



(Please scan this QR Code to view the Draft Prospectus)

**Draft Prospectus**  
**Dated: August 02, 2023**  
Please read Section 26 of the Companies Act, 2013  
**100% Fixed Price Issue**  
(This Draft Prospectus will be updated upon filing with the RoC)



**BALAJI PIPING PRODUCTS LIMITED**  
**CIN: U27320GJ2020PLC114317**

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
R. S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala Industrial Area, Kotdasangani, Rajkot-360 311, Gujarat, India.	[●], Company Secretary and Compliance Officer <sup>^</sup>	<b>Tel:</b> +91 951 230 8445 <b>Email:</b> info@balajipipingproducts.com	<a href="http://www.balajipipingproducts.com">www.balajipipingproducts.com</a>

**PROMOTERS OF OUR COMPANY : DHANANJAY BACHUBHAI THUMAR, JENISH MUKESHBHAI THUMAR AND JAYSHREEBEN RAMJIBHAI SORATHIA**

**DETAILS OF THE ISSUE**

TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Up to 15,12,000 Equity Shares of ₹ [●]/- aggregating up to ₹ [●] Lakhs	Nil	Up to 15,12,000 Equity Shares of ₹ [●]/- aggregating up to ₹ [●] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.

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

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “*Basis for Issue Price*” beginning on page no. 80 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares 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 Draft Prospectus. Specific attention of the investors is invited to the section titled “*Risk Factors*” on page 22 of this Draft Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through the Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”). Our Company has received an ‘in-principle’ approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be NSE. A signed copy of the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see “*Material Contracts and Documents for Inspection*” on page 309 of this Draft Prospectus.

**LEAD MANAGER: BEELINE CAPITAL ADVISORS PRIVATE LIMITED**

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 Beeline Capital Advisors Private Limited	Nikhil Shah	<b>Email:</b> mb@beelinemb.com <b>Tel. No.:</b> +91 79 4840 5357

**REGISTRAR TO THE ISSUE: KFIN TECHNOLOGIES LIMITED**

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 KFINTECH EXPERIENCE TRANSFORMATION	M Murali Krishna	<b>Email:</b> bppl.ipo@kfintech.com <b>Tel. No.:</b> +91 406 716 2222

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

<sup>^</sup>Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.



## BALAJI PIPING PRODUCTS LIMITED

Balaji Piping Products Limited (the “Company”) was incorporated on July 3, 2020 under the name and style of ‘*Forgemaster Private Limited*’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 3, 2020 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, pursuant to the name approval dated March 24, 2022 issued by the Registrar of Companies, Central Registration Centre and pursuant to a special resolution dated March 28, 2022 passed by the Shareholders of our Company in their Extra-Ordinary General Meeting, the name of our Company was changed to “*Balaji Piping Products Private Limited*” and a fresh certificate of incorporation dated April 11, 2022 was issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-Ordinary General Meeting held on April 25, 2023 and consequently the name of our Company was changed to ‘*Balaji Piping Products Limited*’ and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. For details of change in Registered Office of our Company, please refer to the chapter titled “*History and Certain Corporate Matters*” on page 132 of this Draft Prospectus.

**Registered Office:** R.S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala industrial Area, Kotasangani, Rajkot-360 311, Gujarat, India  
**Telephone:** +91 951 230 8445; **E-mail:** info@balajipipingproducts.com; **Website:** www.balajipipingproducts.com;  
**Contact Person:** [•], Company Secretary and Compliance Officer<sup>^</sup>; **CIN:** U27320GJ2020PLC114317

<b>PROMOTERS OF OUR COMPANY : DHANANJAY BACHUBHAI THUMAR, JENISH MUKESHBHAI THUMAR AND JAYSHREEBEN RAMJIBHAI SORATHIA</b>	
<b>THE ISSUE</b>	
PUBLIC ISSUE OF UP TO 15,12,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“EQUITY SHARES”) OF THE COMPANY FOR CASH AT A PRICE OF ₹ [•]/- PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ [•] LACS (“ISSUE”) OF THE ISSUE, 76,800 EQUITY SHARES AGGREGATING TO ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 14,35,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [•]/- PER EQUITY SHARE AGGREGATING TO ₹ [•] LAKHS IS HEREAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•]% AND [•]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 221 OF THE DRAFT PROSPECTUS.	
<b>THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10/- AND THE ISSUE PRICE IS [•] TIMES OF THE FACE VALUE</b>	
In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post- Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.	
In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “ <i>Issue Procedure</i> ” on page 230 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 and 28 of the Companies Act, 2013.	
<b>RISK IN RELATION TO THE FIRST ISSUE</b>	
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “ <i>Basis for Issue Price</i> ” beginning on page no. 80 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.	
<b>GENERAL RISKS</b>	
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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares 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 Draft Prospectus. Specific attention of the investors is invited to the section titled “ <i>Risk Factors</i> ” on page 22 of this Draft Prospectus.	
<b>COMPANY’S ABSOLUTE RESPONSIBILITY</b>	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
<b>LISTING</b>	
The Equity Shares offered through the Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”). Our Company has received an ‘in-principle’ approval letter dated [•] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be NSE. A signed copy of the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see “ <i>Material Contracts and Documents for Inspection</i> ” on page 309 of this Draft Prospectus.	
<b>LEAD MANAGER TO THE ISSUE</b>	<b>REGISTRAR TO THE ISSUE</b>
 <p><b>Beeline Capital Advisors Private Limited</b> 807, Phoenix, Opp. Girish Cold Drinks, Near Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009, Gujarat. <b>Tel No.:</b> +91 794 840 5357 <b>Fax No.:</b> N.A. <b>Email:</b> mb@beelinemb.com <b>Website:</b> <a href="http://www.beelinemb.com">www.beelinemb.com</a> <b>Investor Grievance Email:</b> <a href="mailto:ig@beelinemb.com">ig@beelinemb.com</a> <b>Contact Person:</b> Nikhil Shah <b>SEBI Registration No.:</b> INM000012917 <b>CIN:</b> U67190GJ2020PTC114322</p>	 <p><b>KFIN TECHNOLOGIES LIMITED</b> (Formerly known as <i>KFin Technologies Private Limited</i>) <b>KFin Technologies Private Limited</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India. <b>Contact Person:</b> M Murali Krishna <b>Tel:</b> +91 406 716 2222 <b>Toll Free:</b> 1800 309 4001 <b>Email:</b> <a href="mailto:bppl.ipo@kfintech.com">bppl.ipo@kfintech.com</a> <b>Investor grievance e-mail:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>SEBI Registration No. :</b> INR000000221</p>
<b>ISSUE OPENS ON</b>	<b>ISSUE CLOSES ON</b>
<b>ISSUE OPENS ON: [•]</b>	<b>ISSUE CLOSES ON: [•]</b>

<sup>^</sup>Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

*The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.*

#### General Terms

Term	Description
“Company”, “our Company”, “Balaji”, “the Company”, “the Issuer”	Balaji Piping Products Limited, a company incorporated under the Companies Act, 2013, having its registered office at R.S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala industrial Area, Kotasangani, Rajkot-360 311, Gujarat, India
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Our Promoters	Promoters of our Company, namely Dhananjay Bachubhai Thumar, Jenish Mukeshbhai Thumar and Jayshreeben Ramjibhai Sorathia. For further details, please see the section entitled “ <i>Our Promoter and Promoters Group</i> ” on page 147 of this Draft Prospectus.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 147 of this Draft Prospectus.

#### Company Related Terms

Term	Description
Articles / Articles of Association / AoA	The Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 135 of this Draft Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. M N Manvar & Co, Chartered Accountants.
Banker to our Company	Banker to our Company, namely Indian Overseas Bank Limited.
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e., U27320GJ2020PLC114317
CMD/ Chairman and Managing Director	The Chairman and Managing Director of our Company, being Dhananjay Bachubhai Thumar
Chief Financial Officer / CFO	Mayur Kantilal Kalola, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	[●], the Company Secretary and the Compliance Officer of our Company.  Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.
Depositories Act	The Depositories Act, 1996, as amended from time to time

<b>Term</b>	<b>Description</b>
DIN	Director Identification Number
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive directors of our Company.
Group Companies	Companies (other than our Subsidiary) 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.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INEOPYG01015
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 “ <i>Our Management</i> ” on page 135 of this Draft Prospectus.
Managing Director/ MD	The managing director of our Company.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on June 23, 2023 in accordance with the requirements of the SEBI ICDR Regulations.
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 135 of this Draft Prospectus.
Non-executive Directors	Non-executive Directors of our Company.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Registered Office	The registered office of our Company situated at R.S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala industrial Area, Kotasangani, Rajkot-360 311, Gujarat, India.
Registrar of Companies/ RoC	Registrar of Companies, Gujarat at Ahmedabad.
Restated Financial Statements /Restated Financial Information	The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flows, for the period ended on May 31, 2023 and year ended on March 31, 2023, 2022 and 2021 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For details, see “ <i>Financial Information</i> ” on page 155 of this Draft Prospectus.
“Senior Management”	Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “ <i>Our Management</i> ” on page 135 of this Draft Prospectus.
Shareholders	Shareholders of our Company, 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 “ <i>Our Management</i> ” on page 135 of this Draft Prospectus.

#### Issue Related Terms

<b>Term</b>	<b>Description</b>
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot/Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants 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 applicant to whom the Equity Shares are being / have been allotted.
Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft 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 Applicant and which will be considered as an application for Allotment in terms of the Prospectus.
ASBA Bid	A Bid made by ASBA Bidder
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being [●].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in "Issue Procedure" on page 230 of this Draft Prospectus.
Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Business Day	Monday to Friday (except public holidays).
Broker Centers	Broker centers notified by the Stock Exchanges, where Applicants can submit the ASBA Forms to a Registered Broker.  The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange (www.nseindia.com) and are updated from time to time.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s)/ CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the

<b>Term</b>	<b>Description</b>
	Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the website of NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Issue with the LM, 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.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Designated CDP Locations	Such locations of the CDPs where Applicants 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.
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 authorising 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 Applicants 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.
Designated Stock Exchange	National Stock Exchange of India Limited
DP ID	Depository Participant's identity number
Draft Prospectus/DP	This Draft Prospectus dated August 02, 2023 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Electronic Transfer of Funds	Refunds through ECS (Electronic Clearing Services), NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who

<b>Term</b>	<b>Description</b>
	have opened demat accounts with SEBI registered qualified depository participants.
Emerge Platform of NSE / NSE EMERGE	The EmERGE Platform of NSE 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.
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(s)	Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Agent	[●]
Escrow Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants 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 [●].
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Foreign Portfolio Investor(s) / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
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, notified by SEBI, suitably modified and included in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 230 of this Draft Prospectus.
Issue Agreement	The agreement dated July 25, 2023 between our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under the Draft Prospectus and the Prospectus being ₹ [●]/- per 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 “ <i>Objects of the Issue</i> ” on page 67 of this Draft Prospectus.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Opening	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Closing	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue/Issue Size	Initial Public Offering of up to 15,12,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lacs.
Lead Manager/ LM	The lead manager to the Issue, being Beeline Capital Advisors Private Limited.

<b>Term</b>	<b>Description</b>
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Market Maker of the Company, in this case being [●]
Market Maker Reservation Portion	The Reserved portion of 76,800 Equity shares of ₹ 10/- each at an Issue Price of ₹ [●]/- aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
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	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "Objects of the Issue" on page 67 of this Draft Prospectus.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 14,35,200 Equity Shares of ₹ 10/- each at ₹ [●]/- per Equity Share including share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs.
Non-Institutional Applicant / Investors	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Retail Portion including Qualified Institution Buyers (NRII)	The remaining portion of the Net Issue including 7,17,600 Equity Shares, after retail portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
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.
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 Applicants 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 [●].
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FPIs 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	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Registrar Agreement	The registrar agreement dated July 25, 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 NSE .

<b>Term</b>	<b>Description</b>
Registrar to the Issue / Registrar	KFin Technologies Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Retail Portions	Portion of the Issue being not less than 35% of the Net Issue consisting of 7,17,600 Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant 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 Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Refund account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [●]
SEBI Master Circular	Master circular dated June 21, 2023 issued by the Securities and Exchange Board of India in order to enable the stakeholders to have access to all circulars/directions issued under the relevant provisions of the SEBI ICDR Regulations, 2018 at one place.
Self-Certified Syndicate Banks or SCSBs	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 LM 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 [●].
Stock Exchange	National Stock Exchange of India Limited
Systemically 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 Applicant, as proof of registration of the Application.
Underwriters	[●]
Underwriting Agreements	The agreement dated [●] entered into among the Underwriters and our Company prior to the filing of the Prospectus with the RoC.
Unified Payment 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



<b>Term</b>	<b>Description</b>
	accounts using a payment address which uniquely identifies a persons' bank account.
UPI	Unified Payment Interface.
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/P/CIR/2021/570 dated June 02, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI Master Circular 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.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter(s) or Fraudulent Borrower(s)	Company or person, as the case may be, categorized as a wilful defaulter(s) or fraudulent borrower(s) by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI and in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; Post Application / Issue closing date and till the Listing of Equity Shares: 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.

#### **Conventional and General Terms and Abbreviations**

<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
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 Regulation.
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

<b>Term</b>	<b>Description</b>
Category III FPIs	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, 1956 and / or the Companies Act, 2013 as applicable.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (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 thereunder.
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
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.
DP or Depository Participant	A depository participant as defined under the Depositories Act
Depositories Act	The Depositories Act, 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
EGM	Extraordinary General Meeting
EMERGE	The SME platform of NSE Limited
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	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
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

<b>Term</b>	<b>Description</b>
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
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 ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal rate of return
IMPS	Immediate Payment Service
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number
IT	Information Technology
KYC	Know your customer
Lacs	Lakhs
LIBOR	London Inter-Bank Offer Rate
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO	Non-resident ordinary account
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NPCI	National Payments Corporation of India
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date 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
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PIO	Person of India Origin
Payment of Bonus Act	Payment of Bonus Act, 1965

<b>Term</b>	<b>Description</b>
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005
RTGS	Real Time Gross Settlement
Rule 14A	Rule 14A under the Securities Act
₹/Rs./ Rupees/ Indian Rupees	The lawful currency of India
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
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 ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
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
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Merchant Bankers Regulation	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933.
Stamp Act	The Indian Stamp Act, 1899
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Holder	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from

<b>Term</b>	<b>Description</b>
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

#### **Industry Related Terms**

<b>Term</b>	<b>Description</b>
CAGR	Compound Annual Growth Rate
CY	Calendar Year
FDI	Foreign Direct Investment
JV	Joint Venture
MoU	Memorandum of Understanding
MT	Million Tonnes
MTPA	Million Tonnes Per Annum
NPAT	Net Profit After Tax
SEZ	Special Economic Zone
TMT	Thermo Mechanically Treated
US\$	US Dollar

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 283, 87, 124, 155, 201 and 230 respectively of this Draft Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

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

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on page 155 of this Draft Prospectus.

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

The Restated Financial information for the period ended on May 31, 2023 and financial year ended on March 31, 2023, 2022 and 2021 have been prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled “*Restated Financial Information*” beginning on Page No. 155 of this Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Years are to the twelve-month period ended March 31 of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the sections / chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on Page Nos. 22, 111 and 189, respectively of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 22, 90 and 111 respectively, this Draft Prospectus.

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

All references to:

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

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

### Exchange rates

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

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

Currency	Exchange rate as on		
	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.22	75.80	73.53

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

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Issue Price” on page 80 of this Draft Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the LM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 22 of this Draft Prospectus.



## FORWARD - LOOKING STATEMENTS

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

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

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

- Our revenues are highly dependent on our operations in the geographical region of state of Gujarat. Any adverse development affecting our operations in this region could have an adverse impact on our business, financial condition and results of operations.
- We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.
- We highly depend on our major raw materials and a few key suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.
- The commercial success of our products depends to a large extent on the success of the products of our end use customers. If the demand for the end use products in which our products are used as a raw materials declines, it could have a material adverse effect on our business, financial condition and results of operations.
- Our Company had initiated its business operations with effect from 2021 and therefore we have a very limited history of our operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 22, 111 and 189, respectively, of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any

obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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

## OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Statements*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 22, 90, 201, 147, 155, 67, 111, 230 and 283, respectively.

### 1. Summary of Industry

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy. The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

For further details, please refer to the chapter titled “*Industry Overview*” on page 90 of this Draft Prospectus.

### 2. Summary of Business

We are an ISO 9001:2015 certified Company engaged in manufacturing of closed die forged products which have a wide application. As of date of this Draft Prospectus, we manufacture precision components, forge fittings using the closed die forging mechanism. We manufacture finished products through computerized numerical control (“**CNC**”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. Further, we also manufacture threaded pipe nipple as per customer specifications and international standards. Our Company also manufactures forged fittings as per international standards of various grades.

For further details, please refer to chapter titled “*Our Business*” on page 111 of this Draft Prospectus.

### 3. Promoters

Dhananjay Bachubhai Thumar, Jenish Mukeshbhai Thumar and Jayshreeben Ramjibhai Sorathia are the Promoters of our Company. For further details please see chapter titled “*Our Promoters and Promoter Group*” beginning on page 147 of this Draft Prospectus.

### 4. Issue

Our Company is proposing the public issue of upto 15,12,000 equity shares of face value of ₹ 10/- each of Balaji Piping Products Limited (the “**Company**” or the “**Issuer**”, and such equity shares the “**Equity Share**”) for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share (the “**Issue Price**”) aggregating to ₹ [●] lakhs (the “**Issue**”), of which 76,800 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker to the Issue (the “**Market Maker Reservation Portion**”). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 14,35,200 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “**Net Issue**”. The Issue and the Net Issue will constitute [●]% and [●]%, respectively, of the post issue paid up Equity Share capital of our company. The face value of the Equity Shares is ₹ 10/- each.

### 5. Objects of the Issue

The proposed utilization of Net Proceeds is set forth as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds
1.	Setting up of new manufacturing facility *	446.52	[•]
2.	Repayment or Pre-payment of Secured Loan	79.17	[•]
3.	To Meet Working Capital Requirements	394.51	[•]
4.	General Corporate Purpose <sup>(1)</sup>	[•]	[•]
<b>Net Issue Proceeds</b>		[•]	[•]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled “Objects of the Issue” beginning on page 67 of this Draft Prospectus.

## 6. Aggregate pre-Issue shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters and Promoter Group:

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
<b>Promoters</b>			
1.	Dhananjay Bachubhai Thumar	Nil	Nil
2.	Jayshreeben Ramjibhai Sorathia	12,60,000	29.86
3.	Jenish Mukeshbhai Thummar	15,73,600	37.29
	<b>Total (A)</b>	<b>28,33,600</b>	<b>67.15</b>
<b>Promoter Group</b>			
4.	Jayaben Shivilal Thumar	8,02,400	19.01
5.	Hetal Mahendrabhai Sardhara	5,68,000	13.46
	<b>Total (B)</b>	<b>13,70,400</b>	<b>32.47</b>
	<b>Total (A+B)</b>	<b>42,04,000</b>	<b>99.62</b>

For further details, please see chapter titled “Capital Structure” on page 58 of this Draft Prospectus.

## 7. Summary of Restated Financial Information

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

(₹ in lacs)

S. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	52.75	26.75	1.00
2.	Net Worth	438.31	109.71	1.00
3.	Revenue from operations	1,640.58	758.03	0.00
4.	Profit after Tax	196.00	82.96	0.00
5.	Earnings per Share	4.95	96.87	0.00
6.	Net Asset Value per equity share	10.39	5.13	1.25
7.	Total Borrowings	155.51	0.00	36.00

For further details, please refer the section titled “Financial Information” on page 155 of this Draft Prospectus.

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

The Restated Financial Information does not contain any qualification requiring adjustments by the Auditors.

## 9. Summary of Outstanding Litigation

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

**a) Litigations involving our Company**

*Cases filed against our Company:*

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

*\*To the extent quantifiable*

**b) Litigations filed against our Promoters**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved*</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

*\*To the extent quantifiable*

**c) Litigations filed against our Directors**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved*</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

*\*To the extent quantifiable*

For further details, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 201 of this Draft Prospectus.

**10. Risk Factors**

Please see the chapter titled “*Risk Factors*” beginning on page 22 of this Draft Prospectus.

**11. Summary of Contingent Liabilities**

There are no contingent liabilities as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021.

**12. Summary of Related Party Transactions**

Following are the details of related party transactions as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021:

<b>Related parties where control exist</b>	
<b>Name of related Party</b>	<b>Nature of Relation</b>
Vishal Ramjibhai Sorathia	Director
Jayshree Ramjibhai Sorathia	Director

Name of related Party	Nature of Relation
NIL	

### 13. Financials Arrangements

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

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

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

Name of Promoters	No. of shares acquired in last one year from the date of this Draft Prospectus	Weighted Average Price (in ₹)
Dhananjay Bachubhai Thumar	Nil	Nil
Jenish Mukeshbhai Thumar	1,10,000	10.64
Jayshreeben Ramjibhai Sorathia	30,000	10.00

### 15. Average Cost of Acquisition of Shares for Promoters

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

Name of Promoters	No. of shares held	Average Cost of Acquisition (in ₹)
Dhananjay Bachubhai Thumar	Nil	Nil
Jenish Mukeshbhai Thumar	15,73,600	3.55
Jayshreeben Ramjibhai Sorathia	12,60,000	1.74

### 16. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares in this Issue, until the listing of the Equity Shares.

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

Our Company has issued the following Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
June 23, 2023	36,92,500	10	N.A.	Bonus issue in the ratio of 1:7 authorised by our Board, pursuant to a resolution passed at its meeting held on May 25, 2023 and by our Shareholders pursuant to a resolution passed at the EGM held on June 20, 2023. <sup>(1)</sup>	-	Bonus Issued out of General Reserves

<sup>(1)</sup> Bonus Issue in the ratio of 7 Equity Shares for every 1 Equity Share held, of a total of 36,92,500 Equity Shares to Jayshreeben Ramjibhai Sorathia (11,02,500 Equity Shares), Jenish Mukeshbhai Thummar (13,76,900 Equity Shares), Jayaben Shivilal Thumar (7,02,100 Equity Shares), Hetal Mahendrabhai Sardhara (4,97,000 Equity Shares), Bhavikaben Nileshbhai Sorathiya (7,000 Equity Shares), Avni Hardik Erda (3,500 Equity Shares) and Urmila Hiteshbhai Sardhara (3,500 Equity Shares).

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

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Prospectus.

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

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



## SECTION II – RISK FACTORS

*An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. Any of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

***The Draft 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 Draft Prospectus.***

### **MATERIALITY**

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

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impact in the future.*

### **NOTE:**

*The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.*

*Unless otherwise specifically provided in the respective Risk factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.*

### **INTERNAL RISK FACTORS:**

- 1. Our revenues are highly dependent on our operations in the geographical region of state of Gujarat. Any adverse development affecting our operations in this region could have an adverse impact on our business, financial condition and results of operations.***

We derive our 85.86% of the revenue from state of Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in these regions to expand our operations in other parts of India, should we decide to further expand our operations.

Further, factors such as competition, culture, regulatory regimes, business practices and customs, customer tastes, behaviour and preferences in the cities where we may plan to expand our operations may differ from Gujarat, and our experience in the Gujarat may not be applicable to these states. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national developers, but also local developers who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities, and who have access to existing land reserves or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Gujarat market may adversely affect our business prospects, financial conditions and results of operations.

