8,35,308.
9	KRISHNA HOMES PRODUCTS	23-03-2023*	86,344.00	To be withdrawn	Case was filed on 26/10/2019 for bouncing of cheques of Rs 1,00,000
12	KRISHNA HOMES	14-03-2023	86,344.00	To be withdrawn	Case was filed on 27/5/2019 for bouncing of cheques of Rs 2,00,000
13	IPS INDUSTRY	14-03-2023	3,17,291.00	The case is ongoing	Case was filed on 26/10/2019 for bouncing of cheques of Rs 3,67,291
14	DMT CHUCKS INDIA	14-03-2023	3,27,556.00	The case is ongoing	Case was filed on 19/8/2019 for bouncing of cheques of Rs 3,27,556.
15	ALLIANCE	01-05-2023	Nil	To be withdrawn	Case was filed on 15/6/2019 for bouncing of cheques of Rs 98,227

\*Next Date of Hearing has been updated

### **Litigation involving Civil Laws**

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by the Company.

#### **(ii) Disciplinary Actions by Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by the Company.

#### **(iii) Litigation involving Tax Liability**

As on the date of this Red Herring Prospectus, there are no outstanding tax litigations initiated by the Company.

#### **(iv) Other pending litigations**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by the Company.

## **II. LITIGATIONS RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

#### **(i) Litigation involving Criminal Laws**



As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors and Promoters.

**(ii) Litigation involving Civil Laws**

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against the Directors and Promoters.

**(iii) Disciplinary Actions by Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Directors and Promoters.

**(iv) Litigation involving Tax Liability**

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings initiated against the Directors and Promoters.

**(v) Other pending litigations**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against the Directors and Promoters.

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

**(i) Litigation involving Criminal Laws**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Directors of the Company.

**(ii) Litigation involving Civil Laws**

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by the Directors and Promoters.

**(iii) Disciplinary Actions by Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated by the Directors and Promoters.

**(vi) Litigation involving Tax Liability**

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings initiated by the Directors and Promoters.

**(vii) Other pending litigations**



As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by the Directors and Promoters.

### **III. LITIGATION RELATING TO OUR SUBSIDIARIES**

As on the date of this Red Herring Prospectus, our Company does not have a subsidiary company.

### **IV. LITIGATION RELATING TO OUR GROUP COMPANIES**

#### **A. AGAINST OUR GROUP COMPANIES**

##### **(i) Litigation involving Criminal Laws**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our group companies.

##### **(ii) Litigation involving Civil Laws**

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against our group companies.

##### **(iii) Litigation involving action by Statutory/ Regulatory Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against our group companies.

##### **(iv) Litigation involving Tax Liability**

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings initiated against our group companies.

##### **(v) Other pending litigations**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against our group companies.

#### **B. BY OUR GROUP COMPANIES**

##### **(i) Litigation involving Criminal Laws**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our group companies.

##### **(ii) Litigation involving Civil Laws**

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by our group companies.



**(iii) Disciplinary Actions by Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated by our group companies.

**(iv) Litigation involving Tax Liability**

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings initiated by our group companies.

**(v) Other pending litigations**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by our group companies.

**V. OUTSTANDING DUES TO CREDITORS**

In terms of the Materiality Policy dated January 06, 2023, our Company has 11 material creditors, as on date of the latest audited financials i.e. December 31, 2022.

Details of amounts outstanding to material creditors are as follows:

<i>Amount (₹ In lakhs)</i>		
<b>Particulars</b>	<b>No. of Creditors</b>	<b>Amount</b>
Outstanding dues to Micro and Small & Medium Enterprises	-	Nil
Outstanding dues to creditors other than Micro and small & Medium Enterprises	11	843.94
<b>Total outstanding dues</b>	-	<b>843.94</b>

The details pertaining to amounts due towards such creditors are available on the website of our Company.

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, <https://maidenforgings.in/> would be doing so at their own risk.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE, THAT IS, DECEMBER 31, 2022**

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Position and Results of Operations of our Company" beginning on page number 207 of this Red Herring Prospectus, there have been no material developments that have occurred after the Last audited Balance Sheet Date.

**We certify that except as stated herein above:**

- a. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group entities, companies promoted by the promoters during the past three years.



- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. There is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of our promoters, group company's entities, entities promoted by the promoters of our company.***
- i. There are no the status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.
- j. The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- k. Neither the Company nor any of its promoters or directors is a willful defaulter.***



## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.*

### ***Approvals in relation to Our Company's Incorporation***

- a) Certificate of Incorporation dated February 11, 2005, issued by Registrar of Companies, National Capital Territory of Delhi and Haryana, under the Companies Act, 1956 as "Maiden Forgings Private Limited".
- b) Certificate of Incorporation dated December 02, 2022 from the Registrar of Companies, Delhi, consequent to conversion of the Company "Maiden Forgings Private Limited" to "Maiden Forgings Limited" (Corporate Identification No. – U29810DL2005PLC132913).

### ***Approvals in relation to the Issue***

#### ***Corporate Approvals***

1. Our Board of Directors have, pursuant to resolutions passed at its meeting held on January 06, 2023 authorized the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
2. Our shareholders have, pursuant to the resolution dated January 06, 2023 under section 62(1) (c) of the Companies Act, 2013, authorized the Issue.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the BSE SME dated March 13, 2023 for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into an agreement dated December 09, 2022, with the Central Depository Services (India) Limited ("CDSL"), and the Registrar and Transfer Agent, who, in this case, is Maashitla Securities Pvt. Limited., for the dematerialization of its shares.



2. The Company has entered into an agreement dated December 08, 2022, with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who, in this case, is Maashitla Securities Pvt. Limited for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (“ISIN”) is INE001T01010.