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

Our Company is engaged in the business of manufacturing of closed die forged products of various grades and as per international standards for sale to reputed customers in domestic market as well as international market who are engaged in water pipelines, fire and safety and general industries. In Fiscals 2023, 2022 and 2021, 97.25%, 95.14% and NIL, respectively, of our revenue from operations were derived from our top five customers (in the respective Fiscals). Our business operations are highly dependent on our customers which we cater to and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

While we typically have long term relationships with our customers, we have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

- 3. We highly depend on our major raw materials and a few key suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.***

Our Company is engaged in the business of manufacturing of closed die forged products of various grades and as per international standards. We use A53 pipe, billets, bright bars, forging, black bar *etc.* as the primary raw material during our manufacturing process. We also source packing materials such as plywood boxes and plastic bags from domestic suppliers. All raw materials are procured from domestic market on price negotiation basis and availability of size and grade with the suppliers. Our top five suppliers accounted for 66.48%, 78.65% and NIL of our expenses towards the purchase of raw materials for the Fiscals 2023, 2022 and 2021, respectively. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. In Fiscals 2023, 2022 and 2021, our cost of raw material consumed amounted to 70.20%, 69.68% and NIL of our total revenue respectively. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis as per our internal demand projections. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

Further, the amount of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the forging industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective raw materials, we may not be in a position to recover any advance payments made or claim compensation from our suppliers consequently increasing the manufacturing costs and/or reducing the realization of our finished products. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

- 4. The commercial success of our products depends to a large extent on the success of the products of our end use customers. If the demand for the end use products in which our products are used as a raw materials declines, it could have a material adverse effect on our business, financial condition and results of operations.***

The products manufactured and supplied by us are primarily utilized for manufacturing finished products manufactured in the water pipelines, fire and safety, and general industries. For further details, please refer to the chapter titled “*Our Business – Product Range*” at page 115 of this Draft Prospectus. The demand of our products is directly proportional to the demand of the products of our customers who use our products in their manufacturing process. Therefore the commercial success of our business is highly dependent on the commercial viability, demand and success of the end use products of our customers. Any downturn in the demand of such products could have a direct impact on the demand of our products and our business operations. Any disturbance in the industry in which our customers supply their end use products could adversely impact our business due to our high dependence on our customers. A reduction in the demand, development and production activities in the industries in which the end use products of our customers are supplied to, may correspondingly cause a decline in the demand for our products due to a slump in the business activities of our customers. Alternatively, in the event our customers are able to devise a manufacturing process without our product forming a part of their process or if our customers are able to find a cheaper alternative for our products, it may conversely result in a reduction in the demand of our products and have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will be able to devise an end use application of our products or diversify the application of our products to such an extent that failure of one industry will not hamper the business operations of our products. We also cannot assure you that we will be able to manufacture such products which would be irreplaceable. Our failure to effectively react to these situations or to successfully introduce new products or new applications for our existing products could adversely affect our business, prospects, results of operations and financial condition.

- 5. Our Company had initiated its business operations with effect from 2021 and therefore we have a very limited history of our operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.***

Our Company commenced its business operations in the Financial Year 2021 by manufacturing precision components, *etc.*, therefore we have a limited operation history, resultantly we may face difficulty and errors in evaluating factors such as historical performance, future prospects, capacity utilization, pliability of our customers, etc. We cannot assure you that our estimates and forecasts with respect to market trends, demand and supply patterns, historic and expected capacity utilization would be accurate. Due to our limited operating history, we may not be able to identify the risks involved in such operations and therefore could fail to achieve timely fulfilment of our orders and the quality requirement of our products. Since we are not abreast with the forging and steel industry, we may not be successful in identifying our competitors or keeping up with the requirement of the customer base. We may face difficulty in understanding the demand and supply patterns, marketing segments which

may pose a risk in the smooth operation. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

6. ***As on date we have not obtained certain approvals, clearances and permissions as may be required from the relevant authorities for carrying on our business operations. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.***

Our Company is yet to apply for (i) updating the capacity of labour to be employed in our manufacturing unit in the license issued under the Factories Act, 1948; and (ii) no-objection certificate for use of ground water abstraction. Further, pursuant to the conversion of our Company from a private limited company into a public limited company, our Company has applied for changing its name on its licenses and approvals, and therefore is yet to receive revised licenses post such name change. We cannot assure you that we will be able to receive the aforementioned licenses and approvals in a timely manner. We also cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our new manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. 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 Approvals" on page 206 of this Draft Prospectus.

There may also be instances in the future, wherein the statutory authorities can take legal actions against us for non - renewal or not availing certain licenses and approvals. However, as of date of this Draft 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. While the aforementioned events have not occurred in the past, however occurrence of any such events in the future could adversely impact our financial condition, results of operations and business operations.

7. ***Our Company is in the process of diversifying its product portfolio. Our Company does not have an operating history in respect of the proposed products, which might make it difficult for the investors to evaluate our historical performance or future prospects. Further, we cannot assure you that the proposed manufacturing unit for our new products will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

Our Company is engaged in the business of manufacturing of closed die forged products of various grades and as per international standards. As of date of this Draft Prospectus, we manufacture precision components and forge fittings using the closed die forging mechanism. Our Company is in the process of diversifying its present product portfolio to manufacture two additional categories of closed die forged products, namely, hammer union and ring joint gasket. In addition to our existing manufacturing unit, we are in the process of setting up another manufacturing unit for manufacturing our new products. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. Additionally, we may face risks in commissioning the proposed unit including but not limited to, delays in the construction of our proposed manufacturing unit, problems with its facilities or for other reasons, our proposed manufacturing unit does not function as efficiently as intended, or utilisation of the proposed unit is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the project. In the event of any delay in the schedule of implementation or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. If our proposed project is not commissioned at the scheduled time, our Company may face cash crunch. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays

could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 67 of this Draft Prospectus.

Further, our proposed products under hammer union will generally be manufactured for the oil and gas industry. The products shall be standardized in nature and would generally be used for sour gas service. Further, ring joint gasket shall be manufactured and designed for high-pressure, temperature, and corrosive environments. They are used in oil & gas pipelines, chemical processing plants, refineries, and other industrial applications that demand a high level of reliability and safety. The sampling of the aforementioned products has been completed and during this Financial Year, our Company proposes to initiate sale of these products. Accordingly, we have no operating history in respect of the aforementioned products and we may not have sufficient experience to address the risks related to the said products. Due to the lack of operational history in these products, we cannot assure commercial success from the sale of these products. We may face difficulty in understanding the demand and supply patterns, updates in the marketing segments for the proposed products which may pose a risk in the smooth operation of our business. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

Our product diversification plans are therefore subject to delays and other risks, among other things, unforeseen technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain government approvals and consents. Additionally, we may face risks in commercialising our proposed products including but not limited to, technical problems, problems with sales and marketing of products or for other reasons. Further, our proposed products may not earn revenues as our existing products due to which we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays or cost overruns. In the event that we fail to understand the nuances involved in diversification of our products, our business, financial performance and cash flows may be affected.

8. ***As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed manufacturing unit. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.***

Our proposed manufacturing unit will be located at Hadamtala Industrial Area, Hadamtala, Tal. Kotdasangani, Dist. Rajkot, Gujarat near to our existing manufacturing facility. Our Company is yet to receive the approvals, clearances and permissions, which are required to be obtained from the relevant authorities, for setting up and running a manufacturing unit in Gujarat. We are in the process of applying for the required approvals for the proposed manufacturing unit. The completion and commissioning of the proposed manufacturing unit is contingent upon the receipt of such approvals and we cannot assure you that the construction of our proposed manufacturing unit, will be completed as scheduled, or will become operational as soon, or operate as efficiently, as planned.

We cannot assure you that we will be able to receive the approvals for the said land in a timely manner. If we are not able to receive the required approvals at all or if there is a delay in receiving the same, all other operations, which are to be undertaken for the completion of the manufacturing unit might also be delayed. This may cause the actual cost of construction to exceed the budgeted amounts due to a variety of factors such as construction delays, cost escalation of raw material, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. The quotations for plant and machinery and civil works received by us from various suppliers might expire and we may be compelled to purchase the same at a higher cost. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled — “*Objects of the Issue*” on page 67 of this Draft Prospectus.

9. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

In addition to selling our products in the domestic market, we export our products to United States of America, as well. Our business is therefore subject to diverse and constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate. Operating in the international markets exposes us to a number of risks, including, but not limited to, compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to keep abreast with and the liabilities, penalties, costs, obligations and requirements associated with these laws and regulations can be substantial. Our failure to comply with and adapt to changing international regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which could adversely affect our business, financial condition and results of operations.

In case of any contingencies in the future, due to which we are unable to operate effectively in these markets, our results of operations, revenues and profitability may be adversely affected. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting our business, results of operations and financial condition.

***10. One of our Promoters, Jenish Mukeshbhai Thumar has limited experience in our industry. Further, the Independent Directors of our Company do not possess adequate educational qualifications and do not have the requisite experience of acting as directors on the board of a listed company.***

One of our Promoters, Jenish Mukeshbhai Thumar is pursuing a bachelor's degree in global business from University of South Florida. He is currently associated with our Company in the capacity of an assistant manager and works in the exports division of our Company. Since, he is still pursuing his bachelor's degree, he has limited experience in the business of our Company. Further, our Independent Directors, Himatbhai Ranchhodbhai Parmar and Dipesh Bhailal Ghaghada are undergraduate and matriculate, respectively and therefore do not have requisite educational qualifications to guide our Company's business operations. Further, none of the Directors of our Company have been directors on the board of any listed company in the past and therefore do not have an experience of functioning as a director on the board of a listed company. We cannot assure you that the Directors of our Company will be able to efficiently carry out the duties and responsibilities cast upon them under the Companies Act, SEBI Listing Regulations and other applicable laws. On the occurrence of the aforementioned event, we may have to appoint or replace our Directors, which could be time-taking and involve additional costs for our Company. Further, the transition in the Directors could impact the day to day management of our Company, which could in turn impact our business operations and financial condition.

***11. 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 and our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products 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 you 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. 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.

***12. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.***

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect

on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

***13. Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing unit is located in Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in Gujarat could have material adverse effect on the business, financial position and results of our operations. Our manufacturing unit is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

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

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

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of internal and international quality standards. We are engaged in export operations as well and have to fulfill the quality conditions and processes prescribed under the international quality standards. We have a separate Quality Division which carries out necessary test procedures on the raw materials and the finished products. Raw material purchased by us undergoes independent testing and quality check to ensure that they are of relevant quality and match the standards as specified. Our Company engages third party agencies for testing of mechanical and chemical composition of its raw materials which enables it to maintain tolerance levels as per international standards. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. The finished products are checked to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched. However, we cannot assure you that our quality control processes or our product will pass the quality tests and inspections conducted by various international and domestic agencies as per their prescribed standards will not fail. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same can cause them to reject our products and can also cause damage to our reputation, market standing and brand value.



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

***15. Any adverse change in regulations governing our products and the products of our customers, may adversely impact our business prospects and results of operations.***

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, 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. Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers.

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 in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. 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 our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to forced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

***16. If our product development efforts do not succeed, we may not be able to improve our existing products and/or introduce new products, which could adversely affect our results of operations, growth and prospects. Further, if we are unable to anticipate and respond to changes in the market trends and changing customer preferences in a timely and effective manner, or if we fail to maintain our reputation, brand value or increase the market for our products, the demand for our products may decline.***

In order to remain competitive, we are required to review the performance of our existing products and the manufacturing process and take necessary actions to improve functionality and/or efficiency and also identify new applications for our existing products and new potential products, in compliance with applicable regulatory standards. To accomplish this, we commit substantial effort, funds and other resources towards our Drawing and Development Division. Our ongoing investments towards product development could result in higher costs without a corresponding increase in revenues. However, we cannot assure you that the product development initiatives taken by our Company would succeed or result in an improvement in either our existing products or manufacturing process which may affect our ability to compete with our competitors and have an adverse effect on our operations. Further, our product development initiatives with respect to developing new uses for existing products or new products may not result in the development of cost-effective or economically viable solutions, thereby affecting our operations, growth and prospects.

Our business is highly dependent on our ability to compete in the industry with the help of our Drawing and Development Division by devising innovative grades of our products which have varied applications in the niche segment of the industry as well. If we are unable to gauge the changing

technology and demand in the industry and are unable to upgrade our product portfolio in line with the same it may have an adverse effect on our business operations. Our products have varied applications and are majorly used in the water pipelines, fire and safety and general industries. Since our products form a key raw material for manufacturing the end us products of our customers, we are expected to be aware of the changing technologies and regulatory requirements. A significant feature of the forging industry is the rapidly innovating technology and advancement in the research and development of the products. Therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes and devise new products or modify our existing products in lines with the changes in market trends as well as customer demands and preferences. If we are unable to respond to the technological advancements or in the event our Drawing and Development Division is unable to upgrade our products periodically as per the prevalent market trends, or if we are unable to adapt to such changes by launching new products as per the demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition.

Maintaining and enhancing our brand recognition and reputation is critical to our business and the competitiveness of our products. Many factors, some of which are beyond our control, are important for maintaining and enhancing our brand reputation and competitiveness of our products, including maintaining or improving customer satisfaction and increasing the popularity of our products. In particular, we launch new products, and if any of those products do not meet standards for quality the international and domestic quality standards or efficiently contribute to the end use products of our customers, our market standing, reputation and the sales of our products may have an adverse impact. If we fail to maintain our reputation, or increase the market for our products, or the quality of our products declines, our business and prospects may be adversely affected.

**17. *Our Company has in the past has made certain inadvertent erroneous filings under Companies Act, 2013.***

In the past, our Company has in the past has made certain inadvertent erroneous filings under Companies Act, 2013. No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**18. *Some of the raw materials that we use are corrosive in nature. The improper handling, processing or storage of our raw materials, or damage of our raw materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

The key raw material used by us for manufacturing closed die forged products and its various grades are A53 pipe, billets, bright bars, forging, black bar *etc.* Due to the corrosive nature of our raw materials, we may be exposed to the risk of contamination of our raw materials. While our Company believes that it has necessary controls and processes in place, any failure of such systems could increase the risk of contamination or deterioration of our products. Although our products are tested extensively at our manufacturing unit and subject to quality checks and controls by our employees supervising and monitoring the production at the third party facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may contaminate or damage our products and result in non-compliance with applicable regulatory standards and may also subject us to legal action. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations. We have not obtained any insurance to cover the risks relating to loss or damage of our products, therefore any loss suffered by us will have to be completely borne by us which could adversely affect our results of operations and financial position.

Since our products are majorly used in the water and fire and safety industries, any actual or alleged contamination of our products or the raw materials processed by us, could damage our reputation, adversely affect our sales and may cause product liability or other legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. While the aforementioned

events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

**19. *Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Further, one of the objects of this Issue includes funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see “*Objects of the Issue*” on page 67. Our working capital requirements may be subject to change due to factors beyond our control including *force majeure* conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

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

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


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

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in

our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our Drawing and Development Division. In the event, any breach of our systems or software leads to the leaking of our trade secrets or any inventive techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

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

**21. *We depend on our corporate name and logo that we may not be able to protect and/or maintain.***

We operate in competitive environment, where generating brand recognition is significant element of our business strategy. Currently our company is using logo  which is not registered with appropriate authority. Therefore, we do not enjoy the statutory protection accorded to registered trademarks for the said logo and are subject to the various risks arising out of the same. There can be no assurance that we will be granted registration of our logo or other trademarks or any infringement of our intellectual property, causing damage to our business prospects, reputation and goodwill. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects. In case of failure to renew our intellectual property on time, it may adversely affect our business operations.

**22. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.***

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the advancement of research and development in the forging industry, changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

**23. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers. We have not entered into any formal contracts***

***with our transport providers and any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.***

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

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

***24. Our Company does not have any documentary evidence for the educational qualification and experience of some of our Directors.***

Our Non-Executive Director, Jayshreeben Ramjibhai Sorathia is unable to trace documents for her educational qualification and one of our Independent Directors, Himatbhai Ranchhodbhai Parmar is unable to trace documents evidencing his past experience. Due to lack of documents and relevant information from the aforementioned Directors, we have obtained educational affidavits from our Directors for the purpose of disclosing details of their educational qualifications and experience in their biographies in the chapter titled “*Our Management*” as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled “*Our Management*” on page 135 of this Draft Prospectus.

***25. If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

***26. We have significant power and water requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power and water supply or any irregular or***

***significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

Our manufacturing unit has significant electricity and water requirements and any interruption in the supply of water or power may temporarily disrupt our operations. Our manufacturing unit receives power supply from a borewell installed in our manufacturing unit. Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. Water is one of the main components of our manufacturing unit, therefore continuous water supply is essential for smooth business operations of our Company. There are limited number of electricity providers in the areas from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “*Our Business- Power*” on page 122 and “*Our Business- Water*” on page 122 of this Draft Prospectus.

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

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

Further, some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see “*Industry Overview*” on page 90 of this Draft Prospectus.

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

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Dhananjay Bachubhai Thumar and Jayshreeben Ramjibhai are Chairman and Managing Director and Non-Executive Director, respectively, of our Company and therefore may be deemed to be interested in any remuneration which may be payable to them in such capacity. Our Promoters, Director and Key Managerial Personnel may also be interested

to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraph titled — “*Land and Property*” in the chapter titled — “*Our Business*”, the paragraphs titled — “*Interest of our Directors*” in the chapter titled — “*Our Management*”, the paragraphs titled — “*Interest of our Promoter and Other Interests and Disclosures*” in the chapter titled — “*Our Promoter and Promoter Group*”, “*Financial Indebtedness*” and “*Restated Financial Information- Annexure 32- Notes to Restated Financial Statements- Details of Related Parties Transactions as Restated*” on pages 111, 135, 147, 198 and 182, respectively of this Draft Prospectus.

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

**29. *Our Promoters, Directors and members of our Promoter Group have extended personal guarantees with respect to loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Our Promoter, Jayshreeben Ramjibhai Sorathia and Vishal Ramjibhai Sorathia, member of our Promoter Group have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them.

In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled — “*Financial Indebtedness*” on page 198 of this Draft Prospectus.

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

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

**31. *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 as may be decided by the Company, in consultation with the Lead Manager. 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 58 of this Draft Prospectus.

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

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

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

As of March 31, 2023, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group, relating to our operations. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the Fiscal ended March 31, 2023. For further details, please refer to the chapter titled — "*Restated Financial Information- Annexure 32- Notes to Restated Financial Statements- Details of Related Parties Transactions as Restated*" at page 182.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

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

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans from third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — "*Financial Indebtedness*" on page 198 of this Draft Prospectus.

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

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



- 35. *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 March 31, 2023 our Company's total fund based indebtedness is ₹ 156.20 lacs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “*Financial Indebtedness*” on page 198 of this Draft Prospectus.

- 36. *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 67 of this Draft Prospectus.

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

Our Company depends on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our Directors have been associated with our Company since inception and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “*Our Management*” on page 135 of this Draft Prospectus.

**38. *Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

Our Company is engaged in the business of manufacturing closed die forged products which have a wide application. Our manufacturing activities are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations relating to cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. For further details please refer to the chapter titled “*Key Industry Regulations and Policies*” on page 124 of this Draft Prospectus.

There is a 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. There can be instances in the future, where our Company may be forced to halt our business operations in our manufacturing unit on receiving adverse orders from state pollution control boards. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing unit due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc.

Our Company is also subject to safety, health and environment laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company’s safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India and all around the world, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

**39. *Our insurance coverage may be inadequate to satisfy future claims against us.***

We maintain insurance coverage which is typical in our industry which we believe to be commercially appropriate for risks. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our operations. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies.

Additionally, there may be various other risks and losses, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims from losses, could result in uninsured

liabilities. Further, despite such uninsured losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

**40. *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. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however 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*” and the chapter titled “*Financial Indebtedness*” on pages 154 and 198 respectively, of this Draft Prospectus.

**41. *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.

**42. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.***

As the issue size shall be less than ₹10,000 lacs, under Regulation 262 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 67 of this Draft Prospectus.

**43. *Our Object has not been appraised by any Bank or Financial Institution. Any significant deviation in the Object could adversely impact our operations and sustainability in the absence of any independent monitoring agency.***

We have estimated fund raising to the extent of ₹ [●] Lakh to finance the ‘*Objects of the Issue*’ (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the “*Object of The Issue*”, please refer Page no. 67 of this Draft Prospectus.

- 44. *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 our Audit Committee.***

The issue proceeds are entirely at the discretion of the issuer/management. As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

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

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled “Objects of The Issue” on Page no. 72 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

- 46. *Certain information contained in this Draft Prospectus is based on management estimates and we cannot assure you of the completeness or accuracy of the data.***

Certain information contained in this Draft Prospectus like our funding requirements and our proposed use of issue proceeds is based solely on management estimates. The estimated project dates as well as costs may change depending on the circumstances like changes in laws and regulations, competition, irregularities or claims with respect to title of land, the ability of third parties to complete their services, delays, cost overruns or modifications to our ongoing and planned projects. Such circumstances can have an impact on our financial condition and results of operation.

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

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

## **EXTERNAL RISK FACTORS**

- 48. *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, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

- 49. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.***

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 124 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will

succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**50. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**51. *100% of our Revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

At present, we derive 100% of our revenue from operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**52. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Beeline Capital Advisors Private Limited as Lead Manager and also appointed [●] as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

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

**55. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares is ₹ [●]/-. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page no. 78 of this Draft

Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**56. *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 impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include various taxes introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

**57. *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 in India, 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. 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.

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

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. 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. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

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

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

under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

***61. 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 impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Further, with the Introduction of the Goods and Services Act, tax rates and its implication may have material impact on our products. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

***62. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Emerge Platform of NSE 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 issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Emerge Platform of NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading on stock exchange. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, if the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

## SECTION III – INTRODUCTION

### THE ISSUE

Following table summarizes the present Issue in terms of this Draft Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares <sup>1) 2)</sup>	Upto 15,12,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lacs. <sup>2)</sup>
<i>of which:</i>	
Market Maker Reservation Portion	Issue of 76,800 Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Net Issue to Public <sup>3)</sup>	Issue of 14,35,200 Equity Shares having face value of ₹10 each at a price of ₹ [●]/- per Equity Share aggregating ₹ [●] lakhs
<i>of which:</i>	
	7,17,600 Equity Shares having face value of ₹10 each at a price of ₹ [●]/- per Equity Share aggregating ₹ [●] lakhs will be available for allocation to Retail Individual Investors
	7,17,600 Equity Shares having face value of ₹10 each at a price of ₹ [●]/- per Equity Share aggregating ₹ [●] lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	42,20,000 Equity Shares
Equity Shares outstanding after the Issue	57,32,000 Equity Shares
Use of Net proceeds of this Issue	Please refer the chapter titled “ <i>Objects of the Issue</i> ” on page 67 of this Draft Prospectus.

<sup>1)</sup> This Issue is being made in terms of Regulation 253(2) of Chapter IX of the SEBI (ICDR) Regulations. For further details, please refer to section titled “Issue Information” on page 221 of this Draft Prospectus.

<sup>2)</sup> The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on June 23, 2023 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on June 24, 2023.

<sup>3)</sup> The allocation is the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

(i) individual applicants other than retail individual investors and

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

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

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details please refer to the chapter titled “Issue Structure” beginning on page 227 of this Draft Prospectus.



## **SUMMARY OF FINANCIAL INFORMATION**

*The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021. The Restated Financial Information referred to above is presented under the section titled “Financial Information” on page 155. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 155 and 189, respectively.*

*(The remainder of this page is intentionally left blank)*

# BALAJI PIPING PRODUCTS LIMITED

## Annexure - 1 - Statement of Assets and Liabilities, as Restate

[Amount in Lakh Rs.]

Particulars	Annexure	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	5	₹ 52.75	₹ 26.75	₹ 1.00
Reserves and Surplus	6	₹ 385.56	₹ 82.96	₹ 0.00
Money received against share warrants				
Share application money pending allotment				
		<b>₹ 438.31</b>	<b>₹ 109.71</b>	<b>₹ 1.00</b>
<b>Non-Current Liabilities</b>				
Long Term Borrowings	7	₹ 79.13	₹ 0.00	₹ 36.00
Deferred Tax Liabilities (Net)	8	₹ 8.00	₹ 1.60	₹ 0.00
Other Long Term Liabilities		₹ 0.00	₹ 0.00	₹ 0.00
Long Term Provisions	9	₹ 0.01	₹ 0.00	₹ 0.00
		<b>₹ 87.14</b>	<b>₹ 1.60</b>	<b>₹ 36.00</b>
<b>Current Liabilities</b>				
Short Term Borrowings	10	₹ 76.38	₹ 0.00	₹ 0.00
Trade Payables	11	₹ 67.49	₹ 245.72	₹ 0.92
Other Current Liabilities	12	₹ 14.67	₹ 12.22	₹ 14.01
Short Term Provisions	13	₹ 40.89	₹ 17.87	₹ 0.00
		<b>₹ 199.43</b>	<b>₹ 275.81</b>	<b>₹ 14.92</b>
		<b>₹ 724.87</b>	<b>₹ 387.13</b>	<b>₹ 51.92</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	14	₹ 417.96	₹ 107.50	₹ 43.78
Non-current investments		₹ 0.00	₹ 0.00	₹ 0.00
Long term loans and advances	15	₹ 8.48	₹ 1.21	₹ 0.00
Other non-current assets	16	₹ 0.00	₹ 0.38	₹ 0.38
		<b>₹ 426.43</b>	<b>₹ 109.09</b>	<b>₹ 44.16</b>
<b>Current assets</b>				
Current investments				
Inventories	17	₹ 94.25	₹ 39.80	₹ 0.00
Trade receivables	18	₹ 8.92	₹ 203.83	₹ 0.00
Cash and cash equivalents	19	₹ 137.18	₹ 11.97	₹ 0.53
Short-term loans and advances	20	₹ 57.48	₹ 22.43	₹ 7.23
Other current assets	21	₹ 0.60	₹ 0.00	₹ 0.00
		<b>₹ 298.44</b>	<b>₹ 278.04</b>	<b>₹ 7.76</b>
		<b>₹ 724.87</b>	<b>₹ 387.13</b>	<b>₹ 51.92</b>

The accompanying Notes to Accounts are an integral part of the financial Statements

As per our report of even date

For and on behalf of the Board

**For, M N Manvar & Co.**  
**Chartered Accountants**  
**FRN : 106047W**

(Mohanlal N. Manvar)  
**Proprietor**  
**MRN : 036292**  
**UDIN : 23036292BGWVBF9230**  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar)  
**Chairman and Managing Director**  
**DIN : 10192292**

(Jayshreeben Ramjibhai Sorathia)  
**Non-Executive Director**  
**DIN : 08780390**

(Mayurkumar Kantilal Kalol)  
**CFO**

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# BALAJI PIPING PRODUCTS LIMITED

## Annexure - 2 - Statement of Profit and Loss, as Restated

[Amount in Lakh Rs.]

Particulars	Annexure	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>INCOME</b>				
Revenue from operations	22	₹ 1,640.58	₹ 758.03	₹ 0.00
Other Income	23	₹ 0.00	₹ 0.58	₹ 0.00
<b>Total Income</b>		<b>₹ 1,640.58</b>	<b>₹ 758.61</b>	<b>₹ 0.00</b>
<b>EXPENSES</b>				
Cost of Material Consumed	24	₹ 1,151.62	₹ 528.23	₹ 0.00
Purchase of Finished Goods	25	₹ 0.00	₹ 0.00	₹ 0.00
Changes in Inventories of Finished Goods	26	₹ 0.00	₹ 0.00	₹ 0.00
Employee Benefits Expense	27	₹ 26.50	₹ 7.53	₹ 0.00
Finance Costs	28	₹ 13.89	₹ 0.05	₹ 0.00
Depreciation / Amortisation of Expense	14	₹ 11.19	₹ 2.62	₹ 0.00
Other Expenses	29	₹ 185.98	₹ 110.62	₹ 0.00
<b>Total Expenses</b>		<b>₹ 1,389.19</b>	<b>₹ 649.05</b>	<b>₹ 0.00</b>
<b>Profit Before exceptional and extraordinary item and Tax</b>		<b>₹ 251.39</b>	<b>₹ 109.56</b>	<b>₹ 0.00</b>
Exceptionoanl Items				
<b>Profit Before extraordinary item and Tax</b>		<b>₹ 251.39</b>	<b>₹ 109.56</b>	<b>₹ 0.00</b>
Extraordinary Items				
<b>Profit Before Tax</b>		<b>₹ 251.39</b>	<b>₹ 109.56</b>	<b>₹ 0.00</b>
<b>Tax Expenses</b>				
Current Tax		₹ 49.00	₹ 25.00	₹ 0.00
Deferred Tax		₹ 6.40	₹ 1.60	₹ 0.00
<b>Profit (Loss) for the period</b>		<b>₹ 196.00</b>	<b>₹ 82.96</b>	<b>₹ 0.00</b>
Earnings per Equity Share :				
Basic		4.95	96.87	0.00
Diluted		4.95	96.87	0.00

The accompanying Notes to Accounts are an integral part of the financial Statements

As per our report of even date

For and on behalf of the Board

**For, M N Manvar & Co.**  
Chartered Accountants  
FRN : 106047W

(Mohanlal N. Manvar)  
Proprietor  
MRN : 036292  
UDIN : 23036292BGWVBF9230  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar)  
Chairman and Managing Director  
DIN : 10192292

(Jayshreeben Ramjibhai Sorathia)  
Non-Executive Director  
DIN : 08780390

(Mayurkumar Kantilal Kalol)

CFO

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# BALAJI PIPING PRODUCTS LIMITED

## Annexure - 3 - Statement of Cash Flow as Restated

[Amount in Lakh Rs.]

Particulars	Notes No	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>[A] Cash Flow From Operating Activities</b>				
Net Profit / (Loss) Before taxes		₹ 251.39	₹ 109.56	₹ 0.00
Adjustments for : - Depreciation		₹ 11.19	₹ 2.62	₹ 0.00
Interest Paid		₹ 13.89	₹ 0.05	₹ 0.00
Income Tax Paid		₹ 0.00	₹ 0.00	₹ 0.00
Operating Profit Before Working Capital Change		<b>₹ 276.48</b>	<b>₹ 112.23</b>	<b>₹ 0.00</b>
(Increase)/Decrease in Current Asset		₹ 104.81	₹ -258.84	₹ -7.23
Increase/(Decrease) in Current Liabilities		₹ -170.90	₹ 243.58	₹ 14.92
(Increase)/Decrease in other Non Current Asset		₹ -6.88	₹ -1.21	₹ -0.38
<b>Cash Generated From Operations</b>		<b>₹ 203.50</b>	<b>₹ 95.77</b>	<b>₹ 7.31</b>
Taxes Paid		₹ -30.85	₹ -7.69	₹ 0.00
<b>Net Cash From Operating Activities</b>		<b>₹ 172.65</b>	<b>₹ 88.08</b>	<b>₹ 7.31</b>
<b>[B] Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets		₹ -321.65	₹ -66.34	₹ -43.78
<b>Net Cash Flow From Investing Activities</b>		<b>₹ -321.65</b>	<b>₹ -66.34</b>	<b>₹ -43.78</b>
<b>[C] Cash Flow From Financing Activities</b>				
Increase/(Decrease) in Long Term Borrowings		₹ 79.13	₹ -36.00	₹ 36.00
Increase/(Decrease) in Short Term Borrowings		₹ 76.38	₹ 0.00	₹ 0.00
Increase/(Decrease) in Share Capital		₹ 26.00	₹ 25.75	₹ 1.00
Increase/(Decrease) in Security Premium		₹ 106.60	₹ 0.00	₹ 0.00
Interest Paid		₹ -13.89	₹ -0.05	₹ 0.00
<b>Net Cash Flow From Financing Activities</b>		<b>₹ 274.22</b>	<b>₹ -10.30</b>	<b>₹ 37.00</b>
<b>Total [A + B + C]</b>		<b>₹ 125.22</b>	<b>₹ 11.44</b>	<b>₹ 0.53</b>
<b>(Increase)/Decrease in Cash and Cash Equivalent</b>		<b>₹ -125.22</b>	<b>₹ -11.44</b>	<b>₹ -0.53</b>
Cash and Cash Equivalent at the beginning of the year		₹ 11.97	₹ 0.53	₹ 0.00
Cash and Cash Equivalent at the end of the year		₹ 137.18	₹ 11.97	₹ 0.53

As per our report of even date

For and on behalf of the Board

**For, M N Manvar & Co.**  
Chartered Accountants  
FRN : 106047W

(Mohanlal N. Manvar)  
Proprietor  
MRN : 036292  
UDIN : 23036292BGWVBF9230  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar)  
Chairman and Managing Director  
DIN : 10192292

(Jayshreeben Ramjibhai Sorathia)  
Non-Executive Director  
DIN : 08780390

(Mayurkumar Kantilal Kalol)  
CFO  
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## GENERAL INFORMATION

Our Company was incorporated on July 3, 2020 under the name and style of ‘*Forgemaster Private Limited*’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 3, 2020 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, pursuant to the name approval dated March 24, 2022 issued by the Registrar of Companies, Central Registration Centre and pursuant to a special resolution dated March 28, 2022 passed by the Shareholders of our Company in their Extra-Ordinary General Meeting, the name of our Company was changed to “*Balaji Piping Products Private Limited*” and a fresh certificate of incorporation dated April 11, 2022 was issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-Ordinary General Meeting held on April 25, 2023 and consequently the name of our Company was changed to ‘*Balaji Piping Products Limited*’ and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U27320GJ2020PLC114317.

### Registered Office of our Company

#### **Balaji Piping Products Limited**

R.S. No. 92/1/1, Plot No.1-4, National Highway 27,  
Near Shaan Cement, Hadamtala industrial Area,  
Kotdasangani, Rajkot-360 311,  
Gujarat, India

**Telephone:** +91 951 230 8445

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

**Investor grievance id:** investorgrievance@balajipipingproducts.com

**Website:** www.balajipipingproducts.com

**CIN:** U27320GJ2020PLC114317

### Corporate Office of our Company

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

### Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad situated at the following address:

#### **Registrar of Companies, Gujarat at Ahmedabad**

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

### Board of Directors of our Company

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

S. No.	Name	Designation	DIN	Address
1.	Dhananjay Thumar	Bachubhai Chairman and Managing Director	10192292	Presiyios Apartment, E Block No. 201, Pujara, Plot Street No. 9, Laxmiwadi Main Road, Rajkot Bhaktinagar, Kotda, Sangani, Rajkot – 360 002, Gujarat, India.
2.	Jayshreeben Sorathia	Ramjibhai Non-Executive Director	08780390	Sarsij, Bhaktinagar Society -11, behind Dhareshwar Temple, Bhaktinagar, Rajkot – 360 002, Gujarat, India.
3.	Himatbhai Parmar	Ranchhodbhai Independent Director	10124177	Shri Hari Darshan -1, Shobhna Society, Street number 1, Patel Boarding Road, Mavdi Plot, Rajkot – 360 004, Gujarat, India.
4.	Dipesh Bhailal	Ghaghada Independent Director	00351233	Yamuna House, Laxmivadi-17, Bal Kishor School, Milpara Road, Rajkot – 360 002, Gujarat, India.

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 135 of the Draft Prospectus.

### **Chief Financial Officer**

Mayur Kantilal Kalola, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

R.S. No. 92/1/1, Plot No.1-4, National Highway 27,  
Near Shaan Cement, Hadamtala industrial Area,  
Kotdasangani, Rajkot-360 311,  
Gujarat, India  
**Telephone:** +91 95123 08445  
**E-mail:** cfo@balajipipingproducts.com

### **Company Secretary and Compliance Officer<sup>^</sup>**

[●], is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

R.S. No. 92/1/1, Plot No.1-4, National Highway 27,  
Near Shaan Cement, Hadamtala industrial Area,  
Kotdasangani, Rajkot-360 311,  
Gujarat, India  
**Telephone:** +91 951 230 8445  
**E-mail:** cs@balajipipingproducts.com

<sup>^</sup>Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.

### **Investor grievances**

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

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

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

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

#### **Lead Manager**

**Beeline Capital Advisors Private Limited**  
807, Phoenix, Opp. Girish Cold Drinks, Near  
Vijay Cross Roads, Navrangpura,  
Ahmedabad – 380 009,  
Gujarat, India.  
**Telephone Number:** +91 794 840 5357  
**Email Id:** mb@beelinemb.com  
**Investors Grievance Id:** ig@beelinemb.com  
**Website:** www.beelinemb.com  
**Contact Person:** Mr. Nikhil Shah  
**SEBI Registration Number:** INM000012917  
**CIN:** U67190GJ2020PTC114322

#### **Registrar to the Issue**

**KFin Technologies Private Limited**

Selenium Tower-B, Plot 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032, Telangana, India.

**Contact Person:** M Murali Krishna

**Tel:** +91 406 716 2222

**Toll Free:** 1800 309 4001

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

**Investor grievance e-mail:** einward.ris@kfintech.com

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

**SEBI Registration No. :** INR000000221

**Legal Advisor to the Issue****T&S Law**

Near VVIP Mall, Raj Nagar Extension,  
Ghaziabad – 201 017,  
Uttar Pradesh, India

**Telephone:** +91 931 022 0585

**Contact Person:** Sagarika Kapoor

**Email:** info@tandslaw.in

**Statutory and Peer Review Auditor of our Company****M N Manvar & Co.,**

Chartered Accountants

503, Star Plaza, Phulchhab Chowk  
Rajkot – 360 001, Gujarat, India.

**Telephone:** + 91 98250 78409

**Email:** ca.mnmanvar@gmail.com

**Contact Person:** Mr. Mohanbhai Manvar

**Membership No.:** 036292

**Firm Registration No.:** 106047W

**Peer Review Certificate No.:** 012516

**Bankers to our Company****Indian Overseas Bank**

Vaniawadi Branch, Meghani Rang Bhawan,  
Bhaktinagar Circle, Rajkot – 360 002,  
Gujarat, India.

**Telephone:** +91 281 236 2867

**Facsimile:** N.A.

**Email:** iob0427@iob.in

**Website:** www.iobnet.co.in

**Contact Person:** Pushkar Singh

**Banker to the Issue**

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

**Refund Bank**

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

**Sponsor Bank**

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

## **Syndicate Member**

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

## **Designated Intermediaries**

### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided 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 abovementioned 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 its updated from time to time.

### *Registered Brokers*

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of NSE at [www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), as updated from time to time.

### *Registrar and Share Transfer Agent*

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time.

For details on RTA, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>.

### *Collecting Depository Participants*

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **IPO Grading**

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

## **Credit Rating**

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

## **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

## **Brokers to the Issue**

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

## **Debenture Trustees**



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

### Monitoring Agency

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

### Appraising Entity

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

### Expert Opinion

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

Our Company has received written consent dated August 1, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated July 20, 2023 on our restated consolidated financial information; and (ii) its report dated August 1, 2023 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

### Inter-se Allocation of Responsibilities

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

### Filing

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer 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, a copy of Draft Prospectus shall be furnished to the Board. Pursuant to SEBI Master Circular, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of this Draft Prospectus, will be filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Prospectus, along with the material contracts and documents will also be submitted to the RoC under Section 32 and Section 26 of the Companies Act, 2013 at its office situated at:

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

### Changes in Auditors during the last three years

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

Name of Auditor	Date of Change	Reason for change
<b>M B Sardhara &amp; Associates</b> Chartered Accountants Sardhara House, Kanta Stri Vikas Gruh Road, Near Vrundavan Dairy, Bhaktinagar Soc. Marg 1, Rajkot – 360 002, Gujarat, India. <b>Email:</b> mbsardhara@gmail.com <b>Firm Registration No.:</b> 120837	July 30, 2020	Appointed as the statutory auditor of our Company for a term of one year with effect from July 30, 2020 until March 31, 2021
	December 31, 2021	Re-appointed as the statutory auditor of our Company for a term of five years with effect from April 1, 2021 until March 31, 2026
	April 10, 2023	Casual vacancy due to resignation of the statutory auditor due to pre-occupation in other assignments

Name of Auditor	Date of Change	Reason for change
M N Manvar & Co, Chartered Accountants 503, Star Plaza, Phulchhab Chowk Rajkot – 360 001, Gujarat, India. Email: ca.mnmanvar@gmail.com Firm Registration No.: 106047W Peer Review Certificate No.: 012516	April 29, 2023	Appointment as the statutory auditor to fill-in the casual vacancy. The appointment of the Statutory Auditor was regularised pursuant to an ordinary resolution passed by the Shareholders in the EGM held on June 24, 2023. The Statutory Auditor shall hold office until the conclusion of the AGM to be held for the Financial Year ending March 31, 2023.

## Issue Programme

An indicative time table in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds <sup>(1)</sup>	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

<sup>(1)</sup>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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular 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 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus and Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

On the Issue Closing Date, for uploading the Application Forms:

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors; and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 03.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date.

Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Emerge Platform of NSE may be taken as the final data for the purpose of Allotment.

For further details, see “*Issue Structure*” and “*Issue Procedure*” beginning on pages 227 and 230, respectively.

Applicants should note the Issue is also subject to (i) obtaining final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

### Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein:

The Underwriters have indicated their intention to underwrite the following number of Equity Share:

<i>(₹ in lacs)</i>			
Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[●]	[●]	[●]	[●]

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI or registered as brokers with the Stock Exchange(s).

### Details of Market Making Arrangement for the Issue

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

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

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

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored

by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of Emerge Platform of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of NSE from time to time.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
6. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
8. 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.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

10. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

12. 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.
13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for

Markets Makers during market making process has been made applicable, based on the Issue size and as follows:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)</b>
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

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

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

Our Company and Selling Shareholders in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft 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 with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## CAPITAL STRUCTURE

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

*(in ₹, except share data)*

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorised Share Capital out of which :</b>		
	80,00,000 Equity Shares having face value of ₹ 10/- each	8,00,00,000	-
B.	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b>		
	42,20,000 Equity Shares having face value of ₹ 10/- each	4,22,00,000	-
C.	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Issue of upto 15,12,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share	1,51,20,000	[●]
	<b>Which comprises:</b>		
	76,800 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share reserved as Market Maker Portion	7,68,000	[●]
	Net Issue to Public of 14,35,200 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	1,43,52,000	[●]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to 7,17,600 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	71,76,000	[●]
	Up to 7,17,600 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	71,76,000	[●]
D.	<b>Paid-up Share Capital after the Issue</b>		
	57,32,000 Equity Shares of ₹ 10/- each	5,73,20,000	
E.	<b>Securities Premium Account</b>		
	Before the Issue	1,06,60,000	
	After the Issue		[●]

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated June 23, 2023 and a special resolution of our Shareholders at an Extra-ordinary General Meeting dated June 24, 2023 under Section 62(1)(c) of the Companies Act, 2013.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the 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.

### Classes of Shares

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

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

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

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
March 28, 2022	₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each	₹ 30,00,000 divided into 3,00,000 Equity Shares of ₹ 10 each	EGM
February 28, 2023	₹ 30,00,000 divided into 3,00,000 Equity Shares of ₹ 10 each	₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹ 10 each	EGM

## NOTES TO THE CAPITAL STRUCTURE

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

#### Equity Share Capital

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

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
On Incorporation*	10,000	10	10	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	10,000	1,00,000
March 30, 2022	2,57,500	10	10	Cash	Further Allotment <sup>(2)</sup>	2,67,500	26,75,000
March 31, 2023	2,60,000	10	51	Cash	Preferential Allotment <sup>(3)</sup>	5,27,500	52,75,000
June 23, 2023	36,92,500	10	-	N.A.	Bonus Issue <sup>(4)</sup>	42,20,000	4,22,00,000

\*Our Company was incorporated on May 3, 2018.

- (1) Subscription of to the MOA for the total of 10,000 Equity Shares by Vishal Ramjibhai Sorathia (5,000 Equity Shares) and Jayshreeben Ramjibhai Sorathia (5,000 Equity Shares).
- (2) Further Allotment of a total of 2,57,500 Equity to Vishal Ramjibhai Sorathia (5,000 Equity Shares), Jayshreeben Ramjibhai Sorathia (25,000 Equity Shares), Otamben Khodabhai Thumar (35,000 Equity Shares), Jenish Mukeshbhai Thumar (75,000 Equity Shares), Darshna Hiteshbhai Thummar (50,000 Equity Shares) and Omshanti Heights Private Limited (67,500 Equity Shares).
- (3) Preferential Allotment of a total of 2,60,000 Equity Shares to Vishal Ramjibhai Sorathia (63,000 Equity Shares), Jayshree Ramjibhai Sorathia (37,000 Equity Shares), Jenish Mukeshbhai Thummar (86,700 Equity Shares), Darshna Hiteshbhai Thummar (70,300 Equity Shares), Bhavikaben Nilesbhai Sorathiya (1,000 Equity Shares), Hetal Mahendrabhai Sardhara (1,000 Equity Shares) and Avni Hardik Erda (1,000 Equity Shares).
- (4) Bonus Issue in the ratio of 7 Equity Shares for every 1 Equity Share held, of a total of 36,92,500 Equity Shares to Jayshreeben Ramjibhai Sorathia (11,02,500 Equity Shares), Jenish Mukeshbhai Thummar (13,76,900 Equity Shares), Jayaben Shivrul Thumar (7,02,100 Equity Shares), Hetal Mahendrabhai Sardhara (4,97,000 Equity Shares), Bhavikaben Nilesbhai Sorathiya (7,000 Equity Shares), Avni Hardik Erda (3,500 Equity Shares) and Urmila Hiteshbhai Sardhara (3,500 Equity Shares).

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

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

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

- Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
June 23, 2023	36,92,500	10	N.A.	Bonus issue in the ratio of 1:7 authorised by our Board, pursuant to a resolution passed at its meeting held on May 25, 2023 and by our Shareholders pursuant to a resolution passed at the EGM held on June 20, 2023. <sup>(1)</sup>	-	Bonus Issued out of General Reserves

(1) For list of allottees see note (4) of paragraph titled "History of Share capital of our Company" mentioned above.

- As of date of this Draft Prospectus, our Company has not undertaken a bonus issue by capitalizing its revaluation reserves.
- 4) As of date of this Draft Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.

- 5) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 6) Our Company has issued Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Prospectus, the details of the same have been provided below:

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Names of allottees	If the allottees are part of Promoter/ Promoter Group	Reasons for the issue and price
March 31, 2023	2,60,000	10	51	Cash	Preferential Allotment	For list of allottees see note (3) of paragraph titled "History of Share capital of our Company" mentioned above	Jayshree Ramjibhai Sorathia and Jenish Mukeshbhai Thummar are the Promoters of our Company. Vishal Ramjibhai Sorathia and Hetal Mahendrabhai Sardhara form part of the Promoter Group of our Company. Except as mentioned above, none of the Shareholders form part of the Promoter or Promoter Group of our Company.	The issue of Equity Shares on a preferential basis was made for fulfilling the following objects: (i) part pre-payment of its borrowings; (ii) financing the working capital requirements; and (iii) general corporate purposes.  The issue price was determined on the basis of a valuation report dated March 18, 2023 issued by CS Abhishek Chhajer, IBBI Registered Valuer.
June 23, 2023	36,92,500	10	-	N.A.	Bonus Issue	For list of allottees see note (4) of paragraph titled "History of Share capital of our Company" mentioned above	Jayshree Ramjibhai Sorathia and Jenish Mukeshbhai Thummar are the Promoters of our Company. Jayaben Shivilal Thumar and Hetal Mahendrabhai Sardhara form part of the Promoter Group of our Company. Except as mentioned above, none of the Shareholders form part of the Promoter or Promoter Group of our Company.	Bonus Issued out of General Reserves.  The issuance was made for consideration other than cash.



## 7) Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying deposit receipts (VI)	Total No. of shares held (VII) = (IV)+(V)++(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group <sup>^</sup>	04	42,04,000	-	-	42,04,000	99.62	42,04,000	42,04,000	99.62	-	-	-	-	-	-	42,04,000
(B)	Public	03	16,000	-	-	16,000	0.38	16,000	16,000	0.38	-	-	-	-	-	-	16,000
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying deposit receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>07</b>	<b>42,20,000</b>	<b>-</b>	<b>-</b>	<b>42,20,000</b>	<b>100.00</b>	<b>42,20,000</b>	<b>42,20,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,20,000</b>

<sup>^</sup>As on date of this Draft Prospectus, one of our Promoter, Dhananjay Bachubhai Thumar does not hold any shareholding in our Company.

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

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

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Jayshreeben Ramjibhai Sorathia	12,60,000	29.86
2.	Jenish Mukeshbhai Thummar	15,73,600	37.29
3.	Jayaben Shivilal Thumar	8,02,400	19.01
4.	Hetal Mahendrabhai Sardhara	5,68,000	13.46
<b>Total</b>		<b>42,04,000</b>	<b>99.62</b>

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Jayshreeben Ramjibhai sorathia	12,60,000	29.86
2.	Jenish Mukeshbhai Thummar	15,73,600	37.29
3.	Jayaben Shivilal Thumar	8,02,400	19.01
4.	Hetal Mahendrabhai Sardhara	5,68,000	13.46
<b>Total</b>		<b>42,04,000</b>	<b>99.62</b>

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vishal Ramjibhai Sorathia	27,500	10.28
2.	Jayshreeben Ramjibhai Sorathia	30,000	11.21
3.	Jenish Mukeshbhai Thumar	1,10,000	41.12
4.	Jayaben Shivilal Thumar	30,000	11.21
5.	Hetal Mahendrabhai Sardhara	70,000	26.17
<b>Total</b>		<b>2,67,500</b>	<b>100.00</b>

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Vishal Ramjibhai Sorathia	5,000	50.00
2.	Jayshreeben Ramjibhai Sorathia	5,000	50.00
<b>Total</b>		<b>10,000</b>	<b>100.00</b>

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Prospectus.
- 9) Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

10) **Shareholding of our Promoters**

As on date of this Draft Prospectus, Dhananjay Bachubhai Thumar does not hold any Equity Shares in our Company.