**Approvals/ Licenses/ Permissions in relation to our Business**

***Tax Related Approvals***

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number	Income Tax Department, GoI	AAECM1658H	11.02.2005	Valid until Cancellation
2.	Tax Deduction Account Number	Income Tax Department, GoI	MRTM03058G	03.06.2008	Valid until Cancellation
3.	GST Registration Certificate	Goods and Service Tax Department	09AAECM1658 H1ZC	21.03.2018	Valid until cancellation

***Labour Law Related Approvals***

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Employees’ Provident Funds and Miscellaneous Provisions Act, 1952	Office of the Regional Provident Fund Commissioner, New Delhi	MRMRT1635992	07.09.2017	N.A.
2.	Employees State Insurance Act, 1948	Sub-Regional Officer, ESIC	670004008300006 00.00	10.01.2011	N.A.
3.	MSME	Ministry of Micro Small & Medium Enterprises	UDYAM-UP-29-0007090	03.11.2020	N.A.






**Other Approvals**

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Importer Exporter Code	Ministry of Commerce and Industry, Directorate General of Foreign trade, New Delhi	512064971	04.12.2012	Valid until cancellation
2.	ISO 9001:2015 Quality Management System	Otabu Global Services Private Limited	0708Q78420	08.07.2020	07.07.2023
3.	Quality Assurance System for Manufacture of Materials	TUV Rhineland Industries Services GmbH	010 202IND/Q-17 0011	26.04.2020	17.04.2023
4.	The Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; the Water (Prevention and Control of Pollution) Cess Act, 1977 & Environmental Protection Act, 1986	U.P Pollution Control Board	<b>A/F</b>	<b>A/F</b>	<b>A/F</b>
5.	Registration and License to work a Factory under section 6 of Factories Act 1948	Labour Department, Uttar Pradesh	UPFA09001443	02.11.2022	31.12.2023
6.	Registration Certificates of Shops and Establishment under Delhi Shops & Establishment Act, 1954	Government of NCT of Delhi	2023017716	03.02.2023	Valid until cancellation



### Intellectual Property

Trademarks registered/Objected/Abandoned in the name of our company

S. No	Logo/Trademark	Class	Nature of Trademark	Owner	Trademark No. & Date
1.		6	Logo	Maiden Forgings Limited	TM Application No. 5670792

### Domain Name

S. No.	Domain Name & ID	Sponsoring Registrar & ID Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="http://maidenforgings.com">maidenforgings.com</a>	BigRock	February 16, 2021	February 16, 2024
2.	<a href="http://maidenforgings.in">maidenforgings.in</a>	BigRock	February 17, 2015	February 17, 2024



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

1. Our Board of Directors have, pursuant to resolutions passed at its meeting held on January 06, 2023 authorized the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
2. Our shareholders have, pursuant to the resolution dated January 06, 2023 under section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. The Company has obtained approval from BSE vide its letter dated March 13, 2023 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
4. Our Board has approved the Red Herring Prospectus through its resolution dated February 13, 2023.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “Government and Other Approvals” beginning on page number 224 of the Red Herring Prospectus.

### **Prohibition by SEBI**

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

### **Confirmations**

1. Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

### **Prohibition by RBI or Governmental authority**

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter nor Group Companies/Entities have been identified as willful defaulters or Fraudulent Borrower by the RBI or any other governmental authority.

### **Directors associated with the Securities Market**

Except as normal trading/investment in stock market/mutual funds, if any. We hereby confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Red Herring Prospectus.



## ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 229 (2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations as amended from time to time, as the post issue face value paid up capital exceeds ₹ 1,000.00 Lakhs.

Our Company also complies with the eligibility conditions laid by the SME Platform of Bombay Stock Exchange Limited for listing of our Equity Shares. The point wise Criteria for SME Platform of Bombay Stock Exchange Limited and compliance thereof are given hereunder;

**1. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.**

Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than INR 25.00 Crore.**

The present paid-up capital of our Company is INR 1042.8 Lakhs and we are proposing Issue of 37,84,000 Equity Shares of INR 10/- each at Issue price of [●] per Equity Share including share premium of [●] per Equity Share, aggregating to 2500 Lakhs. Hence, our Post Issue Paid up Capital will be INR 1421.2 Lakhs which is less than 2500 Lakhs.

**3. Track Record.**

**A. The company should have a track record of at least 3 years.**

Our Company was incorporated on February 11, 2005 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, N.C.T of Delhi & Haryana. Therefore we are in compliance with criteria of having track record of 3 years.

**B. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

**C. Minimum Net Tangible Assets of Rs. 150 Lakhs**

The Net Tangible Assets as per latest audited Restated Financials Statement i.e. December 31, 2022 is Rs. 3914.56 Lakhs.

Our Company satisfies the criteria of track record which given hereunder based on Restated Standalone Financial Statement.

*Amount (₹ In Lakhs)*

Particulars	31-Dec-22	31-Mar-22	31-Mar-21	31-Mar-20
Operating profit (earnings before interest, depreciation and tax) from Operations	1760.66	21083.72	19937.49	20440.37
Net-worth as per the Restated Financials of the Company	3914.56	3113.05	2399.11	2136.92



#### 4. Other Requirements

We confirm that;

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- iii. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- iv. The Company has a website: <https://maidenforgings.in/> .
- v. There has not been any change in the control of our Company in preceding one year from date of filing the application to BSE for listing under SME segment except as stated below:

Due to demise of Mr. Sanjay Garg, he ceased to be the Promoter and Director of the Company on September 26, 2022.

#### 5. Disclosures

We confirm that:

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

- 1) This Issue is 100% underwritten by the Book Running Lead Manager in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by Book Running Lead Manager, please refer to Section titled “General Information” beginning on page no. 53 of this Red Herring Prospectus.
- 2) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the Book Running Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares issued in the Initial Public Offer. For details of the market making arrangement, see Section titled “General Information” beginning on page no. 53 of this Red Herring Prospectus.
- 3) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue are greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 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 fourth days, be liable to repay such application money, with interest at rate of fifteen per cent per annum and within such time as disclosed in the issue document and Book Running Lead Manager shall ensure the same.



- 4) In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Prospectus through Book Running Lead Manager immediately upon registration of the Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However SEBI shall not issue any observation on our Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS 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 COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 28, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE RED HERRING PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS /~~PROSPECTUS~~.”**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, DELHI, IN TERMS OF SECTION 26, 30 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE BSE**

"BSE Limited ("BSE") has vide its letter dated March 13, 2023, given permission to "Maiden Forgings Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:



- I. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- II. Warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- III. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.

- IV. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- V. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai".

#### **CAUTION- DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website <https://maidenforgings.in/>, [www.shareindia.com](http://www.shareindia.com); would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.mangalamsaarloh.com](http://www.mangalamsaarloh.com) would be doing so at their own risk.

The Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: <https://maidenforgings.in/> would be doing so at their own risk.

#### **CAUTION**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Book Running Lead Manager, Share India Capital Services Private Limited and our Company dated February 07, 2023 and the Underwriting Agreement dated March 01, 2023 between Share India Capital Services Private Limited and our Company and the Market Making Agreement dated March 01, 2023 entered into among the Market Maker, Share India Securities Limited, Book Running Lead Manager,



Share India Capital Services Private Limited and our Company.

All information shall be made available by us and BRLM 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 or at collection centers etc.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, 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 and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

**Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Book Running Lead Manager 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 offer, 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 the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

**DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company

**DISCLAIMER CLAUSE UNDER RULE 144A OF 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 offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each bidder, wherever requires, agrees that such bidder will not sell or transfer any Equity Share or create any economic interest therein, including any offshore 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**

Application is to be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated March 13, 2023 from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six Working Days from the Offer Closing Date.

## **IMPERSONATION**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who –*



- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **CONSENTS**

The written consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, Advisor to the company, the Book Running Lead Manager to the Issue, Underwriter, Registrar to the Issue and Market Maker to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) H.G. Co., Chartered Accountants have provided their written consent to act as Peer review Auditor and expert to the company dated February 02, 2023; and inclusion of Statement of Tax Benefits dated January 25, 2023, Advocate has provided their written consent to act as Legal Advisor to the issue dated January 25, 2023 in this Red Herring Prospectus.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Red Herring Prospectus.

## **EXPERT OPINION**

Except for report and certificates from Peer Review Auditors on financial matter and Legal advisor to the company on Legal matters, we have not obtained any other expert opinions.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**



Other than as detailed under chapter titled ‘Capital Structure’ beginning on page 63 of the Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the Book Running Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to ‘Annexure’ to the Red Herring Prospectus and the website of the Book Running Lead Manager at [www.shareindia.com](http://www.shareindia.com).

### Book Running Lead Manager: Share India Capital Services Private Limited

Sr. No.	Issue Name	Issue size (Rs. In lacs)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing*	
1	Humming Bird Education Limited	215.16	132.00	28.03.2019	132.00	141.00 [6.81%]	521.61 [1.35%]	No Change	1046.36 [2.71%]	No Change	551.42 [1.42%]
2	Anmol India Limited	1023.00	33.00	21.02.2019	33.60	32.40 [-3.57%]	2266.26 [6.31%]	30.00 [-10.71%]	3211.86 [8.94%]	29.8 [-11.30%]	1429.66 [3.98%]

Summary statement of price information of past issues handled by Share India Capital Services Private Limited in last 3 FY including current financial year:

Financial Year	Total no. Of IPOs	Total Funds Raised (Rs. 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%
2021-2022	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-2021	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-2020	0	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Note:

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index



2. *Prices on NSE are considered for all of the above calculations*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
4. *In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.*
5. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information*

#### **UNDERWRITING, COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of Red Herring Prospectus.

#### **CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

Except as disclosed in Chapter titled “Capital Structure” on page 63 of Red Herring Prospectus, our Company has not made any capital issue during the previous three years.

We do not have any Listed Group Company or Subsidiary or Associate as on date of this Red Herring Prospectus.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

The price information and track record of the past issue handled by Share India Capital Services Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI is as follows:

##### **Performance vis-à-vis Objects – Public/ Rights Issue of the listed subsidiaries of our Company**

Our Company does not have any subsidiaries or listed promoters and none of our Group Companies have made any public issues, including rights issues to the public in the 5 years immediately preceding the date of this Red Herring Prospectus.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **OPTION TO SUBSCRIBE**

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.



## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the bidder, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the bidder, application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Red Herring Prospectus. - **Notes for Compliance**

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Monika Negi as the Company Secretary and Compliance Officer who may be contacted in case of any pre-Issue or post-Issue related problems at the following address:



B-5, Arihant Tower Block D Market, Vivek Vihar, East Delhi- 110092, and contacted at Tel: +011-44796732, Email: [cs@maidenforgings.in](mailto:cs@maidenforgings.in) Website: <https://maidenforgings.in>

Till date of this Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

## PUBLIC ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees for the Legal Advisor to the issue	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	[●]	[●]

Notes:

- Any expenses incurred towards aforesaid issue related expenses during the period from September 15, 2022 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue:
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:  
 Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
 Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
 ^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).



4. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
5. Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. 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.
6. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
7. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

#### **FEES PAYABLE TO BOOK RUNNING LEAD MANAGER TO THE ISSUE**

The total fees payable to the Book Running Lead Manager will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **COMMISSION PAYABLE TO SCSBS**

1. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs 0.01% ^ (exclusive of GST)





Portion for NIIs 0.01% ^ (exclusive of GST)

Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).

2. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
3. Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. 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.
4. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

#### CHANGES IN AUDITORS DURING THE LAST (3) THREE YEARS

Name of Auditor	Appointment/ Resignation	Date of Appointment/ Resignation	Reason
M/s Soni Gulati & Co. Chartered Accountants Address: G- 79/212, 2nd Floor, Gupta Building, Delhi-110092 Email Id: <a href="mailto:sonigulatiandcompany@gmail.com">sonigulatiandcompany@gmail.com</a> FRN: 08770N	Resignation	March 01, 2019	Resignation due to pre-occupation.
<b>H. G. &amp; Co.</b> Chartered Accountants III A- 49, Nehru Nagar, Ghaziabad, Uttar Pradesh Email Id: <a href="mailto:cahimanshu1975@gmail.com">cahimanshu1975@gmail.com</a> FRN: 013074C	Appointment	March 05, 2019	Casual vacancy due to resignation of the auditor. Appointed for the Financial Year 2018-19
<b>H. G. &amp; Co.</b> Chartered Accountants III A- 49, Nehru Nagar, Ghaziabad, Uttar Pradesh Email Id: <a href="mailto:cahimanshu1975@gmail.com">cahimanshu1975@gmail.com</a> FRN: 013074C	Appointment	September 30, 2019	Reappointed for a term of 5 years till the AGM of Financial Year 2024.