Set forth below are the details of the build-up of shareholding of Jayshreeben Ramjibhai Sorathia and Jenish Mukeshbhai Thumar:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
<b>Jayshreeben Ramjibhai Sorathia</b>							
On Incorporation*	Subscription to Memorandum of Association	Cash	5,000	10	10	0.12	0.09
March 30, 2022	Further Allotment	Cash	25,000	10	10	0.59	0.44
March 31, 2023	Preferential Allotment	Cash	37,000	10	51	0.88	0.65
June 19, 2023	Transfer of Shares from Vishal Ramjibhai Sorathia	Cash	90,500	10	51	2.14	1.58
June 23, 2023	Bonus Issue	N.A.	11,02,500	10	-	26.13	19.23
<b>Total</b>			<b>12,60,000</b>			<b>29.86</b>	<b>21.98</b>
<b>Jenish Mukeshbhai Thumar</b>							
March 30, 2022	Further Allotment	Cash	75,000	10	10	1.78	1.31
April 1, 2022	Transfer of Equity Shares from Otamben Khodabhai Thumar	Cash	35,000	10	12	0.83	0.61
March 31, 2023	Preferential Allotment	Cash	86,700	10	51	2.05	1.51
June 23, 2023	Bonus Issue	N.A.	13,76,900	10	-	32.63	24.02
<b>Total</b>			<b>15,73,600</b>			<b>37.29</b>	<b>27.45</b>

\*Our Company was incorporated on May 3, 2018.

11) As on the date of the Draft Prospectus, the Company has 07 (seven) members/shareholders.

12) The details of the Shareholding of our Promoters as on the date of this Draft Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
<b>Promoters</b>					
1.	Jayshreeben Ramjibhai Sorathia	12,60,000	29.86	12,60,000	21.98
2.	Jenish Mukeshbhai Thummar	15,73,600	37.29	15,73,600	27.45
	<b>Total (A)</b>	<b>28,33,600</b>	<b>67.15</b>	<b>28,33,600</b>	<b>49.43</b>
<b>Promoter Group</b>					
3.	Jayaben Shivlal Thumar	8,02,400	19.01	8,02,400	13.99
4.	Hetal Mahendrabhai Sardhara	5,68,000	13.46	5,68,000	9.90
	<b>Total (B)</b>	<b>13,70,400</b>	<b>32.47</b>	<b>13,70,400</b>	<b>23.91</b>
	<b>Total (A+B)</b>	<b>42,04,000</b>	<b>99.62</b>	<b>42,04,000</b>	<b>73.34</b>

13) Except as stated under “-Shareholding of our Promoters”, the Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Prospectus is filed with Stock Exchange.

14) There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Prospectus.

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

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

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

Following are the details of Minimum Promoter’s Contribution:

Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Issue paid-up capital	Period of lock-in
<b>Jenish Mukeshbhai Thumar<sup>^</sup></b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>TOTAL</b>	[●]					[●]	
<b>Jayshreeben Ramjibhai Sorathia</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>TOTAL</b>	[●]					[●]	

\* Subject to finalisation of Basis of Allotment.

<sup>^</sup>As on date of this Draft Prospectus, Dhananjay Bachubhai Thumar does not hold any shareholding in our Company.

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

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

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

For details on the build-up of the Equity Share capital held by our Promoters, see “Shareholding of our Promoters” on page 62.

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

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

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

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters are held in dematerialized form. As on date of this Draft Prospectus, the members of our Promoter Group do not hold any Equity Shares in our Company.

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

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

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

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

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

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

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

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

- 23) Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
- 24) All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.
- 25) As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 26) Our Promoters and the members of our Promoter Group will not participate in the Issue.
- 27) Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Jayshreeben Ramjibhai Sorathia	12,60,000	29.86

- 28) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
- 29) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “*Issue Procedure*” beginning on page 230 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- 30) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 31) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 32) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- 33) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 34) As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

## OBJECTS OF THE ISSUE

The Issue constitutes public issue of upto 15,12,000 Equity Shares of our Company at an Issue Price of ₹ [●]/- per Equity Share.

### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Setting up of new manufacturing facility
2. Repayment or Pre-payment of Secured Loan
3. To Meet Working Capital Requirements
4. General Corporate Purpose
5. To meet Public Issue Expenses

*(Collectively referred as the “objects”)*

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

Our Company engaged in manufacturing of closed die forged products which have a wide application. Closed die forging, one of the main forging processes, involves the pressing or hammering of preformed metal blanks into a set of dies shaped parts to be produced. In closed die forging, the hammer and anvil fully enclose the workpiece, forcing the metal to fill all areas of the dies. Closed die forging can produce nearly limitless variety of 3-D shapes, and is capable of producing complex parts with tight tolerances. We manufacture our products using the closed die forging process through various hydraulic press. As of date of this Draft Prospectus, we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. The products manufactured under precision components, forge fittings and pipe nipple are generally customizable and are manufactured as per applicable international standards. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. These products are referred to as the precision components. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Further, we also manufacture threaded pipe nipple as per customer specifications and international standards. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Our products under forged fittings are made in such a manner that they work with least vibrations and therefore are hum free without a ripple.

Our Company specializes in design and manufacture of different type of closed die forged products of various grades like mild steel, carbon steel, stainless steel, etc. Its fully integrated infrastructure consists of inter alia, the hydraulic press machine and CNC machines which are installed at its manufacturing unit situated at Hadamtala Industrial Estate, Rajkot, Gujarat. Our manufacturing unit is spread over around 2206.07 square meters land area having combined aggregated manufacturing capacity of 135 MT/p.a. Our facility is also equipped with CNC machines which enable us to supply products based on internationally recognized standards. Our manufacturing facilities are well equipped with required facilities including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavor to maintain safety in our premises by adhering to key safety norms.

The objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

### REQUIREMENT OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “Net Issue Proceeds”).

The following table summarizes the requirement of funds:

Particulars	Amount
-------------	--------

	(₹ in Lakhs)
Gross Issue Proceeds	[●]
Less: Public Issue Related Expenses	[●]
<b>Net Issue Proceeds</b>	[●]

#### UTILIZATION OF NET ISSUE PROCEEDS

The Gross Issue Proceeds will be utilized for following purpose, except specified otherwise:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
5.	Setting up of new manufacturing facility *	446.52	[●]
6.	Repayment or Pre-payment of Secured Loan	79.17	[●]
7.	To Meet Working Capital Requirements	394.51	[●]
8.	General Corporate Purpose	[●]	[●]
<b>Net Issue Proceeds</b>		[●]	[●]

#### \*BREAK UP OF THE NEW MANUFACTURING FACILITY

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
1.	Acquisition of Land	6.00	[●]
2.	Construction of Building	206.50	[●]
3.	Purchase of Machineries	234.02	[●]
<b>Total</b>		[●]	[●]

#### MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
1.	Acquisition of Land	6.00	0.00	6.00	0.00
2.	Construction of Building	206.50	206.50	0.00	0.00
3.	Purchase of Machineries	234.02	234.02	0.00	0.00
4.	Repayment or Pre-payment of Secured Loan	79.17	79.17	0.00	0.00
5.	To Meet Working Capital Requirements	722.02	394.51	267.51	60.00
6.	General Corporate Purpose	[●]	[●]	[●]	[●]
7.	Public Issue Expenses	[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]	[●]

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

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in Internal / external circumstances or costs or other financial conditions and other factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, subject to regulatory approval required under applicable law. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or



Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please refer section titled "Risk Factors" beginning on Page No. 22 of this Draft Prospectus.

## DETAILS OF USE OF ISSUE PROCEEDS

### ➤ SETTING UP OF NEW MANUFACTURING FACILITY

Our company is planning to set up a new manufacturing facility in Hadamtala Industrial Area, Hadamtala, Tal. Kotdasangani, Dist. Rajkot, Gujarat near to our existing manufacturing facility. Our company is in the process of identifying land in the same area which will be of approx 2250-2300 Sqr mtrs. Our company will install 10 new machines to manufacture two additional new categories of closed die forged products, namely, hammer union and ring joint gasket in new manufacturing facility.

#### 1. ACQUISITION OF LAND

Our Company proposes to acquire land to set a new manufacturing facility in Hadamtala Industrial Area, Hadamtala, Tal. Kotdasangani, Dist. Rajkot, Gujarat near to our existing manufacturing facility. However no such land is identified by our company. The expected area of land will be approx 2250-2300 Sqr mtrs. As on the date of draft prospectus our company has not identified any land for construction of building. The total cost of land is expected to be Rs 6 lakhs.

Proposed land to be acquired for construction of building will be free from all encumbrances and will have clear title in the name of our company. Our company has not applied for any government registration pertaining for Acquisition of Land. Our company will obtain all the requisite approvals within due times.

Our company will not utilise any part of Net issue proceeds towards Acquisition of Land for our proposed construction of building. Acquisition of land will be from internal accruals.

#### 2. CONSTRUCTION OF BUILDING

Our company intends to utilise ₹ 206.50 lakhs towards construction of building in Hadamtala Industrial Area, Hadamtala, Tal. Kotdasangani, Dist. Rajkot, Gujarat near to our existing manufacturing facility. The building will consist of all the important components for a PEB such as Columns, Rafters, Purlins, Bracing Sheets and Sheeting material etc.

Details of estimated project cost is as follows;

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Total Cost of Supply & Erection for Primary and Secondary Structural Member / sheet as per above Building Description	175.00
	GST @ 18%	31.50
	<b>Total</b>	<b>206.50</b>

*Above cost of construction includes Transportation, Loading of Material.*

*Our company has obtained estimates of construction from M/s. Deepjyot Engineers Pvt. Ltd. dated July 18, 2023. This quote is valid upto 60 days from the date of quotation.*

Details of Construction of building is as follows;

<b>Building Type</b>	Manufacturing Unit
<b>Frame Type</b>	TCCS
<b>Width I</b>	Grid 1 – 24.944 M O/O of Building. Grid 12 - 25.880 M O/O of Building
<b>Length I</b>	76.505 M O/O of Building

<b>Clear Height I</b>	10.00 Mtr
<b>Column Level</b>	All PEB Columns will Start From +0.91 Mtr./From FFL
<b>Bay spacing Side wall</b>	4@6.10 + 7@7.44 Mtr.
<b>Width Module</b>	1@24.944 Mtr. (Clear Span)
<b>Roof Slope</b>	01:10

As per the estimation total cost of construction of building is estimated to be ₹ 206.50 Lakhs. Our company intends to fund 100% of cost of construction out of Issue proceeds. Till the date of this Draft Prospectus our company has not paid any advance nor has finalised any vendor for above object.

### 3. PURCHASE OF MACHINERIES

Our company intends to utilize ₹ 234.02 Lakhs towards purchase of Machineries. Our company has received Quotation from M/s. Jyoti CNC Automation Limited. These machineries will be installed in new manufacturing facility in Hadamtala Industrial Area, Hadamtala, Tal. Kotdasangani, Dist. Rajkot, Gujarat near to our existing manufacturing facility to manufacture two additional new categories of closed die forged products, namely, hammer union and ring joint gasket.

Details of Machineries to be purchase are as follows;

Sr. No	Particulars	Number of Machineries	Rate per pcs.	Amount (₹ in lakhs)
1.	Model: DX 200-5A nvu <sup>1</sup>	6	19.00	114.00
2.	Model: DX 250-700 <sup>2</sup>	2	26.80	53.60
3.	Model: DX 350-700B <sup>3</sup>	2	33.21	66.42
<b>Total</b>				<b>234.02</b>

Our company intends to fund 100% of cost for purchase of machineries out of Net Issue proceeds. Till the date of this Draft Prospectus our company has paid an advance of ₹ 1.00 lakhs out of internal accruals on June 27, 2023.

Out of total estimated cost of ₹ 234.02 Lakhs for purchase of above machineries, our company has placed 100% order for purchase of machineries. None of the machineries to be purchased are second hand.

#### ➤ Model: DX 200-5A nvu<sup>1</sup>;

Sr. No	Particulars
1.	Computer Numeric Control Unit : Siemens - 828 D Basic T
2.	Spindle : A2-6
3.	Spindle Motor : 9/13.5kW, 4000rpm
4.	Chuck : Dia. 210mm, 3-Jaw
5.	Tailstock : Tailstock with Revolving Center
6.	Servo Turret : 8 Station
7.	Electrical Cabinet 420 V / 50 Hz with Air Conditioning Unit
8.	90° Tilting Operating panel
9.	High Pressure Coolant System (5 Bar/30lpm)
10.	Boring Tool Holders (04 nos)

\*Above cost includes Turret Warranty of 24 months, Insurance Charges, Freight Charges.

Our company has obtained above quotation from M/s. Jyoti CNC Automation Limited dated June 23, 2023.

- The warranty period for mechanical parts and CNC systems installed in the machinery shall be for 12 and 24 months respectively from the date of installation and commissioning at customer's site, or for period of 15 months on mechanical parts/CNC system after delivery, if the commissioning is delayed due to reasons beyond the company's control.
- Approximate Delivery Time will be 6 - 8 Weeks.

#### ➤ Model: DX 250-700<sup>2</sup>;

Sr. No	Particulars
1.	Computer Numeric Control Unit : Siemens - 828 D Basic T
2.	Spindle : A2-8
3.	Chuck : Dia. 305mm, 4-Jaw
4.	Tailstock : Tailstock with Revolving Center
5.	Servo Turret : 12 Station
6.	Electrical Cabinet 420 V / 50 Hz with Air Conditioning Unit
7.	High Pressure Coolant System (5 Bar/30lpm)

\*Above cost includes Insurance Charges and Freight Charges.

Our company has obtained above quotation from M/s. Jyoti CNC Automation Limited dated June 08, 2023.

- The warranty period for mechanical parts and CNC systems installed in the machinery shall be for 12 and 24 months respectively from the date of installation and commissioning at customer's site, or for period of 15 months on mechanical parts/CNC system after delivery, if the commissioning is delayed due to reasons beyond the company's control.
- Approximate Delivery Time will be 8 - 10 Weeks.

➤ **Model: DX 350-700B<sup>3</sup>;**

Sr. No	Particulars
1.	Computer Numeric Control Unit : Siemens - 828 D Basic T
2.	Spindle : A2-11
3.	Spindle Motor : 18.5/27.8kW, 1500rpm
4.	Chuck : Dia. 380mm, 3-Jaw (inch Serration)
5.	Tailstock : Tailstock with Revolving Center
6.	Servo Turret : 8 Station
7.	Electrical Cabinet 420 V / 50 Hz with Air Conditioning Unit

*\*Above cost includes Insurance Charges.*

*Our company has obtained above quotation from M/s. Jyoti CNC Automation Limited dated July 16, 2023. As on the date of draft prospectus our company has not placed order for this machinery.*

- The warranty period for mechanical parts and CNC systems installed in the machinery shall be for 12 and 24 months respectively from the date of installation and commissioning at customer's site, or for period of 15 months on mechanical parts/CNC system after delivery, if the commissioning is delayed due to reasons beyond the company's control.
- Approximate Delivery Time will be 10 - 12 Weeks.

#### **4. Repayment or Pre-payment of Secured Loan:**

Our Company proposes to utilize an estimated amount of ₹ 79.17 Lakhs from the Net Proceeds towards for Repayment of the term loan availed by our Company for purchase of machinery. Our Company may repay its existing borrowings prior to Allotment. However, our Company confirms that the aggregate amount to be utilized from the Net Proceeds towards Repayment or Prepayment of its existing borrowings would not exceed ₹ 79.17 Lakhs. Amount will be repaid by November 2023. In case of any delay in receipt of issue proceeds from this public issue beyond November 2023, our company will continue to pay EMIs as per loan repayment schedule from internal accruals and will reimburse/recouped such excess amount out of the net proceeds of the issue. Incase of receipt of issue proceeds prior to November 2023, our company will keep such amount as short term deposit with schedule commercial bank until repayment of loan.

The pre-payment or scheduled repayment will help reduce our existing borrowings and saving in finance cost, assist us in maintaining a favorable debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, we believe that the debt-equity ratio of our Company will improve enabling us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

The following table provides details of borrowing, outstanding as at November 30, 2023, for which our company propose Pre-payment of Loan up to an amount aggregating to ₹ 79.17 lakhs from the Net Proceeds:

Sr. No .	Name of the lender	Date of Sanction Letter	Interest Rate (% per annum)	Sanctioned Amount (₹ Lakhs)	Total outstanding amount as on March 31, 2023 (₹ Lakhs)	Total outstanding amount as on November 30, 2023 (₹ Lakhs)	Repayment Schedule/ Tenor	Purpose of Loan (\$)
1	Secured (Indian Overseas Bank-Term Loan)	September 03, 2022	11.05%	95.00	93.24	79.17	53 EMI of Rs. 1,75,926.00/- and 54th EMI of Rs. 1,75,922.00. The repayment will start after 6-month initial holiday periods from the date of first disbursement. Interest to be served as and when debited in the account including holiday period	Term Loan (purchase of machinery costing ₹ 119.86 lakhs)
<b>Total</b>				<b>95.00</b>	<b>93.24</b>	<b>79.17</b>		

Sources: Based on certificate issued by Statutory Auditor M/s M N Manvar & Co., Chartered Accountants vide its certificate dated August 1, 2023, bearing UDIN: 23036292BGWVCB4596.

Our Statutory Auditor has confirmed that the borrowings set out in the table above have been utilized for the purposes as stipulated in each of the relevant borrowing documents.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding amounts may vary from time to time. In light of the above, if at the time of filing Prospectus, any of the above- mentioned loans or facilities are repaid in part or full or refinanced, then the table above shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Issue, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Prospectus.

For further details in relation to the terms and conditions under the aforesaid loan agreement as well as restrictive covenants in relation to thereof, see the section “*Annexure – 7.01 & 10.01*” of chapter titled as “*Restated Financial Information*” beginning on page 155 of this Draft Prospectus. Our Company may also avail further loans after the date of filing of this Draft Prospectus.

For details related to risk please refer section titled “*Risk Factors*” beginning on Page No. 22 of this Draft Prospectus.

## 5. **TO MEET WORKING CAPITAL REQUIREMENTS:**

Our Company engaged in manufacturing of closed die forged products which have a wide application. Closed die forging, one of the main forging processes, involves the pressing or hammering of preformed metal blanks into a set of dies shaped parts to be produced. In closed die forging, the hammer and anvil fully enclose the workpiece, forcing the metal to fill all areas of the dies. Closed die forging can produce nearly limitless variety of 3-D shapes, and is capable of producing complex parts with tight tolerances. We manufacture our products using the closed die forging process through various hydraulic press. As of date of this Draft Prospectus, we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. The products manufactured under precision components, forge fittings and pipe nipple are generally customizable and are manufactured as per applicable international standards. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. These products are referred to as the precision components. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Further, we also manufacture threaded pipe nipple as per customer specifications and international standards. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Our products under forged fittings are made in such a manner that they work with least vibrations and therefore are hum free without a ripple.

We fund a majority of our working capital requirements in the ordinary course of business from Internal Accruals and loans. Net Working Capital requirement of our Company as on March 31, 2023 on restated basis was ₹ 175.39 Lakhs as against that of ₹ 2.60 Lakhs and Negative as on March 31, 2022 and March 31, 2021 respectively. The Net Working capital requirements for the FY 2023-24 is estimated to be ₹ 722.02 Lakhs. The Company will meet the requirement to the extent of ₹ 394.51 Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

### **Justification of increase in working capital requirement;**

As on the date of this Draft Prospectus, company manufacture precision components, forge fittings and pipe nipple on order basis, therefore it doesn’t keep any inventory level (Goods are produced as and when order for same is received). Therefore working capital requirement of our company for historic period was minimum. Our company is in the process of diversifying its present product portfolio to manufacture two additional categories of closed die forged products, namely, hammer union and ring joint gasket. In order to meet demand for our new products our

company will be required to maintain a sufficient inventory level of raw material, and finished goods which will ensure uninterrupted supply chain and smooth production process. Our proposed products under hammer union will generally be manufactured for the oil and gas industry. Moreover, our company will be required to give credit period to our customers at least 15-20 days to achieve desired level of revenue from operations in FY 2023-24. Therefore due to above reasons and facts our company requires additional working capital which our company intends to fund from Existing Internal Accrual, Loan and Net Issue Proceeds.

Basis of estimation of working capital requirement and estimated working capital requirement;

(₹ in lakhs)

Particulars	(Restated Basis)			(Projected)
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
<b>Current Assets</b>				
<b>Inventories</b>				
• Raw material	0.00	39.80	94.25	428.54
• Work in progress	0.00	0.00	0.00	90.00
• Finished goods	0.00	0.00	0.00	150.00
Trade receivables	0.00	203.83	8.92	94.61
Cash and cash equivalents	0.53	11.97	137.19	51.08
Loans and Advances	7.23	22.43	57.48	63.23
Other Assets	0.38	0.38	0.60	1.80
<b>Total Assets (A)</b>	<b>8.15</b>	<b>278.41</b>	<b>298.44</b>	<b>879.25</b>
<b>Current Liabilities</b>				
Trade payables	0.92	245.72	67.49	89.28
Other liabilities	14.01	12.22	14.67	17.60
Short-term provisions	-	17.87	40.89	50.35
<b>Total Current Liabilities (B)</b>	<b>14.92</b>	<b>275.81</b>	<b>123.05</b>	<b>157.23</b>
<b>Net Working Capital (A-B)</b>	<b>Negative</b>	<b>2.60</b>	<b>175.39</b>	<b>722.02</b>
<b>Sources of Funds</b>				
Short Term Borrowings	0.00	0.00	55.27	60.00
Internal Accruals/Existing Net worth	0.00	2.60	120.12	267.51
Proceeds from IPO	0.00	0.00	0.00	394.51
<b>Total</b>	<b>0.00</b>	<b>2.60</b>	<b>175.39</b>	<b>722.02</b>

#### Assumptions for working capital requirements

Particulars	Holding level (in Months)				Justification for Holding (FY 2023-24)
	FY20-21 (Restated)	FY21-22 (Restated)	FY22-23 (Restated)	FY23-24 (Projected)	
Trade Receivables	0.00	3.23	0.07	0.50	Trade receivables are amount owed to Company by customers following sale of goods on credit. Our Company has estimated average trade receivable cycle to be 0.50 Months to meet expected turnover for FY 2023-24 to streamline credit period given to our customers.
<b>Inventory</b>					
Raw Material	0.00	0.84	0.94	2.40	Raw Material holding period for FY 2023-24 is estimated to be 2.40

Particulars	Holding level (in Months)				Justification for Holding (FY 2023-24)
	FY20-21 (Restated)	FY21-22 (Restated)	FY22-23 (Restated)	FY23-24 (Projected)	
					Months. This estimation is based on inventory holding period cycle of previous financial year FY 2022-23 and to streamline finished goods holding period.
Work In Progress	0.00	0.00	0.00	0.58	Work In Progress holding period for FY 2023-24 is estimated to be 0.58 Months.
Finished Goods	0.00	0.00	0.00	0.97	Finished Goods holding period for FY 2023-24 is estimated to be 0.97 Months.
Trade Payables	0.00	5.19	0.67	0.50	Trade payables are amount to be paid to suppliers by company following purchase of raw material on credit. Our Company has estimated average trade payable cycle to be 0.50 Months for FY 2023-24. This estimation is based on inventory holding period cycle of previous financial year FY 2022-23 and to streamline finished goods holding period, avail better pricing and offers from the vendors.

Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, loans and advances, short term provisions and other current liabilities. Details of which are given below:

Cash and Cash Equivalents	Cash and cash equivalents include balances with banks and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of company.
Loans and Advances	Loans and advances mainly include receivables from GST authority, advance to supplier, state subsidy receivable and prepaid expenses. Loans and advances is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other Assets	Other Assets mainly include loan to staff and pre-operative expenses written off. Loans and advances is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other current liabilities	Other Current Liabilities mainly include GST payable and TDS payable. Other current liabilities is estimated based on previous years outstanding amount and for expected Business requirement of company.
Short-term provisions	Short-term provisions mainly include provision for employee benefit, provision for income tax and other provisions. Short-term provisions is estimated based on previous years outstanding amount and for expected Business requirement of company.