## SECTION IX: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI (ICDR) Regulations, 2018, the SCRA, the SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and listing and trading of securities, issued from time to time, by the SEBI, the Government of India, the Stock Exchanges, the ROC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority while granting approval for the Issue.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

#### Authority for the Issue

The present Issue of 3784000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 06, 2023 and was approved by the Shareholders of our Company by passing special resolution at their Extra-Ordinary General Meeting held on January 06, 2023 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### Ranking of the Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Description of Equity shares and terms of the Articles of Association” on page 289 of the Red Herring Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 171 of the Red Herring Prospectus.

#### Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made



available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “Basis for Issue Price” beginning on page 90 of the Red Herring Prospectus.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time

### **Rights of the Equity Shareholders**

Subject to applicable law and our Articles of Association, our equity Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Description of Equity Shares and Terms of the Articles of Association”, beginning on page 289.

### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated December 08, 2022 amongst our Company, NSDL and Registrar to the Issue; And
- Tripartite agreement dated December 09, 2022 amongst our Company, CDSL and Registrar to the Issue bearing ISIN INE001T01010.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of 2000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2000 Equity Shares and is subject to a minimum allotment of 2000 Equity Shares to the successful bidders in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.



### **Minimum Number of Allottee**

In accordance with Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of Offer.

### **Joint Holders**

Subject to the provisions of the AoA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, read with the rules notified thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. 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 our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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, our Board may thereafter withhold payment of all dividends, bonuses or other monies 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 dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

### **Withdrawal of the Offer**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.



Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and selling shareholder, in consultation with the Book Running Lead Manager withdraw the Offer after the Application/ Offer Closing Date and thereafter determine that it will proceed with public Offer of the Equity Shares, our Company shall file a fresh Prospectus with the Stock Exchange.

#### **Bid/Issue Programme**

<b>ISSUE OPENS ON</b>	March 22, 2023
<b>ISSUE CLOSES ON</b>	March 24, 2023

(1) In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the offer shall be open after at least three working days from the date of filing the Prospectus with the Registrar of Companies.

(2) In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, except as otherwise provided in these regulations, the public Offer shall be kept open for at least three working days and not more than ten working days.

(3) 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 (Offer) period disclosed in the prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1).

(4) In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our company, for reasons to be recorded in writing, extend the Offer period disclosed in the Prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation 266(1).

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

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	March 22, 2023
Issue Closing Date	March 24, 2023
Finalisation of Basis of Allotment with the BSE SME	On or about March 29, 2023
Initiation of refunds/unblocking of funds from ASBA Account	On or about March 30, 2023
Credit of Equity Shares to demat accounts of Allottees	On or about March 31, 2023
Commencement of trading of the Equity Shares on the BSE SME	On or about April 03, 2023

**\*\* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no.**

**SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.**



*The processing fees for applications made by the 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 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE is taken within six Working Days from the Offer Closing Date, the time table may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The SEBI is in the process of streamlining and reducing the post offer timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Prospectus may result in changes to the abovementioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect. The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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

Due to limitation of time available for uploading the Applications on the Offer Closing Date, the Bidders are advised to submit their Applications one day prior to the Offer Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Offer Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Applications are received on the Offer Closing Date, assist 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 the Offer. Applications will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with time lines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (Offer) period disclosed in the prospectus (in case of a book-built issue) or the Offer period disclosed in the prospectus (in case of a fixed price issue), for a minimum period of three working days, subject to the Bid/ Offer Period not exceeding 10 working days.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.





Separately, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensated on period
Delayed unblock for cancelled / withdrawn/deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual Unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) during the Bid / Offer Period (except on the Bid / Offer Closing Date) at the Bidding Centers as mentioned on the Application Form except that:

on the Bid / Offer Closing Date:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Bidders can revise or withdraw their Applications prior to the Offer Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Offer 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 or the electronic Application Form, for a particular Bidder, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

### Minimum Subscription

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.



Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within four days from the closure of the issue. If there is a delay beyond such time, our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

The minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of issue.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

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**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

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.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Share capital and Promoter’s minimum contribution under the SEBI



ICDR Regulations as provided in “Capital Structure”, beginning on page 63 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For details, see “Description of Equity Shares and Terms of the Articles of Association”, beginning on page 289 of the Red Herring Prospectus.

*The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Migration to Main Board**

Our company may migrate to the main board of BSE Limited at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh 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 favor 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 the company has obtained in- principal approval from the main board), our Company shall apply to BSE Limited for listing of its 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 our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company 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 favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME Platform of BSE has to fulfill following conditions:

- i. The increase in post issue face value capital beyond ₹ 2500 Lakh should arise only because of merger/acquisition or for expansion purposes.
- ii. The company should have a minimum turnover of ₹ 10,000 Lakh as per last audited financials and market capitalization of ₹ 10,000 Lakh.
- iii. The company should have a minimum profit before tax of ₹ 1000 Lakh for two years out of three preceding years.
- iv. There should not be any action against the company by any regulatory agency at the time of application for migration.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to "General Information" on page 53 of this Red Herring 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.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Mumbai, Maharashtra.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 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 U.S. state securities laws.

Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than or equal to ₹ 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited i.e. BSE SME). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 242 and 255 of the Red Herring Prospectus.

The Issue comprise of public issue of 37,84,000 Equity Shares of Face Value of ₹ 10 each fully paid (the “**Equity Shares**”) for cash at a price of [●] per Equity Share (*including a premium of [●] per Equity Share*) aggregating to [●] lakhs (the “Issue”) by our Company of which 1,90,000 Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker Reservations Portion and Net Issue to public of 35,94,000 Equity Shares of ₹ 10 each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute 26.62% and 25.28% respectively of the post-Issue paid up Equity Share Capital of our Company.

The Issue is being made by way of Book Built Price Issue Process.