## 6. GENERAL CORPORATE PURPOSE:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ [●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- acquisition/hiring of land/property for building up corporate house,
- hiring human resources including marketing people or technical people in India or abroad,
- we may also enter into strategic alliances with other body corporates for expansion of our business in abroad or in India.
- funding growth opportunities;
- servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- working capital;
- meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- strategic initiatives and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## 7. ISSUE RELATED 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 Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
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>	[●]	<b>100.00</b>	[●]

*Notes:*



1. Up to July 21, 2023, Our Company has deployed/incurred expense of ₹ 7.88 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor M/s. M N Manvar & Co., Chartered Accountants vide its certificate dated August 01, 2023, bearing UDIN: 23036292BGWVCA9911 .
2. Any expenses incurred towards aforesaid issue related expenses during the period from July 22, 2023 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue:
3. 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.
8. Notwithstanding anything contained above the total processing /uploading /bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

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.

#### **SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS**

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

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Issue Proceeds (₹ in Lakhs)	Amount to be funded from Borrowing/Internal Accruals	Amount already deployed (₹ in Lakhs)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2023-24)*
1.	Acquisition of Land	6.00	0.00	6.00	0.00	NA <sup>#</sup>
2.	Construction of Building	206.50	206.50	0.00	0.00	206.50 <sup>#</sup>
3.	Purchase of Machineries	234.02	234.02	0.00	1.00	234.02 <sup>#</sup>

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Issue Proceeds (₹ in Lakhs)	Amount to be funded from Borrowing/Internal Accruals	Amount already deployed (₹ in Lakhs)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2023-24)*
4.	Repayment or Pre-payment of Secured Loan	79.17	79.17	0.00	0.00	79.17
5.	To Meet Working Capital Requirements	722.02	394.51	327.51	0.00	394.51
6.	General Corporate Purpose	[•]	[•]	0.00	0.00	[•]
<b>Total</b>		<b>[•]</b>	<b>[•]</b>	<b>333.51</b>	<b>1.00</b>	<b>[•]</b>

Up to July 21, 2023, Our Company has deployed/incurred expense of ₹ 7.88 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor M/s. M N Manvar & Co., Chartered Accountants vide its certificate dated August 01, 2023, bearing UDIN: 23036292BGWVCA9911. Our company will reimburse/recouped such payment out of the net issue proceeds.

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to business exigencies, use of net issue proceeds may be interchangeable.

# Estimated schedule of deployment of fund for setting up of new manufacturing facility;

Sr. No.	Particulars	Month of Commencement	Month of Completion
1.	Acquisition of Land	September 2023	October 2023
2.	Construction of Building	November 2023	February 2024
3.	Purchase of Machineries		
	• Purchase Order	December 2023	
	• Delivery time	February 2024	
	• Installation	February 2024	February 2024
	• Trial Run	March 2024	March 2024
	• Commencement of Commercial Production	April 2024	

## APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

## INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### **MONITORING UTILIZATION OF FUNDS**

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

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

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## BASIS FOR ISSUE PRICE

The issue price has been determined by the issuer in consultation with the lead manager. The financial data presented in this section are based on our Company’s Restated Financial Statements. Investors should also refer to the sections/chapters titled “*Risk Factors*” and “*Restated Financial Information*” on page no. 22 and 155, respectively of this Draft Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

1. Presence across diverse industry verticals with long standing relationship with our customers.
2. Comprehensive product portfolio enables us to serve diverse end-use applications.
3. Wide-spread domestic and international market presence
4. Quality Assurance and Quality Control of our products
5. Well experienced management team with proven project management and implementation skills
6. Cost effective production and timely fulfilment of orders

For details of qualitative factors, please refer to the paragraph “*Our Competitive Strengths*” in the chapter titled “*Business Overview*” beginning on page no. 111 of this Draft Prospectus.

### QUANTITATIVE FACTORS

#### 1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

Financial Year/Period	Basic and Diluted EPS (in ₹)#	Weights
Financial Year ended March 31, 2023	4.95	3
Financial Year ended March 31, 2022	96.87	2
Financial Year ended March 31, 2021	0.00	1
<b>Weighted Average</b>	<b>34.77</b>	

*Notes: Our company has issued 3692500 Bonus shares on June 23, 2023 in the ratio of 7:1 i.e., 7 (Seven) Equity Shares for every 1 (One) Equity Share held.*

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●]:

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$$

Particulars	EPS (in ₹)	P/E at the Issue Price
Based on EPS of Financial Year ended March 31, 2023	4.95	[●]
Based on Weighted Average EPS	<b>34.77</b>	[●]

#### Industry PE

Our company is engaged in manufacturing of closed die forged products. Therefore, there are limited numbers of operators in this industry and therefore there are no listed peers of the company.

### 3. Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2023	44.72	3
Financial Year ended March 31, 2022	75.62	2
Financial Year ended March 31, 2021	0.00	1
<b>Weighted Average</b>	<b>47.56</b>	

*Notes: Our company has issued 3692500 Bonus shares on June 23, 2023 in the ratio of 7:1 i.e., 7 (Seven) Equity Shares for every 1 (One) Equity Share held.*

### 4. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

Particular	Amount (in ₹)
Financial Year ended March 31, 2023	10.39
Financial Year ended March 31, 2022	5.13
Financial Year ended March 31, 2021	1.25
NAV per Equity Share after the Issue	[●]
Issue Price per Equity Share	[●]

*Notes: Our company has issued 3692500 Bonus shares on June 23, 2023 in the ratio of 7:1 i.e., 7 (Seven) Equity Shares for every 1 (One) Equity Share held.*

### 5. Comparison of Accounting Ratios with Peer Group Companies:

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹) <sup>@</sup>	EPS (₹) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Balaji Piping Products Limited	Standalone	10	[●]	4.95	[●]	44.72	10.39	1640.58
<b>Peer Group</b>								

**Note:** (1) The EPS, P/E Ratio, NAV, RoNW and revenue from operations of Balaji Piping Products Limited are taken as per Restated Financial Statement for the Financial Year 2022-23.

*\*Our company does not have comparable listed peer, therefore information related to peer group has not been provided.*

6. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “Risk Factors” and chapters titled “Business Overview” and “Restated Financial Information” beginning on page nos. 22, 111 and 155 respectively of this Draft Prospectus.

## KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 01, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Prospectus. Further, the KPIs herein have been certified by M/s. M N Manvar & Co., Chartered Accountants, by their certificate dated August 1, 2023.

The KPIs of our Company have been disclosed in the sections “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” starting on pages 111 and 189, respectively. We have described and defined the KPIs, as applicable, in “*Definitions and Abbreviations*” beginning on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
Gross Profit (₹ in Lakhs)	Gross Profit provides information regarding the profits from manufacturing of products by the Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products manufactured by the Company.
EBITDA (₹ in Lakhs)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Net Fixed Asset Turnover (In Times)	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Net Working Capital Days	Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations.
Operating Cash Flows (₹ in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers & suppliers	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.

**FINANCIAL KPIs OF OUR COMPANY**

Particulars	For the Year ended on March 31		
	2023	2022	2021
Revenue from Operations (₹ in Lakhs)	1,640.58	758.03	0.00
Growth in Revenue from Operations (%)	116.43%	N.A.	0.00
Gross Profit (₹ in Lakhs)	488.96	229.80	0.00
Gross Profit Margin (%)	29.80%	30.32%	0.00
EBITDA (₹ in Lakhs)	276.48	111.66	0.00
EBITDA Margin (%)	16.85%	14.73%	0.00
Profit After Tax (₹ in Lakhs)	196.00	82.96	0.00
PAT Margin (%)	11.95%	10.94%	0.00
RoE (%)	71.53%	149.87%	0.00%
RoCE (%)	74.40%	147.82%	0.00%
Net Fixed Asset Turnover (In Times)	6.24	10.02	0.00
Net Working Capital Days	39.02	1.07	0.00
Operating Cash Flows (₹ in Lakhs)	172.65	88.08	7.31

*Source: The Figure has been certified by our statutory auditors M/s. M N Manvar & Co., Chartered Accountants vide their certificate dated August 1, 2023.*

**Notes:**

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- 3) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of stock in trade goods, Changes in inventories of finished goods, work-in-progress and stock in trade.
- 4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- 5) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses less other income.
- 6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- 7) Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
- 8) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- 9) RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
- 10) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and deferred tax liability.
- 11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- 12) Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year.

13) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

**OPERATIONAL KPIs OF THE COMPANY:**

Particulars	For the Year ended on March 31		
	2023	2022	2021
<b>Capacity and capacity utilization</b>			
Installed Capacity	135.00	135.00	0.00
Utilized Capacity	87.00	25.00	0.00
Percentage of utilization (%)	64.44	18.52	0.00
<b>Contribution of top 1 / 3 / 5 / 10 customers</b>			
Top 1 Customer (%)	75.37	72.84	0.00
Top 3 Customers (%)	93.58	86.43	0.00
Top 5 Customers (%)	97.25	95.14	0.00
Top 10 Customers (%)	100.00	100.00	0.00
<b>Contribution of top 1 / 3 / 5 / 10 suppliers</b>			
Top 1 Supplier (%)	28.75	35.27	0.00
Top 3 Suppliers (%)	49.14	60.49	0.00
Top 5 Suppliers (%)	63.56	73.14	0.00
Top 10 Suppliers (%)	86.74	93.82	0.00

Source: The Figure has been certified by our statutory auditors M/s. M N Manvar & Co., Chartered Accountants vide their certificate dated August 1, 2023.

**WEIGHTED AVERAGE COST OF ACQUISITION:**

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

The details of issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of 30 days is as follows:

Sr. No	Date of allotment	No. of Shares	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Total Consideration ₹ in Lakhs
1.	30-Mar-2022	257500	10	10	Further allotment of equity shares	Cash	25.75
2.	31-Mar-2023	260000	10	51	Issue of Equity Shares on Preferential Basis	Cash	132.60

The details of allotments are as follows:

S. No	Name of the allottees/ acquirer	Date of allotment of Equity Shares	Number of Equity Shares acquired	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Vishal Ramjibhai Sorathia	30-Mar-2022	5000	10	10
2	Jayshreeben Ramjibhai Sorathia	30-Mar-2022	25000	10	10
3	Otamben Khodabhai Thumar	30-Mar-2022	35000	10	10



4	Jenish Mukeshbhai Thumar	30-Mar-2022	75000	10	10
5	Darshna Hiteshbhai Thumar	30-Mar-2022	50000	10	10
6	Omshanti Heights Private Limited	30-Mar-2022	67500	10	10
7	Vishal Ramjibhai Sorathia	31-Mar-2023	63000	10	51
8	Jayshreeben Ramjibhai Sorathia	31-Mar-2023	37000	10	51
9	Jenish Mukeshbhai Thumar	31-Mar-2023	86700	10	51
10	Darshna Hiteshbhai Thumar	31-Mar-2023	70300	10	51
11	Bhavikaben Nileshbhai Sorathia	31-Mar-2023	1000	10	51
12	Avni Hardik Erda	31-Mar-2023	1000	10	51
13	Hetal Mahendrabhai Sardhara	31-Mar-2023	1000	10	51
<b>Weighted average cost of acquisition (WACA)</b>					<b>30.60</b>

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

There have been secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding Bonus Issue and employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

S. No	Name of Transferee	Name of Transferor	Date of Transfer	Number of Equity Shares	Transfer price per Equity Share (in ₹)
1	Vishal Ramjibhai Sorathia	Omshanti Heights Private Limited	31-Mar-2022	17500	10
2	Jenish Mukeshbhai Thumar	Otamben Khodabhai Thumar	1-Apr-2022	35000	12
3	Jayaben Shivilal Thumar	Darshna Hiteshbhai Thummar	1-Apr-2022	30000	12
4	Hetal Mahendrabhai Sardhara	Darshna Hiteshbhai Thummar	1-Apr-2022	20000	12
5	Hetal Mahendrabhai Sardhara	Omshanti Heights Private Limited	1-Apr-2022	50000	12
6	Jayaben Shivilal Thumar	Darshna Hiteshbhai Thummar	1-Apr-2023	70300	51
<b>Weighted average price of transfer (WAPT)</b>					<b>24.15</b>

**c) Price per share based on the last five primary or secondary transactions;**

Since there is an eligible transaction of our Company reported in (a) and (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoters/Promoter Group entities, Selling Shareholders or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Prospectus has not been computed.

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

Types of transactions	Weighted average Issue price (i.e. ₹ cost of acquisition [●]/-) (₹ per Equity Share)	
<p>Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days</p>	30.60	[●]
<p>Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoters / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days</p>	24.15	[●]
<p>Since there is an eligible transaction of our Company reported in (a) and (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoters/Promoter Group entities, Selling Shareholders or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Prospectus has not been computed.</p>	NA	NA

#### Justification for Basis of Issue price:-

- The following provides a detailed explanation for the Issue Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Prospectus compared to our Company's KPIs and financial ratios for the Financial Years 2023, 2022 and 2021.

[●]

(To be updated on finalization of Price.)

- The following provides an explanation to the Issue Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Prospectus in view of external factors, if any

[●]

(To be updated on finalization of Price.)

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the lead manager, on the basis of the demand from investors for the Equity Shares through the fixed price. Investors should read the abovementioned information along with "Risk Factors", "Our Business" and "Restated Financial Information" beginning on pages 22, 111 and 155, respectively, to have a more informed view.

## STATEMENT OF TAX BENEFITS

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

To,  
The Board of Directors,  
Balaji Piping Products Limited  
RS No 92/1/1, Plot No 1-4, National Highway 27,  
Near Shaan Cement, Hadamtala Industrial Area,  
Kotdasangani, Rajkot, Gujarat 360 311.

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Balaji Piping Products Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

#### **Reference - Initial Public Offer of Equity Shares by Balaji Piping Products Limited**

1. We hereby confirm that the enclosed Annexure I, prepared by Balaji Piping Products Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (collectively the “Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company, its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether

- i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been met with; and
  - iii) the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.
  7. No assurance is given that the revenue authorities / Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
  8. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
  9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For M N Manvar & Co.**  
**Chartered Accountants**  
**FRN: 106047W**

**Date:** August 1, 2023  
**Place:** Rajkot, Gujarat

**Mohanlal N Manvar**  
**Proprietor**  
**Membership No. 036292**  
**UDIN : 23036292BGWVBY8933**

## **ANNEXURE I TO THE STATEMENT OF TAX BENEFITS**

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

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

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

The Company is not entitled to any special tax benefits under the Taxation Laws.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

We hereby give our consent to include our above referred opinion regarding the special tax benefits available to the Company, to its shareholders in the Draft Prospectus / Prospectus.

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

### GLOBAL OUTLOOK

Global growth has slowed to the extent that the global economy is perilously close to falling into recession—defined as a contraction in annual global per capita income only three years after emerging from the pandemic-induced recession of 2020. Very high inflation has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies. Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions, which is exerting a substantial drag on activity. This drag is set to deepen given the lags between changes in monetary policy and its economic impacts, and the fact that real rates are expected to continue to increase.

Asset prices have been in broad, synchronous decline, investment growth has weakened substantially, and housing markets in many countries are worsening rapidly. Shockwaves continue to emanate from the Russian Federation’s invasion of Ukraine, especially in energy and other commodity markets. Against this backdrop, confidence has fallen precipitously. The world’s three major engines of growth—the United States, the euro area, and China—are undergoing a period of pronounced weakness, with adverse spillovers for emerging market and developing economies (EMDEs), many of which are already struggling with weakening domestic conditions.

Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labor market conditions.

Inflation remains high worldwide and well above central bank targets in almost all inflation targeting economies. Although inflation is likely to gradually moderate over the course of the year, there are signs that underlying inflation pressures could be becoming more persistent. In response, central banks around the world have been tightening policy faster than previously expected. Monetary policy tightening in advanced economies, a strong U.S. dollar, geopolitical tensions, and high inflation have dampened risk appetite and led to widespread capital outflows and slowing bond issuance across EMDEs. Financial conditions have particularly worsened for less creditworthy EMDEs, especially if they are also energy importers.

Fiscal space has narrowed considerably, and concerns over debt sustainability in many countries have risen as global financial conditions have made it more difficult to service debt loads that have accumulated rapidly in recent years, particularly during the pandemic. Nonetheless, many governments have announced new support measures to shield households and firms from the effects of sharply rising prices, slowing the pace of fiscal consolidation as pandemic-related stimulus is withdrawn.

Most commodity prices have eased, to varying degrees, largely due to the slowdown in global growth and concerns about the possibility of a global recession. By historical standards, however, they remain elevated, prolonging challenges associated with energy and food insecurity. Crude oil prices have steadily declined from their mid- 2022 peak; meanwhile, natural gas prices in Europe soared to an all-time high in August but have since fallen back toward

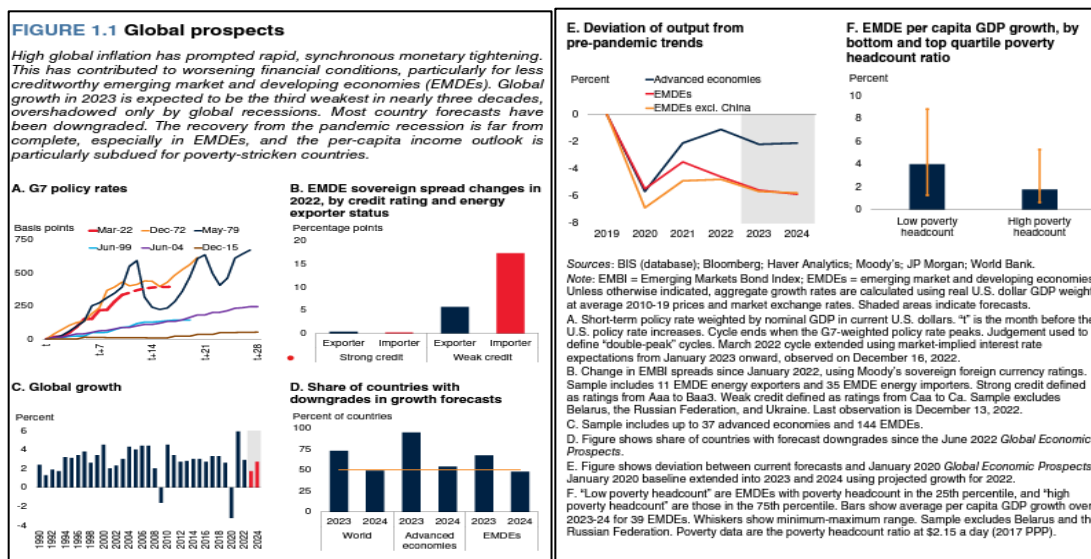
pre-invasion levels. Non-energy prices, particularly metal prices, have declined alongside weak demand. While food prices have eased from earlier peaks, food price inflation remains very high in some EMDEs.

Against this backdrop, global growth is forecast to slow to 1.7 percent in 2023. This pace of growth would be the third weakest in nearly three decades, overshadowed only by the global recessions caused by the pandemic in 2020 and the global financial crisis in 2009. This forecast is 1.3 percentage points lower than in June, largely reflecting more aggressive monetary policy tightening, deteriorating financial conditions, and declining confidence. Growth projections have been downgraded for almost all advanced economies and about two-thirds of EMDEs in 2023, and for about half of all countries in 2024. Global trade is also expected to slow sharply alongside global growth, despite support from a continued recovery in services trade. Downgrades to growth projections mean that global activity is now expected to fall even further below its pre-pandemic trend over the forecast horizon, with EMDEs accounting for most of the shortfall from trend. This suggests that the negative shocks of the past three years—namely the pandemic, the invasion of Ukraine, and the rapid increase in inflation and associated tightening of monetary policy worldwide—are having a lasting impact on economic prospects.

In advanced economies, conditions have deteriorated sharply, owing to declining confidence alongside high inflation and rapid monetary policy tightening. In the United States, one of the most aggressive monetary policy tightening cycles in recent history is expected to slow growth sharply. The euro area is also contending with severe energy supply disruptions and price hikes associated with the Russian Federation's invasion of Ukraine. In all, growth in advanced economies is forecast to slow from 2.5 percent in 2022 to 0.5 percent in 2023.

In EMDEs, growth prospects have worsened materially, with the forecast for 2023 downgraded 0.8 percentage point to a subdued 3.4 percent. The downward revision results in large part from weaker external demand and tighter financing conditions. EMDE growth is anticipated to remain essentially unchanged in 2023 relative to last year, as a pickup in China offsets a decline in other EMDEs. Excluding China, EMDE growth is forecast to decelerate from 3.8 percent in 2022 to 2.7 percent in 2023 as significantly weaker external demand is compounded by high inflation, tighter financial conditions, and other domestic headwinds. The deviation between EMDE investment and its pre-pandemic trend is expected to remain substantial. EMDE investment growth is envisaged to remain below its 2000-21 average pace, dampened significantly by weakening activity, heightened uncertainty, and rising borrowing costs. Low-income countries (LICs) are expected to grow 5.1 percent in 2023, with forecasts downgraded in about 65 percent of countries. Cost-of-living increases and a deterioration in the external environment are weighing heavily on activity in many LICs and compounding weakness in LICs with fragile and conflict affected situations (FCS).

As a result of the sharp slowdown in global growth, per capita income is not expected to surpass 2019 levels until at least 2024 in about one-third of EMDEs. Per capita income growth is expected to be slowest where poverty is highest. In Sub-Saharan Africa—which accounts for about 60 percent of the world's poor - growth in per capita income over 2023-24 is forecast to average only 1.2 percent, far less than the pace that would be needed over the remainder of the decade to reach a 3 percent poverty rate by 2030.



## Global Trade

Global trade growth decelerated in the second half of 2022, in tandem with deteriorating activity in major economies. Weakening trade mirrored the slowdown in global industrial production, as demand shifted toward its pre-pandemic composition and away from goods. Despite this moderation, goods trade surpassed pre-pandemic levels last year; meanwhile, services trade continued to recover, supported by the gradual shift in demand toward services. Tourism flows rebounded as many countries eased travel restrictions but remained well below pre-pandemic levels and uneven across regions (WTO 2022).

## Global Inflation

Inflation rose throughout 2022 in almost all economies. Median global headline inflation exceeded 9 percent in the second half of the year, its highest level since 1995. Inflation reached almost 10 percent in EMDEs, its highest level since 2008, and in advanced economies just over 9 percent, the highest since 1982. Inflation was above target in virtually all countries that have adopted inflation targeting.

Soaring inflation in 2022 reflected a combination of demand and supply factors (Ha, Kose, and Ohnsorge 2022; Shapiro 2022). On the demand side, the acceleration of growth during the initial rebound from the 2020 global recession, as well as the lagged effects of earlier macroeconomic support, contributed to persistent price pressures. Price increases were particularly large in sectors such as shipping and air travel, where compositional shifts in demand encountered ongoing capacity constraints and supply chain disruptions (Kalemli-Özcan et al. 2022). On the supply side, shortages of key commodities, exacerbated by Russia's invasion of Ukraine, contributed substantially to higher energy and food prices. In some countries, tight conditions and mismatches in labor markets further added to rising wages and higher input and production costs. Finally, many countries experienced large currency depreciations that passed through into higher import, producer, and consumer prices. The higher share of food in consumer spending has caused inflation to accelerate more in low-income countries compared to other EMDEs.

*(Source: Global Economic Prospects, January 2023)*

## INDIAN ECONOMY

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring



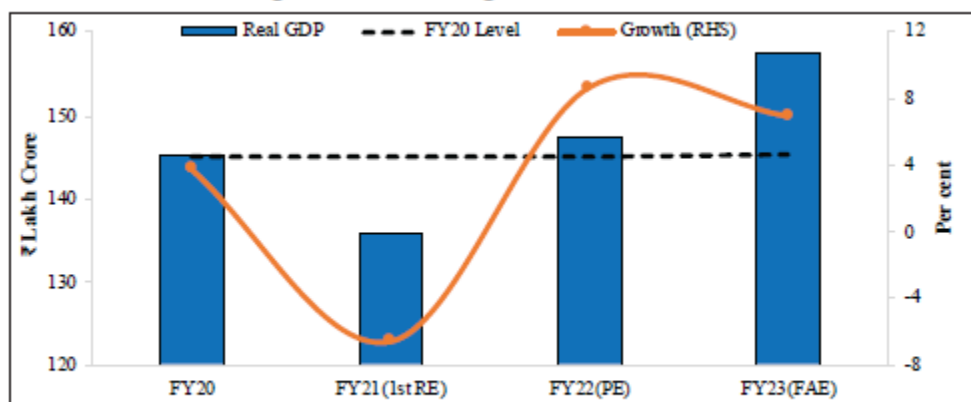
retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world’s second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

### Macroeconomic and Growth Challenges in the Indian Economy

The impact of the pandemic on India was seen in a significant GDP contraction in FY21. The following year, FY22, the Indian economy started to recover despite the Omicron wave of January 2022. This third wave did not affect economic activity in India as much as the previous waves of the pandemic did since its outbreak in January 2020. Mobility enabled by localized lockdowns, rapid vaccination coverage, mild symptoms and quick recovery from the virus contributed to minimizing the loss of economic output in the January-March quarter of 2022. Consequently, output in FY22 went past its pre-pandemic level in FY20, with the Indian economy staging a full recovery ahead of many nations. The experience with the Omicron variant engendered a cautious optimism that it was possible to stay physically mobile and engage in economic activities despite the pandemic. FY23 thus opened with a firm belief that the pandemic was rapidly on the wane and that India was poised to grow at a fast pace and quickly ascend to the pre-pandemic growth path.