Particulars	QIB's <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders	Market Maker
<b>Number of Equity Shares</b>	17,97,000 Equity Shares	5,39,100 Equity Shares	12,57,900 Equity Shares	1,90,000 Equity Shares
<b>Percentage of Offer available for allocation</b>	Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only	Not less than 15.00% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 35.00% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation	5.02% of the Issue Size
<b>Basis of Allotment / Allocation if respective category is oversubscribed</b>	Proportionate as follows (excluding the Anchor Investor Portion: (a) 89850 Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and; (b) 17,07,150 Equity shares shall be allotted on a proportionate basis to all QIBs including	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on page	Firm Allotment



	Mutual Funds receiving allocation as per (a) above  For further details please refer to the section titled "Issue Procedure" beginning on page 255.		255.	
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
<b>Minimum Bid Size</b>	2000 Equity Shares of Face Value of ₹ 10.00 each	Such number of Equity shares in multiple of 2000 Equity shares such that Application size exceeds ₹ 2,00,000	2000 Equity Shares of Face Value of ₹ 10.00 each	2000 Equity Shares
<b>Maximum Bid Size</b>	Not exceeding the size of the Offer, subject to limits as applicable to the Bidder	Not exceeding the size of the Offer, subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of 2000 Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000	2000 Equity Shares

*\*Subject to finansilation of basis of allotment.*

*(1) Our Company and selling shareholder, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see "Issue Procedure" on page 255.*

*(2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 253 of the SEBI ICDR Regulations.*

*Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, and selling shareholder in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Issue" on page 242.*

*(3) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

*In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first*

*Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

#### **Withdrawal of the Offer**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Offer Opening Date, without



assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

### **BID/OFFER PROGRAMME**

<b>Events</b>	<b>Indicative Dates</b>
Bid/Offer Opening Date	March 22, 2023
Bid/Offer Closing Date	March 24, 2023
Finalization of Basis of Allotment with the BSE	On or about March 29, 2023
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about March 30, 2023
Credit of Equity Shares to Demat accounts of Allottees	On or about March 31, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or about April 03, 2023

*\*Our Company, in consultation with the Selling Shareholder and the Book Running Lead Manager, consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period will be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations*

*\*\*Our Company, in consultation with the Selling Shareholder and the Book Running Lead Manager, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations*

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 Offer Period at the Application Centres mentioned in the Application Form.

Due to limitation of time available for uploading the application on the Offer Closing Date, Applicants are advised to submit their applications one day prior to the Offer Closing Date and, in any case, not later than 1.00 p.m. IST on the Offer Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Offer 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 Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in our Company with the SCSBs, to the extent applicable.

### **Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 ("Circular") standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such Exchange/platform, as under:



<b>Offer Price (in ₹) Lot Size (No. of shares)</b>	<b>Lot Size (No. of shares)</b>
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Offer in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and

issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and the UPI Circulars, notified by SEBI (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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document shall be made available on the websites of the Stock Exchanges, the Company and the Book Running Lead Manager before opening of the Offer. Please refer to the relevant provisions of the General Information Document which are applicable to this Offer.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Offer; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) Designated Date; (ix) disposal of Applications; (x) submission of Application Form; (xi) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xiii) mode of making refunds; and (xiv) 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 RIIs 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”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective 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, as amended, are deemed to form part of this Prospectus.

Thereafter, the final reduced timeline may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Offer will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid / Offer Opening Date. If the Offer is made under UPI Phase III, the same will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Financial Express (a widely circulated Hindi national daily newspaper)





and Delhi edition of Jansatta newspaper a Hindi newspaper, Hindi being regional language of Delhi, where our Registered Office is located, on or prior to the Bid / Offer Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their websites. Further SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 have brought the implementation of the aforesaid circular dated March 16, 2021 in accordance with the revised timelines for certain of its provisions based on representations received from the stakeholders due to Covid-19 pandemic. The revisions of the circular dated June 02, 2021 are elaborated as under:

- SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Offer process.
- The Stock Exchanges and Book Running Lead Manager shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Offer.
- The Registrar to the Offer shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e, the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Offer, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Offer shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

Our Company, Selling Shareholder and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public Offer opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is up to ₹5 Lakhs may also use UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Book Running Lead Manager.

Further, our Company, Selling Shareholder and BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in the Offer.

## **PART A**

### **Book Built Process**



The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and selling shareholder may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and selling shareholder in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange. Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized 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. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment Application Form Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Offer and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Book Running Lead Manager and Stock Exchange, SME Platform of BSE, at least one day prior to the Offer Opening Date.

All Applicants shall mandatorily participate in the Offer only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

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 Offer and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centers only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form Has been standardized. Also, please note that pursuant to SEBI Circular





CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colors of the Application Form for various investors applying in the Offer are as follows:

Categories	Color*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue
Anchor Investors	White

*\*Excluding Electronic Application Form*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs 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. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of Stock Exchange.

Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Offer. However, in case of Electronic forms, "printouts" of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

Applicants shall only use the specified Application Form for making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries")

Sr. No.	Designated Intermediaries
1	An SCSB, with whom the bank account to be blocked, is maintained
2	A syndicate member (or sub-syndicate member)
3	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')



4	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5	A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Application Form. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For application submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

#### **Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.



Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.



Applications not to be made by:

- a. Minors (except through their Guardians)
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

*As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.*

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **For Retail Individual Applicants**

The Application must be for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

### **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 ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer 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 ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).



- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).  
For applications where the proportionate allotment works out to less than 2000 Equity shares the allotment will be made as follows:
- i. Each successful applicant shall be allotted 2000 Equity shares; and
  - ii. the successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- c) If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 2000 Equity shares subject to a minimum allotment of 2000 Equity shares.
- d) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Red Herring Prospectus.
- e) The above proportionate allotment of shares in an Offer that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
- As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - The balance net Offer of shares to the public shall be made available for allotment to Individual applicants other than retails individual investors and Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - The unsubscribed portion of the net Offer to any one of the categories specified in a) or b) shall/may be made available for allocation to 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 Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Participation by Associates /Affiliates of BRLM and the Market Makers**

The BRLM, Market Maker and the Underwriters, if any shall not be entitled to subscribe to this Offer in any manner except towers fulfilling their underwriting and market making obligations. However, associates/affiliates of the Underwriters and Market Maker, if any may subscribe to Equity Shares in the Offer, 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.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Offer.





## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Delhi Edition of Regional newspaper Jansatta where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Delhi Edition of Regional newspaper Jansatta where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 255 of this Red Herring Prospectus.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity



Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut- off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non- Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.



5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub- Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”)accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour). For details of restrictions on investment by NRIs, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” beginning on page 286 of this Red Herring Prospectus.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid





is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs may be considered at par with Bids from individuals;

### **BIDS BY FPIS INCLUDING FIIS**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely ‘foreign institutional investors’ and ‘qualified foreign investors’ are subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

### **Option to Subscribe in the Offer**

As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.

The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Applicants:**

Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

Our Company will file the Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.

Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.

Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.

Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.

Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.

Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB’s or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole



identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Applicants.

The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

#### **Applications by eligible NRIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

#### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer 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 up to 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 RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018(updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company



will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

- a. 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 investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it 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 such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. 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 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 Regulations shall continue to be regulated by the VCF Regulations.

All 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 commission.

Our Company, selling shareholder or the BRLM will not be responsible for loss, if any, incurred by the Applicant.

#### **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 custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **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 LLP 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. Limited liability partnerships can participate in the Offer only through the ASBA process.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and selling shareholder in consultation with the BRLM, 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”), as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- i. 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;
- ii. 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
- iii. 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 Offer, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lacs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged 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 therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along 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 therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI



registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of ₹ 2500 Lacs and pension funds with minimum corpus of ₹ 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the Book Running Lead Manager may deem fit.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with minimum corpus of ₹ 2,500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along 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.

The above information is given for the benefit of the Applicants. Our Company, selling shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Applications by SCSBs**

SCSBs participating in the Offer 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 with the IRDA, a certified copy of certificate of registration issued by IRDA must SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications by Systemically Important Non-Banking Financial Companies In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the





certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company and selling shareholder in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time. Offer 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, selling shareholder and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this 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 Offer Period.
2. The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.
3. During the Offer 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 Offer.
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.

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries there than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

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 Offer Account, or until withdraw/ failure of the Offer or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer 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 Offer Account. In case of withdrawal/ failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **Terms of payment**

The entire Offer price of ₹ 90 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 Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer 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 Offer 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 Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Offer, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Offer Account as per section 40 (3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Offer by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Offer, in the event of withdrawal/failure of the Offer or rejection of the ASBA Application, as the case maybe.



### **Maximum and Minimum Application Size**

The applications in this Offer, being a Book Built issue, will be categorized into two;

#### **For Retail Individual Applicants**

The Application must be for a minimum of 2000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000

#### **For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter.

A person shall not make an application in the net issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

#### **Option to Receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

#### **Pre-Offer Advertisement**

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.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

#### **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 Offer 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 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 Book Running Lead Manager nor our Company nor the Registrar to the Offer, 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 Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer 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 Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by 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:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in 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 Offer 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.

Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

10. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, 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 Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer 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.

13. The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.

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 Offer is being made through the Book Built Process wherein 1,90,000 Equity Shares shall be reserved for Market Maker and 12,57,900 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Offer Price. The balance of the Net Offer will be available for allocation on proportionate basis to 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 and selling shareholder in consultation with the Book Running Lead Manager and the Stock Exchange.

3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.



5. Allotment status details shall be available on the website of the Registrar to the Offer.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- i. Our company and selling shareholder will enter into an Underwriting agreement before filing prospectus.
- ii. A copy of the Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

### **Pre-Offer Advertisement**

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. Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper each with wide circulation.

### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website.

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 Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to the Applicants who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

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 Offer 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 Offer Account to Public Offer account of the issuer.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the floor Price and cap price.

### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of Offer of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall



be returned within such time and manner as maybe prescribed under that section. If the Issuer does not received the subscription of 100% of the Offer through this Offer document including devolvement of underwriters within Sixty Days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

### **General Instructions**

#### **Do's:**

1. Check if you are eligible to apply;
2. Read all the instructions carefully and complete the applicable Application Form;
3. Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
4. All Bidders should submit their Bids through the ASBA process only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
7. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
8. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
9. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
10. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
11. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
12. RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;>
13. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
14. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
15. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;



16. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms;
17. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
18. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
19. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
20. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, 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);
21. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
22. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries
  - (a) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
23. Ensure that the Demographic Details are updated, true and correct in all respects;
24. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
25. Ensure that the category and the investor status is indicated;
26. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
27. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
28. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;



29. Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Prospectus;
30. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
31. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
32. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
33. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
34. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
35. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
36. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Offer Closing Date.
37. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
38. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
39. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply for a price different from the price mentioned herein or in the Application Form;
3. Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
4. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;





6. Do not send Application Forms by post, instead submit the Designated Intermediary only;
7. Do not submit the Application Forms to any non-SCSB bank or our Company
8. Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
10. Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);
11. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer 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;
12. Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
13. 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 Offer;
14. Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
15. 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;
16. Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
17. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other instructions for the Bidders Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 Bidder would be required in the Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

All communications may be addressed to such Bidders and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

A Bidder should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, the sub-Syndicate, SCSB, Registered Broker, RTA and CDP and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-Offer or post-Offer related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

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 Bidders should inform their respective DP.

### **SUBMISSION OF BIDS**

- I. During the Bid/ Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- II. In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- III. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Prospectus.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that 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 Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Offer with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application 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.

**Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and 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 Offer will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Book Running Lead Manager nor the Registrar to the Offer or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. 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 Offer.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, 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.

### **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 SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- i. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Offer Closing Date;
- ii. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer Closing Date, would be ensured; and
- iii. 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 and selling shareholder in consultation with the BRLM 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.

### **Grounds for Rejection**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Book Building process;
- Applications for number of Equity Shares which are not in multiples of 2000;
- The amounts mentioned in the Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- Applications made using a third party bank account or using third party UPI ID linked bank account
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID)



and the beneficiary's account number;

- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person 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;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- 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;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

- a. An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b. The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c. Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f. The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h. The trading of the Equity Shares of our Company would be only in dematerialized form.