**Figure I.9: Economic growth remains resilient**



Source: NSO, MoSPI

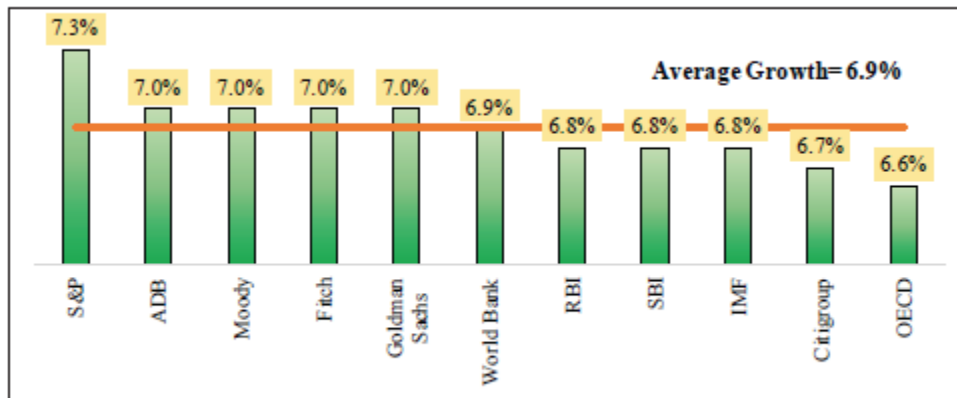
Note: AE stands for Advanced Estimates, PE stands for Provisional Estimates, RE stands for Revised Estimates

### India’s Economic Resilience and Growth Drivers

Monetary tightening by the RBI, the widening of the CAD, and the plateauing growth of exports have essentially been the outcome of geopolitical strife in Europe. As these developments posed downside risks to the growth of the Indian economy in FY23, many agencies worldwide have been revising their growth forecast of the Indian economy downwards. These forecasts, including the advance estimates released by the NSO, now broadly lie in the range of 6.5-7.0 per cent. Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the

pandemic. IMF estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India’s underlying economic resilience; of its ability to recoup, renew and re-energise the growth drivers of the economy.

**Figure I.17: India growth projections by various agencies for FY23**



Source: Various Agencies

Note: ADB stands for Asian Development Bank, IMF is International Monetary Fund

India’s economic resilience can be seen in the domestic stimulus to growth seamlessly replacing the external stimuli. The growth of exports may have moderated in the second half of FY23. However, their surge in FY22 and the first half of FY23 induced a shift in the gears of the production processes from mild acceleration to cruise mode. Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India’s economy. Private Consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY23 compared to the previous quarter.

Although domestic consumption rebounded in many economies, the rebound in India was impressive for its scale. It contributed to a rise in domestic capacity utilisation. Domestic private consumption remains buoyant in November 2022, as indicated by Motilal Oswal’s Economic Activity Index. The index estimates that private consumption grew at a five-month high pace of 5.6 per cent YoY, driven by auto sales and broad-based expansion of services.

*(Source: Economic Survey 2022-23)*

## STEEL INDUSTRY IN INDIA

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

As of December 2022, India was the world’s second-largest producer of crude steel. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In April-November 2022, the production of crude steel and finished steel stood at 81.96 MT and 78.09 MT respectively. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India’s manufacturing output.

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

### *Market Size*

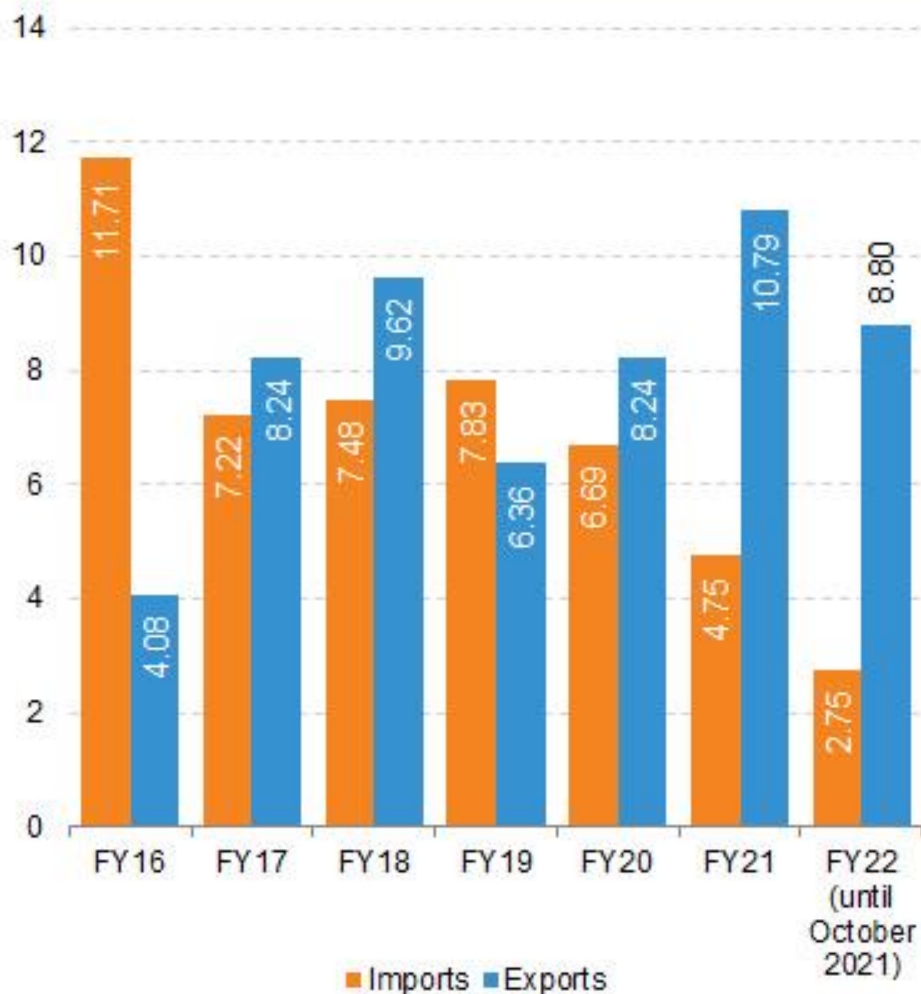
In the past 10–12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. Between April–December 2022, India's finished steel consumption stood at 75.34 MT. In April–July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

In FY23 (until January 2023), the exports of finished steel stood at 5.33 MT, while the imports stood at 5 MT. 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. In FY21, India exported 9.49 MT of finished steel. In December 2022 exports of finished steel stood at 4.42 lakh tonnes.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030–2031. By 2030–31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–1931. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

## Finished steel export and import (in million tonnes)



### Investments

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

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-December 2022, Indian metallurgical industries attracted FDI inflows of US\$ 17.22 billion.

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

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

- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.

- In September 2022, Steel Authority of India Limited (SAIL), a Maharatna PSU, supplied 30,000 tonnes of the entire DMR grade specialty steel for the nation's first indigenously built Aircraft Carrier INS Vikrant.
- In August 2022, Tata Steel signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.
- In May 2022, Tata Steel announced a CAPEX of Rs. 12,000 crore (US\$ 1.50 billion).
- In October 2021, Tata Steel was planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- In October 2021, JSW Steel invested Rs. 150 billion (US\$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- In October 2021, ArcelorMittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ~Rs. 1 trillion (US\$ 13.34 billion) over 10 years.
- In August 2021, Tata Steel announced to invest Rs. 8,000 crore (US\$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- In August 2021, ArcelorMittal announced to invest Rs. 1 lakh crore (US\$ 13.48 billion) in Gujarat for capacity expansion.
- In August 2021, Tata Steel announced to invest Rs. 3,000 crore (US\$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In August 2021, Jindal Steel & Power Ltd. announced plans to invest US\$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.
- In the next three years from June 2021, JSW Steel is planning to invest Rs. 47,457 crore (US\$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.

#### *Government Initiatives*

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

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

- The Ministry of Steel is facilitating the setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

#### *Advantages in India*

##### **1. Robust Demand**

- India's finished steel consumption stood at 75.34 MT in April-November 2022.
- According to Mr. Arnab Kumar Hazra, Deputy Secretary-General of Indian Steel Association, in CY23, crude steel
- production is expected to touch 134 MT finished production to reach around 127-128 MT.
- To drive post COVID-19 economic recovery, for the government has planned investments in roads, railways, metro connectivity, industrial parks, industrial corridors, DFC, transportation of water, oil and gas, transmission towers, affordable housing. All these sectors will drive demand for steel.

##### **2. Competitive Advantage**

- In April-November 2022, the production of crude steel in India stood at 81.96 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. Increasing Investment**

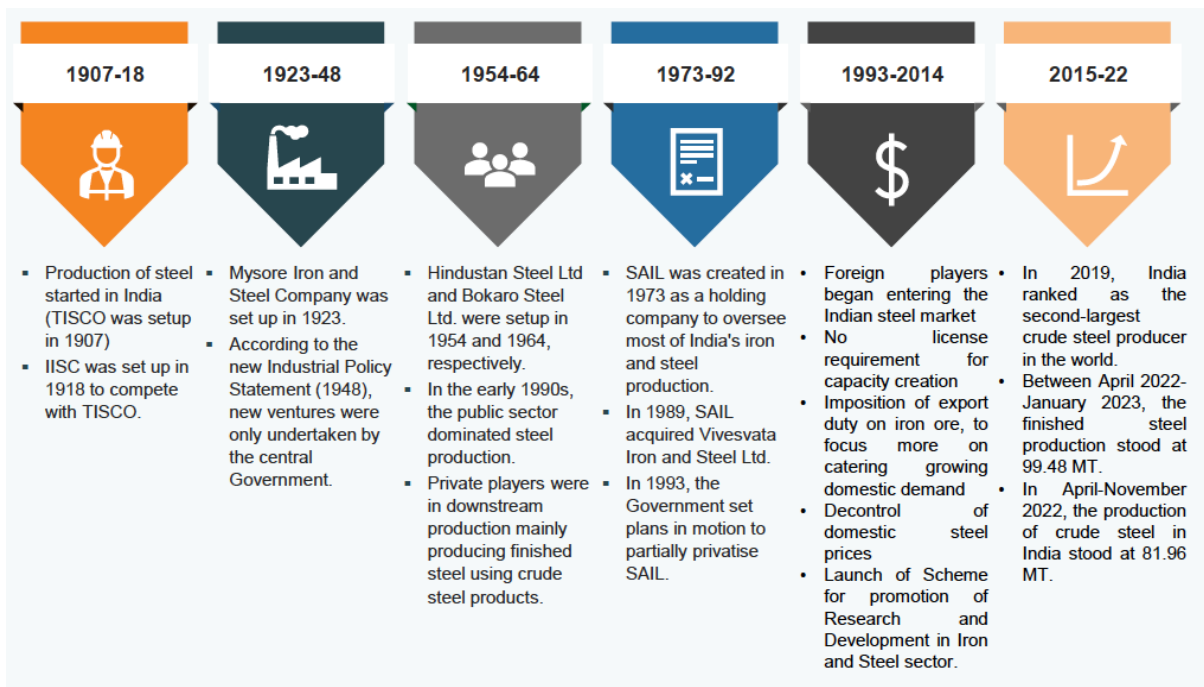
- To achieve steel capacity build-up of 300 MTPA by 2030, India would need to invest US\$ 156.08 billion by 2030- 31.
- The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market.

##### **4. Policy Support**

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

## **MARKET OVERVIEW**

### *Evolution of the Indian steel sector*



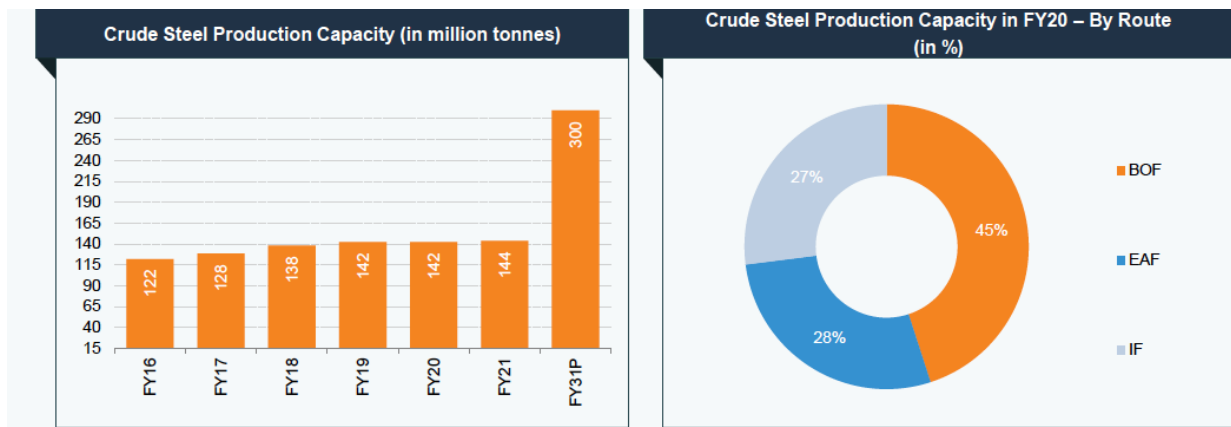
*Structure of the steel sector*



*Steel production capacity has expanded rapidly*

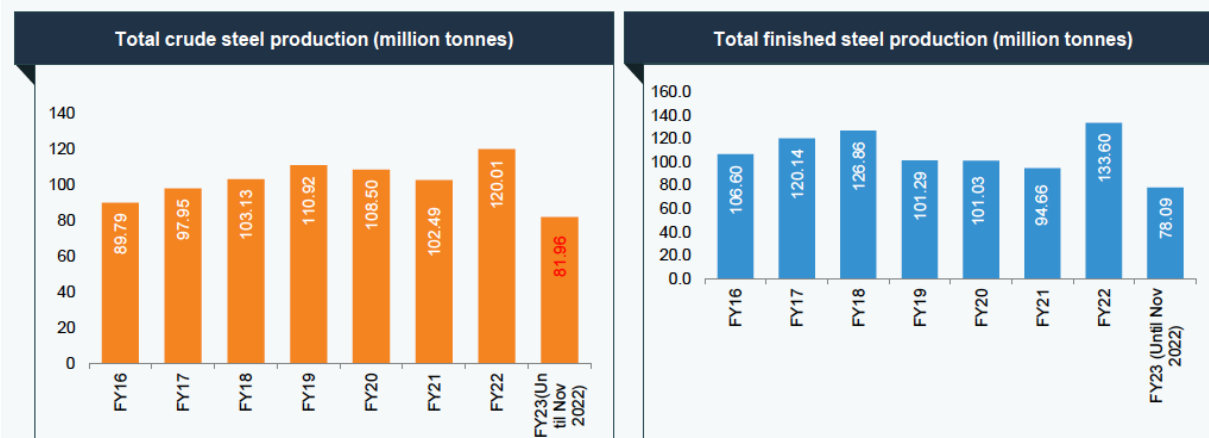
- India’s steel production capacity has expanded rapidly over the past few years, growing at a CAGR of 3.93% from 122 MT in FY16 to 143.9 MT in FY21. The National Steel Policy 2017 has envisaged achieving up to 300 MT of production capacity by 2030-31.
- By FY22, India's total steel capacity is likely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



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

- In April-November 2022, the production of crude steel and finished steel in India stood at 81.96 MT and 78.09 MT respectively.
- In FY22, production of finished steel stood at 133.596 MT.
- In FY22, production of crude steel and finished steel stood a 133.596 MT and 120.01 MT, respectively.
- To support MSMEs, the government has reduced customs duty on stainless steel to 7.5%.
- In the Union Budget 2023-24, an investment of Rs. 75,000 crore (US\$ 9.15 billion) (including Rs. 15,000 crore (US\$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.

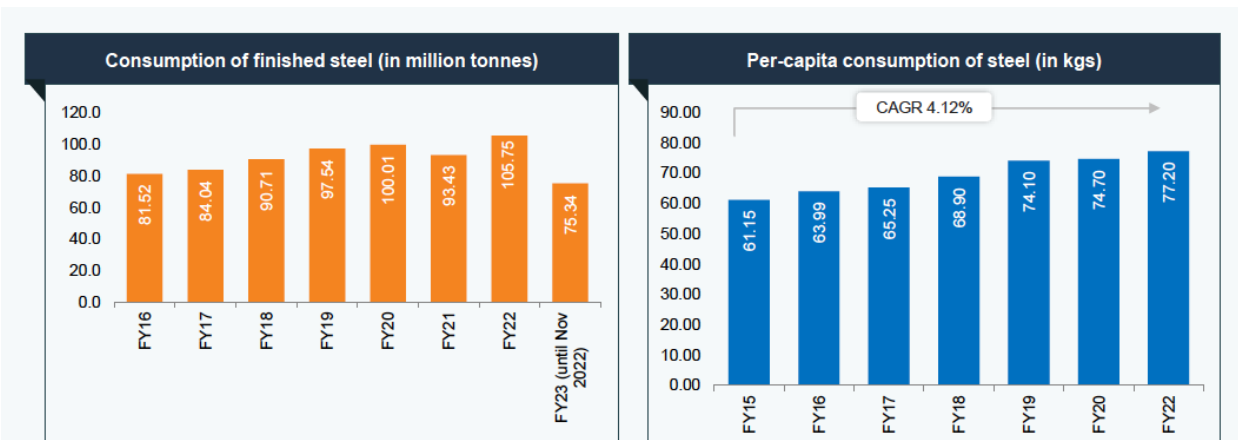


*Demand has outpaced supply over the last five years*

- In FY22 (Until November 2022) the consumption of finished steel stood at 75.34MT.

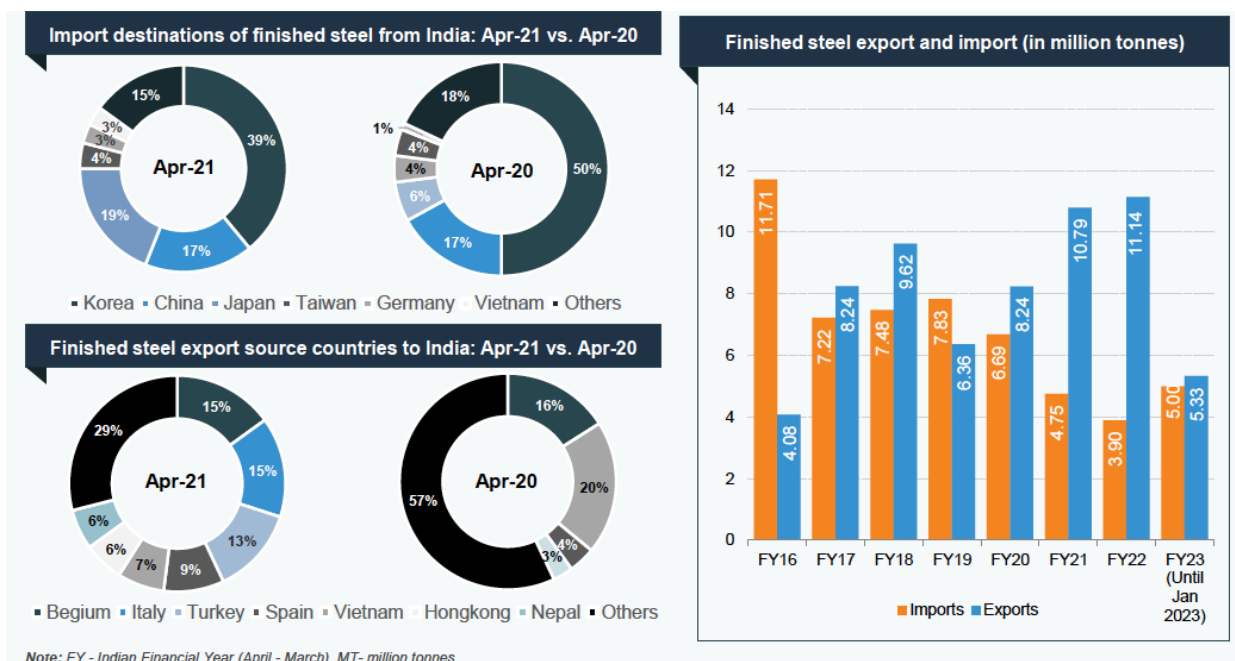


- In January 2022, India’s finished steel consumption stood at 9.65 MT. The National Steel Policy aims to increase per capita steel consumption to 160 kgs by 2030-31.
- It is expected that consumption per capita would increase, supported by rapid growth in the industrial sector and rising infra expenditure 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.



*Trends in import and export of steel*

- Between April 2022-January 2023, exports and imports of finished steel stood at 5.33 MT and 5.0 MT, respectively. In FY22, India exported 11.14 MT of finished steel.
- In December 2022 exports of steel stood at 4.42 lakh tonnes.

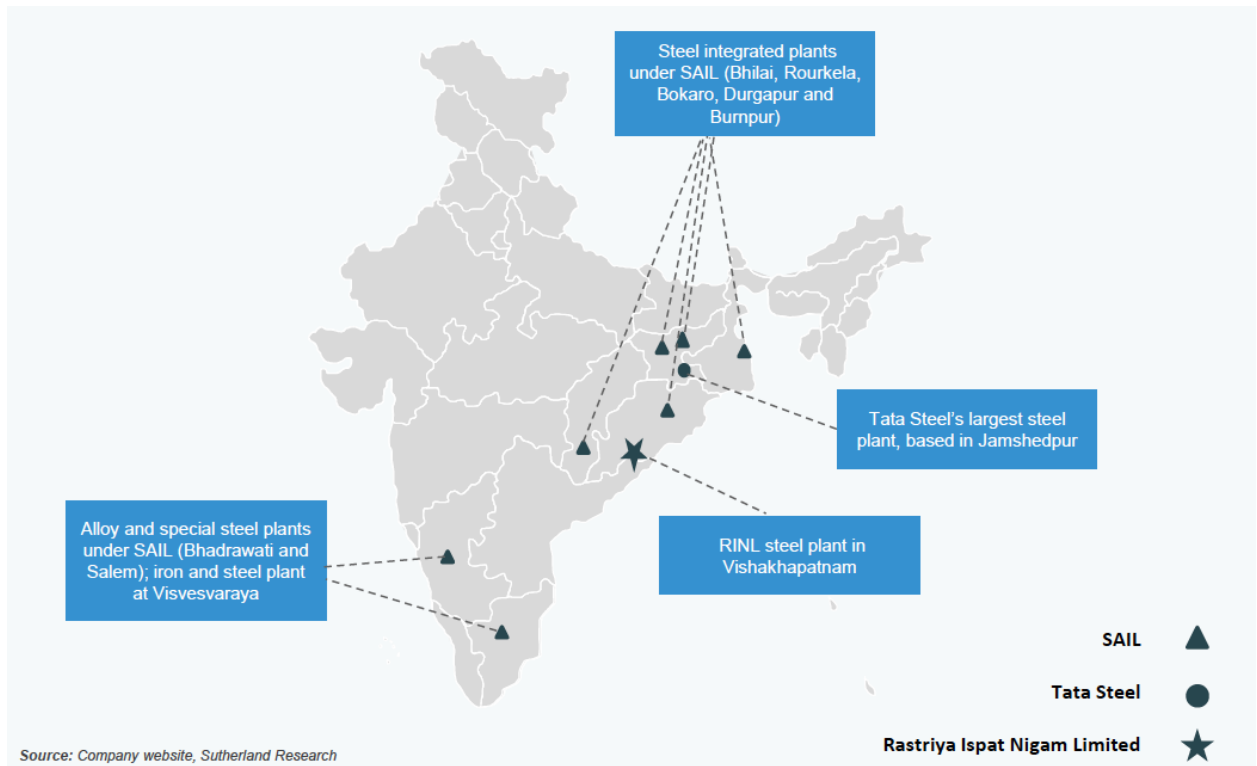


## KEY PLAYERS OF THE INDUSTRY

	Company	Products
	Tata Steel Ltd.	Finished steel (non-alloy steel)
	SAIL	Finished steel (non-alloy steel)
	JSW Steel Ltd.	Hot-rolled coils, strips and sheets
	Jindal Steel and Power Ltd.	Iron and steel
	Welspun-Gujarat Stahl Rohren Ltd.	Tubes and pipes
	Visa Steel Ltd.	Ferro Chrome, coke and special steel
	Essar Steel	Hot Rolled, Cold Rolled, Galvanized, Colour-Coated products, extra wide plates and pipes
	RINL Powergrid TLT Pvt Ltd.	Forged Rounds, Rebars, Rounds, Wire Rod coil, rounds, billets

Source: Sutherland Research

*Key steel plants in India*



## RECENT TRENDS AND STRATEGIES

### Growing investment

- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
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- In October 2021, ArcelorMittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ~Rs. 1 trillion (US\$ 13.34 billion), over 10 years.
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- Between April 2000-March 2022, Indian metallurgical industries attracted FDIs of US\$ 17.01 billion.
- In the next three years from June 2021, JSW Steel is planning to invest Rs. 47,457 crore (US\$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.

### Strategic alliances

- Steel giants ArcelorMittal, and Sajjan Jindal's JSW Steel are in the race to acquire the steel plant of mining major National Mineral Development Corporation (NMDC) in Chhattisgarh. The steel manufacturing facility located in Nagarnar, Chhattisgarh has been planned for privatisation in the current financial year (FY23).

- In October 2022, JSW Steel signed an MoU with Smartex to explore the potential to promote innovation and turnkey approaches from financing to technology availability and market access aimed at decarbonisation of the steel sector in India.
- In September 2022, JSW Steel signed an MoU with SMS group to explore multiple cutting-edge solutions and research and development projects to reduce carbon emissions in its iron and steel making operations in India.
- Tata Group approved the amalgamation of all its metal companies into Tata Steel. The companies to be merged into Tata Steel are Tata Steel Long Products (TSLP), Tinplate Company of India Limited (TCIL), Tata Metaliks Limited (TML), TRF Limited (TRF), Indian Steel and Wire Products Limited (ISWP), Tata Steel Mining Limited (TSML) and S&T Mining Company Limited.
- In August 2022, Tata Steel signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.
- In October 2021, Tata Steel and Rail Vikas Nigam Limited (RVNL), signed an MoU to implement infrastructure projects.
- In August 2021, Steel Strips Wheels Limited signed an agreement with Tata Steel Long Products to source round bars of various grades for three years for automotive customers.
- In July 2021, Tata Steel collaborated with start-ups in India to implement electric vehicles (EVs) for steel transportation.

#### **Entry of international companies**

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

#### **Increased emphasis on technological innovations**

- In the wake of COVID-19 pandemic, Tata Steel has geo-fenced its plant premises to track the movement of employees to track and manage any COVID-19 cases amongst its employees.
- In February 2023, Tata Steel sets up an Innovation Centre for Mining and Mineral Research at IIT (ISM) Dhanbad.
- Companies are attempting coal gasification and gas-based direct-reduced iron (DRI) production. Other alternative technologies such as Hismelt, Finex and ITmk3 being adopted to produce hot metal.
- Provisional Worldsteel report indicates that the global DRI output stood at 15.31 MT from January to February 2021, up 0.9% over same period last year, driven by India (6.4 MT, 42% share) at the number one spot.
- The Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for taking up more R&D projects by spending at least 1% of their sales turnover to facilitate technological innovations in the steel sector.
- The Ministry has established a task force to identify the need for technology development and R&D.
- The Ministry has adopted energy efficiency improvement projects for mills operating with obsolete technologies.
- In January 2021, the Ministry of Steel, signed a Memorandum of Cooperation with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
- In February 2021, Tata Steel BSL collaborated with FarEye, a software logistics firm, to improve its digital transformation process.

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

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

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

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

## **STRATEGIES ADOPTED**

### *Capacity Expansion*

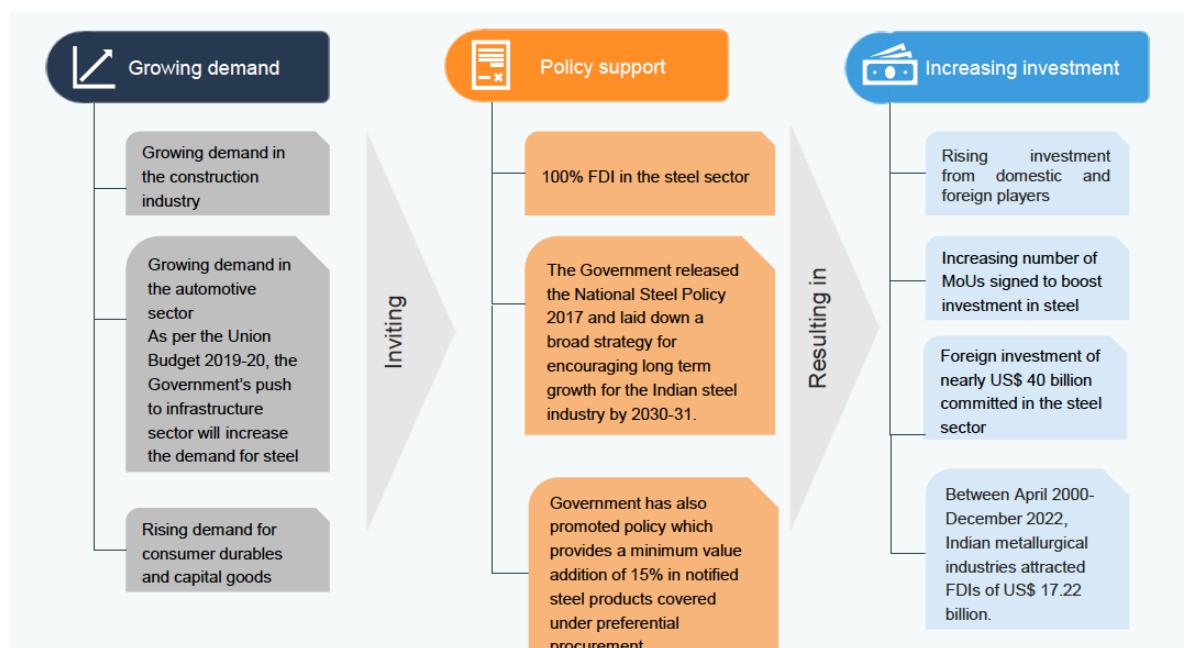
- Steel Authority of India Ltd. to nearly double its capacity to 34-35 MT by 2030-31. At present, its operating crude steel capacity is around 19.5 MT.
- Tata Steel is planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- Tata Steel is planning to expand its annual capacity in India from 34 MTPA to 55 MTPA by 2030.
- In September 2021, ArcelorMittal Nippon Steel India commissioned its second 6-million-tonne pellet plant, which took the total capacity at Paradeep pelletisation complex in Odisha to 12 million tonnes, making it India’s largest single-location pelletisation complex.
- A long-term perspective is to achieve capacity of 300 MTPA by 2030 as per National Steel Policy 2017.
- Tata Steel is expanding the capacity of its Kalinganagar plant from 3 MTPA to 8 MTPA with an estimated investment of Rs. 23,500 crore (US\$ 36.46 billion). The expansion is likely to be completed by 2021 or early 2022. It is expected to improve margins and lead to cost effectiveness. The company is planning to increase its overall installed capacity to 30 MTPA by 2025 from the current 18.5 MTPA.
- In JSW Steel has undertaken capacity expansion at its Dolvi unit in Maharashtra. It is investing around Rs. 15,000 crore (US\$ 2.24 billion) to double the capacity of its plant to 10 MT. The plans have been delayed due to unavailability of labour due to COVID-19 lockdowns. The company now expects to finish the expansion by first half of 2022.
- In May 2021, JSW Steel announced the steel-making expansion at its Vijayanagar plant by 5 MT every year to 17 MT every year, by the financial year ending March 2024.

### *Expansion Through Brownfield Investment*

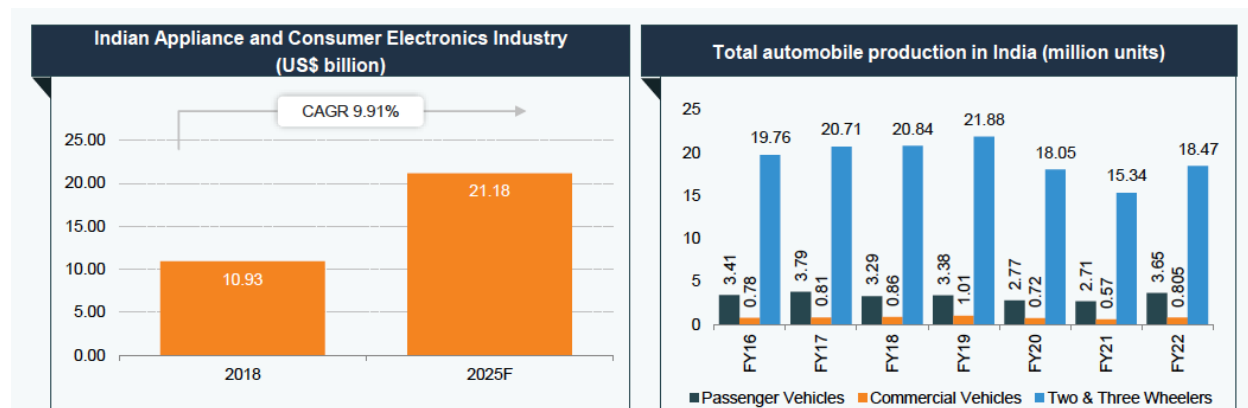
- The steel sector is going through a phase of consolidation and companies operating in the sector are expected to undertake brownfield investments for expansion.
- In August 2021, Shyam Steel Industries approved an investment worth US\$ 95 million for brownfield expansion.
- In June 2021, Shyam Metals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

## GROWTH DRIVERS

*Strong demand and policy support driving investments*



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



- 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.
- 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 aiding growth in the steel sector*

### Steel Clusters

- In September 2020, the Ministry of Steel prepared a draft framework policy for development of steel clusters in the country.
- The draft framework policy is aimed at facilitating and establishing greenfield steel clusters, along with development and expansion of the existing steel clusters.

### National Steel Policy 2017

- New National Steel Policy was formulated by the Ministry of Steel in 2016 to retain the objectives included in National Steel Policy (NSP) 2005. It aimed at covering broader aspects of steel sector across the country including environment and facilitation of new steel projects, growth of steel demand in India and raw materials
- Under the policy, the central Government stated that all the Government tenders will give preference to domestically manufactured steel and iron products. Moreover, Indian steel makers importing intermediate products or raw materials can claim benefits of domestic procurement provision by adding minimum of 15% value to the product.
- The National steel policy, 2017 aspired to achieve 300MT of steel making capacity by 2030-31. This would translate into additional investments of Rs. 10 lakh crore (US\$ 156.08 billion).
- Further, it aimed to increase per capita steel consumption to 160 kgs by 2030-31.

### R&D and innovation

- The scheme for the promotion of R&D in iron and steel sector has been continued under the 14th Finance Commission (FY20). Under the scheme, 26 projects have been approved with financial assistance of Rs. 161 crore (US\$ 24.98 million) from the Ministry of Steel.
- Ministry of Steel is setting up industry driven institutional mechanism - Steel Research & Technology Mission of India (SRTMI) - with an initial corpus of US\$ 30.89 million. The institute will facilitate joint collaborative research projects in the sector.
- In September 2022, JSW Steel signed an MoU with SMS group to explore multiple cutting-edge solutions and R&D projects to reduce carbon emissions in its iron and steel making operations in India.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).
- In September 2021, National Mineral Development Corporation Ltd. (NMDC) R&D Centre signed a MoU with CSIR-IMMT for joint research and development projects.

### FDI

- 100% FDI through the automatic route is allowed in the Indian steel sector.

### Rise in export duty

- The Government hiked the export duty on iron ore to 50% ad valorem on all varieties of iron ore (except pellets).

### Duty drawback benefits

- In October 2020, Directorate General of Foreign Trade announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centres, distributors, dealers and stock yards

### Push due to Make in India initiative

- Going forward, the Make in India initiative and policy decisions taken under it are expected to augment the country's steel production capacity and resolve issues related to the mining industry.

### Reduction in custom duty on plants and equipment

- The Government has reduced the basic custom duty on the plants and equipment required for initial set up or expansion of iron ore pellets plants and iron ore beneficiation plants from 7.5/5% to 2.5% .
- Customs duty on imported flat-rolled stainless-steel products has been increased to 15% from 7.5% .
- Basic customs duty on steel grade dolomite and steel grade limestone is being reduced from 5% to 2.5% . Basic customs duty is being reduced from 10% to 5% on forged steel rings used in the manufacture of bearings of wind-operated electricity generators.



### Production-linked Incentive (PLI) Scheme

- In November 2020, Union Cabinet approved the production-linked incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities and exports and promote the 'Atmanirbhar Bharat' initiative.
- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- India is a net exporter of finished steel and has the potential to become a frontrunner in certain grades of steel. PLI scheme has been approved for 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.

### Steel sector boosting in Eastern India

- In June 2021, Minister of Steel & Petroleum and Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals.
- In 2020, 'Mission Purvodaya' was launched to accelerate development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone, driven by Industry 4.0.
- The Ministry of Steel plans to invest US\$ 70 billion in the eastern region of the country.

## Opportunities

Automotive	Capital goods	Infrastructure	Airports
<ul style="list-style-type: none"> <li>▪ The automotive industry is forecast to reach US\$ 260-300 billion by 2026.</li> <li>▪ The industry accounts for around 10% of the demand for steel in India.</li> <li>▪ With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The capital goods sector accounts for 11% of the total steel consumption and is expected to increase 14-15% by 2025-26. It has the potential to increase in tonnage and market share.</li> <li>▪ Corporate India's capex is expected to grow and generate greater demand for steel.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26.</li> <li>▪ Due to rising investment in infrastructure the demand for steel products would increase in the years ahead.</li> <li>▪ 70% of the country's infrastructure, estimated at Rs. 6 lakh crore (US\$ 89.50 billion), is yet to come up. Thus, a significant growth potential for steel sector is present.*</li> <li>▪ For various infrastructure sectors, including real estate and power, the Ministry of Finance planning to set up a stress fund.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More and more modern and private airports are expected to be set up.</li> <li>▪ In FY22, passenger traffic at Indian airports stood at 123.2 million.</li> <li>▪ The number of operational airports stood at 140 in 2022.</li> <li>▪ Development of tier II city airports will sustain consumption growth.</li> <li>▪ Estimated steel consumption in constructing airports is likely to grow more than 20% over the next few years.</li> </ul>

- The Government of India has allocated Rs. 111 lakh crore (US\$1.4 trillion) under the National Infrastructure Pipeline (NIP) for FY2019-25. Sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) account for ~71% of the projected infrastructure investments in India.

Railways	Oil and gas	Power	Rural India
<ul style="list-style-type: none"> <li>▪ The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in the future.</li> <li>▪ Introduction of high-speed bullet trains and metro trains will increase steel usage.</li> <li>▪ Gauge conversion, setting up of new lines and electrification would drive demand for steel.</li> <li>▪ The Indian Railways is planning to procure over 11 lakh tons of steel from the Steel Authority of India Limited (SAIL) for track renewal and laying new lines across the country.</li> </ul>	<ul style="list-style-type: none"> <li>▪ India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcf, respectively, by 2040.</li> <li>▪ This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity for the steel industry.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Government has envisaged capacity addition of 58,384 MW from conventional sources between 2017-22*. Also, the Government is targeting to achieve 175 GW of renewable power generation capacity by 2022.</li> <li>▪ This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rural India is expected to reach per capita consumption of 12-14 kgs of finished steel by 2020.</li> <li>▪ Policies like Pradhan Mantri Awa Yojana and Pradhan Mantri Gram Sadak Yojana are driving growing demand for steel in rural India.</li> <li>▪ In FY19, per capita consumption of steel in rural India was estimated to be between 10-15 kgs.</li> </ul>

## ROAD AHEAD

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

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

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

*(Source: [www.ibef.org/industry/steel](http://www.ibef.org/industry/steel))*

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled –Forward-Looking Statements beginning on page 15 of this Draft Prospectus, for 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.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus including the information contained in the sections titled –“Risk Factors” and –“Financial Information” beginning on pages 15 and 155, respectively.*

### OVERVIEW

Our Company was incorporated on July 3, 2020 under the name and style of ‘*Forgemaster Private Limited*’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 3, 2020 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, pursuant to the name approval dated March 24, 2022 issued by the Registrar of Companies, Central Registration Centre and pursuant to a special resolution dated March 28, 2022 passed by the Shareholders of our Company in their Extra-Ordinary General Meeting, the name of our Company was changed to “*Balaji Piping Products Private Limited*” and a fresh certificate of incorporation dated April 11, 2022 was issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-Ordinary General Meeting held on April 25, 2023 and consequently the name of our Company was changed to ‘*Balaji Piping Products Limited*’ and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad.

Our Company started its operations in the year 2021 under the guidance of our Promoter, Jayshreeben Ramjibhai Sorathia. We are an ISO 9001:2015 certified Company engaged in manufacturing of closed die forged products which have a wide application. Closed die forging, one of the main forging processes, involves the pressing or hammering of preformed metal blanks into a set of dies shaped parts to be produced. In closed die forging, the hammer and anvil fully enclose the workpiece, forcing the metal to fill all areas of the dies. Closed die forging can produce nearly limitless variety of 3-D shapes, and is capable of producing complex parts with tight tolerances. We manufacture our products using the closed die forging process through various hydraulic press. As of date of this Draft Prospectus, we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. The products manufactured under precision components, forge fittings and pipe nipple are generally customizable and are manufactured as per applicable international standards. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. These products are referred to as the precision components. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels *etc.*, of various grades with partial and fully machining. Further, we also manufacture threaded pipe nipple as per customer specifications and international standards. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Our products under forged fittings are made in such a manner that they work with least vibrations and therefore are hum free without a ripple.

Our Company is in the process of diversifying its present product portfolio to manufacture two additional categories of closed die forged products, namely, hammer union and ring joint gasket. Our proposed products under hammer union will generally be manufactured for the oil and gas industry. The products shall be standardized in nature and would generally be used for sour gas service. Further, ring joint gasket shall be

manufactured and designed for high-pressure, temperature, and corrosive environments. Ring joint gasket is usually made of metal, such as carbon steel and stainless steel, and has a specific shape that enables it to seal the flanges under high pressure. The gasket has a raised ring with a hexagonal or octagonal shape that matches a corresponding groove on the flange faces. When the flanges are tightened, the gasket is squeezed, and the raised ring is distorted to create a metal-to-metal seal that can resist high pressure. They are used in oil & gas pipelines, chemical processing plants, refineries, and other industrial applications that demand a high level of reliability and safety. Ring Joint gaskets would be available in various sizes, shapes, and materials to suit different applications. The sampling of the aforementioned products has been completed and during this Financial Year, our Company proposes to initiate sale of these products.

Our Company commenced its business operations in the Financial Year 2021 by manufacturing precision components, *etc.* Our Company caters to the requirements of international market mainly to United States of America as well as to the requirements of the domestic market. Our domestic sales for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, constituted 100%, 96.91% and Nil of our total sales, respectively. Our exports for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, constituted Nil, 3.09% and Nil of our total sales, respectively.

Our Company manufactures its products in a large assortment of sizes starting from 15 mm to 250 mm outside diameter, from different grades of mild steel, carbon steel, stainless 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. 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 water pipelines, fire and safety, and general industries. Our Company has been exporting its products to mainly to United States of America. Our major customers are spread across states such as, Gujarat, Madhya Pradesh and Karnataka.

We are supplying our products to reputed customers in domestic market as well as international market. Our products are used in water pipelines, fire and safety and general industries. End-users of our products find their application in the aforementioned industries. We conduct our operations on B2B basis. Majority of our customers are entities engaged in the supply chain of the industries mentioned herein above. Further, our Company is in the process of diversifying its product portfolio by developing additional products such as, hammer union and ring joints gaskets which will be used in oil and gas industries and piping industries. Our Company anticipates an increase in demand of our existing and proposed products in USA and Canada, therefore, our Company proposes to utilize a portion of the Net Proceeds to increase its production capacity to meet the increased demand of our customers.

Our Company specializes in design and manufacture of different type of closed die forged products of various grades like mild steel, carbon steel, stainless steel, *etc.* Its fully integrated infrastructure consists of *inter alia*, the hydraulic press machine and CNC machines which are installed at its manufacturing unit situated at Hadamtala Industrial Estate, Rajkot, Gujarat. Our manufacturing unit is spread over around 2206.07 square meters land area having combined aggregated manufacturing capacity of 135 MT/p.a. Our facility is also equipped with CNC machines which enable us to supply products based on internationally recognized standards. Our manufacturing facilities are well equipped with required facilities including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavor to maintain safety in our premises by adhering to key safety norms.

Since incorporation, it was our Company's vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations internationally. We have quality control and assurance division ("**Quality Division**") in our manufacturing unit which carries out all the required tests on our products. Raw material purchased by us undergoes independent testing and quality check to ensure that they are of relevant quality and match the standards as specified. Our Company engages third party agencies for testing of mechanical and chemical composition of its raw materials which enables it to maintain tolerance levels as per international standards. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. The finished products are checked to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched. We

ensure adherence to the domestic and international standards laid down for our products. Our Company has received a certificate from TÜV SÜD South Asia Private Limited certifying that the Quality Management System of our Company are in accordance with ISO 9001:2015 under the scope of manufacturer of Various Forged & Machined Components, Piping Components. For further details, please refer to the heading titled “*Quality Related Approvals*” in the chapter titled “*Government and other Statutory Approvals*” at page 206 of this Draft Prospectus.

Our Drawing and Development division (“**D&D Division**”) is equipped with the necessary facilities to carry out all necessary trials to develop and devise closed die forged products of various grades suitable to the requirements of our customers. Our D&D Division based on the specific requirements of our customers creates, develops and samples the closed die forged products which can be used by our customers for developing finished products in their relevant industries. Our D&D Division develops and designs closed die forged products which are compliant with the regulatory standards and are based on the specific requirements of the customers. Design development and sampling forms an integral part of our operations and is considered as an effective tool for converting customer’s need into a product. Our D&D Division holds knowledge of styles and innovations which is valuable to the development of our products.

Our revenues from operations for the Fiscals 2023, 2022 and 2021 were ₹ 1640.58 lacs, ₹ 758.03 lacs and NIL lacs respectively, and grew at a CAGR of 116.43% over such period. Our EBITDA for the Fiscals 2023, 2022 and 2021 were ₹ 276.48 lacs, ₹ 111.66 lacs and NIL lacs, respectively, and grew at a CAGR of 147.61% over such period. Our profit after tax for the Fiscals 2023, 2022 and 2021 was ₹ 196.00 lacs, ₹ 82.96 lacs and ₹ 0.00 lacs respectively, and grew at a CAGR of 136.26%. For further details, please refer to the section titled “*Financial Information*” on page 155 of this Draft Prospectus.

## **COMPETITIVE STRENGTHS**

### ***Presence across diverse industry verticals with long standing relationship with our customers.***

We have developed long-term relationships with our customers in various sectors such as, water pipelines, fire and safety and general industries. We attribute the strength of our customer relationships to our ability to customize our products based on customer specifications and requirements, as well as our track record of consistent delivery of quality and cost-effective products and solutions through our strategic alignment with our key customers’ goals and specifications over the years. We believe that our customers have unique requirements and preferences, and our Drawing and Development Division strives to fulfill such requirements and preferences by conducting various application tests. This helps us understand customer requirements and their future plans better, enabling us to forecast, plan and manufacture our products accordingly, thereby resulting in business optimization, improved productivity, efficiency and margins. Our innovative research, efficient processing and application testing capabilities coupled with consistent delivery of quality has helped us develop and maintain long-term relationships with a number of our customers.