#### **Communications**

Registrar to the Offer 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 Banker to the Offer where the Application was submitted and a copy of the acknowledgement slip.

BIDDERS 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 BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

#### **Undertakings by Our Company**



We undertake as follows:

- That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- 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 6 (six) Working days of closure of the Offer;
- That if the Company do not proceed with the Offer, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That our Promoter's contribution in full shall be brought in;
- That no further Offer of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and That if the Company withdraws the Offer after the Offer 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;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by us;
- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Offer giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That Company shall not have recourse to the Offer proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and that none of the promoters or directors of the company is wilful defaulter or Fraudulent Borrower under Section 5(c) of SEBI (ICDR) Regulations, 2018.

#### **Undertakings by Selling Shareholder**

Selling Shareholder, specifically undertake and/or confirms the following solely in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer; and
- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from the Stock Exchange.

#### **Utilization of Offer Proceeds**

The Board of Directors of our Company certifies that:

- a) All monies received out of the Offer 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;



- b) Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- d) Our Company shall comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
- e) Our Company shall not have recourse to utilize the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- f) Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.



## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 (“**FDI Policy 2020**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy from time to time and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI issues Master Directions on Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

Under the current applicable FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is involved in the business of manufacturing. 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates.

At Present, the FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 has been superseded by FEMA (Non -Debt Instruments) Rules, 2019 dated October 17, 2019 (FEMA Non-Debt Rules). The sectoral cap given in the FEMA Non-Debt Rules shall come into effect from April 01, 2020.

As per the extant policy of the Government of India, OCBs cannot 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. An erstwhile OCB may transfer equity instruments subject to the directions issued by the Reserve Bank of India from time to time in this regard. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines.

### **Investment conditions/restrictions for overseas entities**

The maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, Foreign Portfolio Investors (FPIs), Non-Resident Indian (NRI)/ Overseas Citizen of India (OCI), Limited Liability Partnerships (LLPs), Foreign Venture Capital Investor (FVCI), Investment Vehicles and Depository Receipts (DRs) under Schedule I, II, III, VI, VII, VIII and IX of the FEMA Non Debt Rules. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the sectoral cap.



**Investment by FPIs under Portfolio Investment Scheme (PIS):**

Aggregate FPI up to 49% of the paid up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in the transfer of ownership or control to persons resident outside India and other investments by a person resident outside India shall be subject to the conditions of Government approval and compliance of sectoral conditions as laid down in the FEMA Non Debt Rules.

Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy 2020 till the time the new sectoral cap as mentioned in the FEMA Non-Debt Rules comes into effect. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

With regards to purchase/sale of equity instruments of an Indian company by an FPI under PIS, the total holding by each FPI or an investor group shall be less than 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 % and 24 % will be called the individual and aggregate limit, respectively.

With effect from the April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3 of Schedule I of the FEMA Non Debt Rules, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants. The aggregate limit as provided in sub-paragraph (b) of paragraph 3 of Schedule I may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. Further, the Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively. Also, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24 %.

**Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity instruments as defined under the FEMA Non Debt Rules of a listed Indian company on repatriation basis on a recognized stock exchange in India by NRI or OCI is allowed subject to certain conditions under Schedule III of the FEMA Non Debt Rules that is:

The total holding by any individual NRI or OCI shall not exceed 5 % of the total paid-up equity capital on a fully diluted basis or should not exceed 5 % of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 % of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 % maybe raised to 24 % if a special resolution to that effect is passed by the general body of the Indian company.

**Investment by NRI or OCI on non-repatriation basis**

The Schedule IV of the FEMA Non-Debt Rules deals with Purchase/ sale of equity Instruments or convertible notes or units or contribution to the capital of a LLP by a NRI or OCI on non-repatriation basis. It shall be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions by RBI.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act,**



except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no issue to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such issue made under exemptions available under the Prospectus Directive, provided that no such issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running 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 Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.





## SECTION X -MAIN PROVISION OF ARTICLE OF ASSOCIATION

### THE COMPANIES ACT, 2013 (A COMPANY LIMITED BY SHARES)

### ARTICLES OF ASSOCIATION OF MAIDEN FORGINGS LIMITED (Incorporated under the Companies Act, 1956 Now Companies Act, 2013)

#### PRELIMINERY

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company so far as they are applicable to Public Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.

#### INTERPRETATION

##### I.

- (1) In these Regulations :-

- (a) "Company" means **MAIDEN FORGINGS LIMITED**.
- (b) "the Act" means the "Companies Act, 2013" and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
- (c) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.
- (d) "the Office" means the Registered Office for the time being of the Company.
- (e) "the Seal" means the common seal of the Company.
- (f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.
- (g) "month" and "year" means a calendar month and calendar year respectively.
- (h) An expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.
- (i) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

2. The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.





## SHARE CAPITAL AND VARIATION OF RIGHTS

1. **1.1.** The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.

2. Any application signed by or on behalf of an bidder for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
3. 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 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
4. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise 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.
5. (i) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, 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 the Section.  
(ii) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.  
(iii) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.  
(iv) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

**II 2. I** (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) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) 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.

II . The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.

(i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;

(ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".

III. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

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 adequate, 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.

#### **LIEN**

9. Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid-up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
Provided that no sale shall be made—
  - (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 byway 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.** 1. (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.
2. Subject to the provisions of Section 50 and 179 of the Act, the Board :-
- (a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
- (b) If it thinks fit, may pay interest upon all or any of shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.
3. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
4. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- 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.** 1. The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.
2. (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 security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;
- (iii) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;
- (iv) that a common form of transfer shall be used;



- (v) that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares;
  - (vi) that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;
  - (vii) that any amount 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;
  - (viii) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;
  - (ix) Permission for Sub-Division/Consolidation of Share Certificate.
3. The instrument of transfer shall be in writing and all the provisions of the Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
4. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.
- 20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
- 21.** 1. 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.
2. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
- 22.** (a) 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.
- (b) There shall be no charge for :
    - (a) registration of shares or debentures.
    - (b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
  - (c) sub-division of renounceable Letters of Right;
  - (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
  - (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.



## 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 aforesaid 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. 1. On the transfer of the share being registered in his name 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.
2. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.
3. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company





but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### FORFEITURE OF SHARES

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
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 together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
- (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; and
- (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. 1. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.
2. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.
3. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name



has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

5. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

### **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 share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 36.** 1. The Company may, by an ordinary resolution:-
- (a) convert any paid-up shares into stock; and
  - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
2. 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 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.
3. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting 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.
4. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.
- 37.** 1. 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.





The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.

2. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.

3. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.

4. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.

### CAPITALISATION OF PROFITS

- 38.** (1) 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; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) 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; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
- (3) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- (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 capitalised 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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
  - (iii) Any agreement made under such authority shall be effective and binding on such members.
- 39.** (1) Whenever such as 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) do all acts and things required to give effect thereto.
- (2) The Board shall have full power:-



- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also
- (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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (3) Any agreement made under such authority shall be effective and binding on all such members.

### **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 extraordinary 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. 1. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called  
2. (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 in Section 103 of the Act, a minimum of:-
  - a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
  - b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
  - c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

- 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. 1. 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.  
2. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.



## ADJOURNMENT OF MEETING

47. 1. (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.
2. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
3. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

## 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 notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.



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. 1. *The number of Directors of the Company shall not be less than three and not more than fifteen.*  
2. *Name of the First Director shall be*  
    1. *Madho Ram Garg*  
    2. *Munna Lal Agarwal*
59. 1. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
2. (1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding Rs. 100,000/- (Rupees One Lacs Only);  
(2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.  
(3) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.  
(4) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.  
(5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-  
(a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or  
(b) In connection with the business of the Company.
3. The Directors shall not be required to hold any qualification shares in the Company.
4. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the



time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.

5. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.

6. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.

7. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

8. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.

9. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.

10. The office of a Director shall become vacant:-

(i) on the happening of any of the events provided for in Section 167 of the Act;

(ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;

(iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.

(iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or

(v) on resignation of his office by notice in writing and is accepted by the Board.

**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.

**63.** 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.



- 64.** (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.
- 65.** 1. (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.
2. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
3. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.
4. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.
- 66.** (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
- 67.** 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.
- 68.** 1. (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.
2. Subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
3. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
- 69.** (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.
- 70.** (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.

71. (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.

72. 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.

73. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority 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 as valid and effectual 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**

74. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

75. 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**

76. (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.

(2) Subject to any statutory requirements as to Share Certificates or otherwise, 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**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. 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.





- 79.** (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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, 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.
- 80.** (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.
- 81.** 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.
- 82.** (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.
- 83.** 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.
- 84.** 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.
- 85.** No dividend shall bear interest against the company.

## ACCOUNTS

- 86.** (1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.
- (2) 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 or them, shall be open to the inspection of members not being Directors.
- (3) 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

- 87.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) 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.



(ii) 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.

(iii) 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**

- 88.** 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.

## **89. OTHERS**

### **SHARE WARRANTS**

1. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
2. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.  
(2) Not more than one person shall be recognised as depositor of the share warrant.  
(3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
3. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.  
(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.
4. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

### **MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)**

1. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain



such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.

2. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.

3. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

### **BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

1. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.

### **AUDIT**

1 (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

(b) The auditor shall hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting

(c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.

(d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

### **SECRECY**

1. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.



## SECTION XI- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: B-5, Arihant Tower, Block D Market, Vivek Vihar, East Delhi- 110092, India from the date of filing this Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.*

#### MATERIAL CONTRACTS

1. Issue Agreement dated February 07, 2023 between our Company and the Book Running Lead Manager.
2. Agreement dated January 17, 2023 between our Company and the Registrar to the Issue.
3. Escrow agreement dated March 01, 2023 among our Company, the Book Running Lead Manager, the Escrow Collection Banks, and the Registrar to the Issue.
4. Underwriting agreement dated March 01, 2023 between our Company and Book Running Lead Manager.
5. Market Making Agreement dated March 01, 2023 between our Company, the Book Running Lead Manager and the Market Maker.
6. Agreement among NSDL, our Company and the Registrar to the Issue dated December 08, 2022.
7. Agreement among CDSL, our Company and the Registrar to the Issue dated December 09, 2022.

#### MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated January 06, 2023 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra ordinary General Meeting dated January 06, 2023 authorizing the Issue.
4. Statement of Tax Benefits dated January 25, 2023 issued by Statutory Auditor, Peer review, H.G. Co., Chartered Accountants.
5. Report of the Statutory Auditor H. G. & Co., Chartered Accountants, on the Restated Financial Statements for the period till December 2022 and for the Financial Year ended as on March 31, 2022, 2021 and 2020 of our Company.
6. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, the Book Running Lead Manager, Registrar to the Issue, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.
7. Copy of approval from BSE *vide* letter dated March 13, 2023 to use the name of BSE in this offer document for listing of Equity Shares on BSE SME Platform.



8. Due Diligence Certificate dated February 28, 2023 from the Book Running Lead Manager.
9. Copy of Agreement with Mr. Nishant Garg and our Company dated November 28, 2022 for his appointment as Managing Director.
10. Copy of the Special Resolution dated November 28, 2022 for the detailed terms of appointment of Mr. Nishant Garg as Managing Director of the Company.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013 and the guidelines issued by the Government of India or the regulations / guidelines issued by 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 the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

### Signed by the Directors of our Company

Name	DIN	Designation	Signature
Mr. Nishant Garg	03088601	Managing Director	Sd/-
Mrs. Nivedita Garg	03359751	Chairman & Whole Time Director	Sd/-
Ms. Urvi Agarwal	02949847	Independent Director	Sd/-
Mr. Raj Kumar Mittal	09836029	Independent Director	Sd/-
Mr. Abhilash Rastogi	09835969	Independent Director	Sd/-
Ms. Monika Negi	BCKPR5338F	Company Secretary & Compliance Officer	Sd/-
Ms. Prachla Garg	AGQPG9437N	Chief Financial Officer	Sd/-

**Date: March 14, 2023**

**Place: Delhi**