### ***Comprehensive product portfolio enables us to serve diverse end-use applications.***

Our Company manufactures its products in a large assortment of sizes starting from 15 mm to 250 mm outside diameter from different grades of mild steel, carbon steel, stainless 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. 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 water pipelines, fire and safety and general industries. Our Company and our Promoters have helped us in expanding our product portfolio and its application across industries. Our Company regularly interacts with customers to understand demand for new products and explores new applications of our products.

### ***Wide-spread domestic and international market presence***

With the help of our integrated business model we have been able to create a wide spread domestic and international market presence of our Company, thereby catering to various manufacturers functioning in various industries. We have been able to cater to changing and specific need-based requirements of our customers by providing solution-oriented and customized closed die forged products by integrating the efforts of our Quality Division. We have a dedicated team of professionals for managing and overseeing the production, marketing and selling of our products. However, what makes us stand out is our Quality Division, which ensures that we manufacture superior quality products.

A State wise revenue break up for the preceding three fiscals is as follows:

(₹ in lakhs)

S. No.	Name of the State	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Madhya Pradesh	13.28	0.00	0.00
2.	Karnataka	218.67	62.89	0.00
3.	Gujarat (sale of products)	1,233.30	573.09	0.00
4.	Gujarat (Jobwork income)	175.33	98.66	0.00
<b>Total</b>		<b>1,640.58</b>	<b>758.03</b>	<b>0.00</b>

We also manufacture and export closed die forged products in countries such as United States of America . Our revenue break up for the preceding three fiscals based on the sale of our products in domestic and international markets is as follows:

(₹ in lakhs)

S. No.	Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Domestic	1,465.26	635.98	0.00
2.	Exports	0.00	23.40	0.00
<b>Total (sale of products)</b>		<b>1,465.26</b>	<b>659.38</b>	<b>0.00</b>
3.	Jobwork income	175.33	98.66	0.00
<b>Total income</b>		<b>1,640.58</b>	<b>758.03</b>	<b>0.00</b>

#### ***Quality Assurance and Quality Control of our products.***

Quality Assurance and Quality Control are integral part of our manufacturing operations. We believe that quality is an ongoing process of building and sustaining relationships. All the products are manufactured strictly as per the international norms and standards using the expertise of our experienced and trained team to supply superior quality products to our customers at competitive price. Our commitment of supplying superior quality products is boosted by our industry knowledge.

All our manufacturing facilities have a fully equipped Quality Division with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. Raw material purchased by us undergoes independent testing and quality check to ensure that they are of relevant quality and match the standards as specified. Our Company engages third party agencies for testing of mechanical and chemical composition of its raw materials which enables it to maintain tolerance levels as per international standards. Our Quality Division also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process. The finished products are checked to ensure that the same is of relevant standards and design as specified by the customer; the products are then packed and dispatched. Our facility is also equipped with CNC machines which enable us to supply products based on internationally recognized standards. Our manufacturing facilities are well equipped with required facilities including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavor to maintain safety in our premises by adhering to key safety norms. Our Company has received a certificate from TÜV SÜD South Asia Private Limited certifying that the Quality Management System of our Company are in accordance with ISO 9001:2015 under the scope of manufacturer of Various Forged & Machined Components, Piping Components. For further details, please refer to the heading titled “*Quality Related Approvals*” in the chapter titled “*Government and other Statutory Approvals*” at page 206 of this Draft Prospectus.

#### ***Well experienced management team with proven project management and implementation skills.***

We have an experienced and professional management team with strong management and execution capabilities and considerable experience in the closed die forging industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced in the diversified industries to which our Company caters and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel please refer the chapter titled “*Our Management*” beginning on page 135 of this Draft Prospectus.

#### ***Cost effective production and timely fulfilment of orders***

Timely fulfilment of the work orders is a prerequisite in our industry. We have taken various steps in order to ensure adherence to timely fulfilment of orders and to achieve greater cost efficiency at our existing processing units. These steps include identifying raw material suppliers, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. We cater to various domestic as well as international customers and try to provide customer specific solutions and offer our products not only in standard but also in customized manner so as to best suit their requirements. Easy and timely procurement of grey fabric, dyes and chemicals, which constitute the primary raw material for our products thereby, achieving timely fulfilment of our orders resulting in customer satisfaction.

### **BUSINESS STRATEGY**

#### ***Improve and increase operational efficiencies***

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facilities. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We will also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

#### ***Pursue international growth opportunities besides USA***

We believe that there exists substantial opportunities to grow our business internationally. Further, we intend to mainly focus on the bulk stockiest around Canada, Malaysia, United Arab Emirates and Italy in the future in these geographies to scale up our revenues. Historically our revenue has been dependent on United States of America and domestic market.

#### ***Undertaking Government Contracts***

We plan to apply for tender in government sector for supplying various components. We believe that besides our export market, domestic market of forged products and supply to government would have material impact on our revenue from operations.

### **PRODUCT RANGE**

#### ***Existing Products:***

##### **1) Precision Components**

We develop & manufacture customized automotive spare on the basis of customer’s technical drawings and specifications. We have facility to forge Outlet, Grooved Weld Outlets, Rings, Gears, Crown Wheels etc of various grades with partial and fully machining.



*Technical Specifications:*

**Capacity** : 0.100KG to 15 KG

**Size** : 15mm to 250mm

**Material** : Mild Steel, Carbon Steel, Alloy Steel, Stainless Steel

**Application** : Automobile, piping industries, Irrigation, fire & safety etc.

## 2) Forged Fittings

We manufacture customized forged fittings as per international standards. We have facility to forged fittings of various grades. The products are made with precision to which work with lease vibration and are hum free without a ripple. Following are our major fittings forged products:

- (a) Elbow, Tee
- (b) Hex Plug, Round Plug
- (c) Hex Bushing, Nipple



*Technical Specifications:*

**Capacity** : 0.100KG to 25 KG

**Size** : ½” to 4”

**Material** : Carbon Steel and Stainless Steel

**Application** : Piping Industries, Oil & Gas and General Industries.



### 3) Pipe Nipples

We manufacture Threaded Pipe Nipple as per customer specifications and international standards. Pipe Nipples are offered in various grades in Seamless and Welded form.

Pipe Nipple Dimensions in accordance with ASME B16.11 / BS 3799, as per B16.11 standard covers pressure-temperature ratings, dimensions, marking, tolerances and material requirements. Our Pipe Nipple is a fitting, consisting of a short piece of pipe, usually provided with a male pipe thread at each end, for connecting two other fittings.



#### *Technical Specifications:*

**Capacity** : 0.100KG to 15 KG  
**Size** : ½" to 8"  
**Material** : Carbon Steel and Stainless Steel  
**Application** : Piping Industries and General Industries.

#### *Proposed Products:*

##### 1) Hammer Union

###### *General*

Hammer Unions manufacturing from raw materials in the form of forgings or castings in accordance with service requirements in sizes 1" to 12" with ratings up to 20,000 PSI cold working pressure. Hammer Unions for sour gas service are manufactured in accordance with NACE MR-01-75 & API RP-14E.

###### *Thread Gauging*

Acme thread and line pipe threads are gauged by standard plug & ring gauges.

###### *Sealing Design*

The conical and spherical surfaces of the female and male subs respectively form an effective metal-to-metal seal in case of low pressure services.

For medium pressure mostly an 'O' ring is provided in the male sub in addition to the metal to metal seal. For high pressure a lip type seal ring is provided for primary seal in the female sub. The seal protects the secondary metal to metal seal from corrosion and limits fluid flow turbulence. For sour service applications viton seals are provided.

#### *Quality Control*

Hammer Unions are manufactured using modern manufacturing techniques to attain first class workmanship and dimensional control. Correctly chosen raw materials for a particular service together with correct heat-treatment process is used to ensure better service and longer life in extreme conditions.



#### *Technical Specifications:*

**Capacity** : 0.100KG to 30 KG

**Size** : 1" to 8"

**Material** : Carbon Steel

**Application** : Oil & Gas, Water Pipe Lines & General Industries etc.

## 2) Ring Joints Gaskets

Metallic Ring Joint Gasket (RTJ gasket) are used in high-pressure, temperature, and corrosive environments. RTJ gaskets are used in oil & gas pipelines, chemical processing plants, refineries, and other industrial applications that require a high level of reliability and safety. Ring Joint gaskets come in various sizes, shapes, and materials to suit different applications.

The Ring Type Joint (RTJ) gasket is typically made of metal, such as stainless steel or Inconel, and has a specific shape that allows it to seal the flanges under high pressure. The gasket has a raised ring with a hexagonal or octagonal shape that fits into a corresponding groove on the flange faces. When the flanges are tightened, the gasket is compressed, and the raised ring is deformed to create a metal-to-metal seal that can withstand high pressure.

We are the quality base supplier from India. We manufacture 3 types of ring type joint gaskets (RTJ) with highest quality and we will ensure that the gaskets are delivered to the customers on time.

- R type Ring joint Gaskets ( Oval and Octagonal)
- RX type Ring Joint Gaskets
- BX type Ring Joint Gaskets



*Technical Specifications:*

**Capacity** : 0.050KG to 30 KG

**Size** : 25mm to 500mm

**Material** : Carbon Steel and Stainless Steel

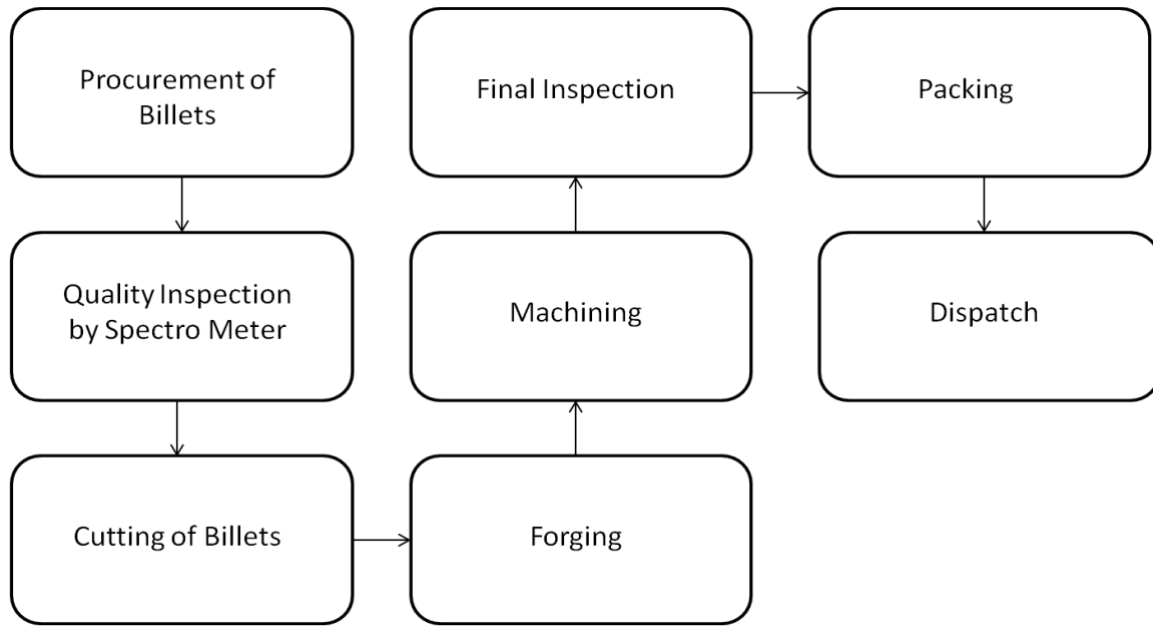
**Application** : Oil & Gas Pipelines, Chemical Processing Plants, Refineries etc.

## **MANUFACTURING PROCESS**

### *Procuring Raw Material for our manufacturing operations*

Our major raw material are A53 pipe, billets, bright bars, forging, black bar etc. for manufacturing of various products. We also source packing materials such as plywood boxes and plastic bags from domestic suppliers. All raw materials are procured from domestic market on price negotiation basis and availability of size and grade with the suppliers.

For ensuring the correct physical composition of our resultant product, it is important for us to undertake a quality check on the raw materials sourced. Our Quality Division and third party service providers carries out various tests for checking the chemical analysis of the raw materials, based on which our Quality Division prepares a detailed report listing the chemical components of the product. All our raw materials are easily available in the market.



**Process:**

**Procurement of Raw Material**

Raw material are procured from domestic market based on the grade and type of steel required for manufacturing of products. Raw material are purchased based on price negotiation basis. Procured raw material are transported to our unit at manufacturing unit by third party transporters.

**Quality Inspection**

Procured raw material are stored and sample test is conducted. One piece is selected on random basis per batch of order and sent for Spectro analysis for checking chemical composition of the raw material. The test is conducted by third party service provider. A report is generated and post generation of such report, raw material are sent for cutting and further process.

**Cutting of Raw Material**

The batch of raw material post generation of report is sent for cutting. The raw materials are cut according to the job requirement. We have facility to undertake job of various size depending on the requirement of customers.

**Forging**

The cutting pieces of raw material are sent for forging as per production schedule. Forging provides strength to the products and thus the method is accepted worldwide for increasing the strength of the product. Forging is done as per customer specification and their technical drawings and requirements.

We also sell forged product directly to customer depending on their requirements.

**Machining**

The forged product is sent for machining. We have installed CNC Machines with supporting like multi spindle drilling machine, Laser Marking for proper finishing of our products. All products are machined under CNC Machines which helps us in providing quality products with minimum deviations.

**Final Inspection**

Finished products are inspected by our engineers for checking the strength, physical testing, micro structure, dimension check *etc.*, as per customer technical requirements and their drawings. Post completion of final inspection, a report is prepared based on ISO 9001:2015 quality requirements and the batch is sent for final packing.

**Packing**

Packing is done as per standard export procedure for export goods and packed in wooden carat with strip and label. Domestic goods are packed in normal corrugated boxes or other packaging as specified by the customer.

**Dispatch**

Export goods are packed and dispatched to Mundra Port by third party transporters while domestic goods are sent to the customers as per their specification.

**MACHINERY**

Sr. No.	Function of the Machine	Machine Name	Number of machines
1.	Forging	Hydraulic Press Machine	03
2.	Cleaning	Ultrasonic Cleaning Machine	01
3.	Marking of parts	Laser Marking Machine	06
4.	Finishing of parts	CNC Machine	02
5.	Raw material cutting	Bandsaw Machine	01
6.	Raw material cutting	Circular Saw Machine	01

**HUMAN RESOURCE**

Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, along with assurance of quality.

Department wise bifurcation of our employees as of June 30, 2023 has been provided below:

Sr. No.	Division / Department	Number of Employee
1	Administration	02
2	Finance	01
3	Production	20
4	Quality control	03
5	Design & Drawing	01
6	Marketing/ sales	01
	<b>Total</b>	<b>28</b>

**FINANCIAL SNAPSHOT:**

**Financial Snapshot of our Company as per Restated Financial Information is as under:**

(Amount in ₹ Lakhs)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations	1640.58	758.03	0.00
Total Revenue	1640.58	758.61	0.00
EBITDA	276.48	111.66	0.00
<b>EBITDA Margin (in %)</b>	16.85%	14.73%	-
PAT	196.00	82.96	0.00
<b>PAT Margin (in %)</b>	11.95%	10.94%	-

Note:

1. EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
2. PAT Margin = PAT/ Total Revenue

**Top five suppliers**

Particulars (in ₹ lakhs)	FY23	FY22	FY 21^
Top 5 total purchase value	765.56	415.44	0.00
Total Cost of raw material	1151.62	528.23	0.00

Particulars (in ₹ lakhs)	FY23	FY22	FY 21 <sup>^</sup>
% of Total Cost of raw material	66.48	78.65	0.00

<sup>^</sup>Our Company was incorporated on July 3, 2020 and therefore figures for the FY 2021 have not been reported.

#### Top five customers

Particulars (in ₹ lakhs)	FY23	FY22	FY21 <sup>^</sup>
Top 5 total sales value (Basic Value)	1595.59	721.20	0.00
Total Revenue from operations	1640.58	758.03	0.00
<b>% of Total Revenue from operations</b>	<b>97.25</b>	<b>95.14</b>	0.00

<sup>^</sup>Our Company was incorporated on July 3, 2020 and therefore figures for the FY 2021 have not been reported.

## UTILITIES

### Power

Electricity for our manufacturing unit is also sourced from Paschim Gujarat Vij Company Limited. We have sanctioned load capacity of 450 KVA from Paschim Gujarat Vij Company Limited.

### Water

Our processing units have adequate water supply position. The Unit source their water supply from a borewell installed in our manufacturing unit.

### Capacity Installed and Capacity Utilization

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three years.

Financial Year	Installed Capacity (in MTPA)	Utilized Capacity (in MTPA)	Percentage of utilization (%)
2020-2021	00.00	00.00	00.00
2021-2022	135	25	18.52
2022-2023	135	87	64.44

## INFRASTRUCTURE AND FACILITIES

### Registered Office and Manufacturing unit

#### Balaji Piping Products Limited

R.S. No. 92/1/1, Plot No.1-4, National Highway 27,  
Near Shaan Cement, Hadamtala industrial Area,  
Kotdasangani, Rajkot-360 311,  
Gujarat, India

All our facilities including our Quality Division and Drawing and Development Division are housed in our manufacturing unit.

### Warehouse

The warehouse of our Company is situated within the manufacturing unit of our Company.

## COLLABORATIONS

As on date of this Draft Prospectus, we have not entered into any technical or financial collaborations or agreements.

## CORPORATE SOCIAL RESPONSIBILITY

Our Company does not fall under the eligibility parameters provided under Section 135 of the Companies Act, 2013 and therefore we are not required to comply with the requirements of adopting a corporate social responsibility policy and making contribution towards designated charitable initiatives.

### Insurance

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We maintain insurance for our plant and machinery, accessories, furniture, fixture and fittings, goods, stocks, stock in process, buildings etc., by availing Single Block Standard Fire and Perils Policy. We have also insured our employees by availing workmen's compensation policy.

### **Marketing**

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. The key executives of the company having vast experience and good rapport with the customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform as well as building trust for our Company.

To develop customers, our management and other personnel, directly interacts with prospective customers and also market our products to our existing customers. To increase our customer base, we identify the prospective clients, understand their requirements, explain them our product range and value addition we can offer. We strictly adhere to the quality expectations of the customers and at times take inputs from them and providing them with best of technology that is present in the world which help us in improving our product's quality and thus enable us to match up to their expected standards. We also intend to expand our existing customer base by reaching out to other geographical areas. We are committed to promote our business by widening our presence through our marketing network.

### **INTELLECTUAL PROPERTY RIGHTS**

As on date of this Draft Prospectus, our Company has not obtained or applied for any intellectual property rights.

### **LAND AND PROPERTY**

We carry out our business operations from the following properties:

#### **Freehold Property**

<b>Sr. No.</b>	<b>Particulars of the Property</b>	<b>Usage</b>
1.	Revenu Survey No; 92P1/P2 of Plote 1 to 4 Land Area 2206.07 Sq.Mt at Village Hadamtala, Talku Kotda Sangani, District Rajkot	Manufacturing unit and Registered Office

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 206 of this Draft Prospectus.*

### **THE COMPANIES ACT**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **SEBI REGULATIONS**

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **TAX RELATED REGULATIONS**

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

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST



### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

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 tax is 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.

## **BUSINESS / TRADE RELATED LAWS / REGULATIONS**

### **The Bureau of Indian Standards Act, 2016 (“BIS Act”)**

The BIS Act, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

Usage of input raw materials for manufacture of Pipes and fittings thereto are also guided by BIS Act in India and accordingly standards are prescribed for input raw materials used in such industries.

### **The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”)**

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by inter alia, setting up a central crisis group and a crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (“HCR Rules”) The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority.

Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

### **Legal Metrology Act, 2009 (the “LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (the “LM Rules”)**

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

### **ENVIRONMENT LAWS:**

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

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:—

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

#### **Environmental Legislations**

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.,

#### **The Noise Pollution (Regulation and Control) Rules, 2000**

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide

powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP Offers an updated circular.

The reporting requirements for any investment in India by a person resident in India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current 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 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates.

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment 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 FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **Duty Drawback Scheme**

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (the “Drawback Rules”) have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme.

The all industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all industry rate or duty drawback rate, or where the all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

### **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

#### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment

and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

### **The Industrial Relations Code, 2020 ("Industrial Code")**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **The Factories Act, 1948**

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed

or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **The Patents Act, 1970:**

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

### **The Designs Act, 2000 (Designs Act)**

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

## **OTHER GENERAL RULES AND REGULATIONS:**

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue various licenses based on business activities of a company and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Other regulations:**

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 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

### **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on July 3, 2020 under the name and style of ‘*Forgemaster Private Limited*’, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 3, 2020 issued by the Deputy Registrar of Companies, Central Registration Centre. Subsequently, pursuant to the name approval dated March 24, 2022 issued by the Registrar of Companies, Central Registration Centre and pursuant to a special resolution dated March 28, 2022 passed by the Shareholders of our Company in their Extra-Ordinary General Meeting, the name of our Company was changed to “*Balaji Piping Products Private Limited*” and a fresh certificate of incorporation dated April 11, 2022 was issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-Ordinary General Meeting held on April 25, 2023 and consequently the name of our Company was changed to ‘*Balaji Piping Products Limited*’ and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U27320GJ2020PLC114317.

### Change in registered office of our Company

The registered office of our Company is located at R.S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala Industrial Area, Kotasangani, Rajkot-360311, Gujarat, India. Details of the change in the registered office of our Company has been provided below:

S. No.	Details of change	Date of change	Reasons for change
1.	The registered office of our Company was changed from 11, Bhaktinagar Society, Sarsij, Rajkot – 360 002, Gujarat, India to R.S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala industrial Area, Kotasangani, Rajkot-360311, Gujarat, India	December 23, 2022	To improve operational efficiency and smooth running of our Company’s operations

### Main Objects of our Company

The main objects of our Company are as follows:

*“To Manufacture, produce, process, treat, alter convert, shape, grind, improve, manipulate, press, hammer, cut, slim, trim, design, edge, mill, machine and to act as trader, stockiest, distributors, job worker, foundry man, vendor, exporter, importer or otherwise deal in all shapes, sizes, description, specification, capacity and verities or forging of iron, steel, other metals and their alloys used commercial, domestic and General and industrial purpose, Piping Components, Oil and Gas, automobiles, railways, plumbing, Fireworks, waterworks, defense, power plant, oil wells, mines, agricultures, public utilities, construction, transmission and to do all such incidental acts and things for the accomplishments of the above object.”*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

### Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

Date of shareholder’s resolution	Nature of amendments
April 25, 2023	<i>Our Company was converted from a private limited company to a public limited and consequently, the name of our Company was changed to ‘Balaji Piping Products Limited’. Clause I of the MoA was amended to reflect the change of name.</i>



Date of shareholder's resolution	Nature of amendments
February 28, 2023	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 30,00,000 divided into 3,00,000 Equity Shares of ₹ 10 each to ₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹ 10 each.
March 28, 2022	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each to ₹ 30,00,000 divided into 3,00,000 Equity Shares of ₹ 10 each . The name of our Company was changed from 'Forgemaster Private Limited' to 'Balaji Piping Products Private Limited'. Clause I of the MoA was amended to reflect the change of name.

### Corporate profile of our Company

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, marketing and competition, please refer to the chapters titled "Our Business", "Our Management" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 111, 135 and 189 respectively, of this Draft Prospectus.

### Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
2020	Our Company was incorporated on July 3, 2020 under the name and style of 'Forgemaster Private Limited', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated July 3, 2020 issued by the Deputy Registrar of Companies, Central Registration Centre
2022	The name of our Company was changed to "Balaji Piping Products Private Limited" and a fresh certificate of incorporation dated April 11, 2022 was issued by the Registrar of Companies, Gujarat at Ahmedabad
2023	Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-Ordinary General Meeting held on April 25, 2023 and consequently the name of our Company was changed to 'Balaji Piping Products Limited' and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad.

### Awards and Accreditations

The table below sets forth the awards and accreditations received by our Company:

Year	Award/ Accreditation
2023	Our Company received a certificate from Tuv Sud South Aisa Private Limited, Mumbai certifying that our Company is compliant with the requirements of ISO: 9001:2015.

### Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

### Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

As of date of this Draft Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks in relation to our Company.

### Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

#### **Revaluation of assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

#### **Holding Company**

As on the date of this Draft Prospectus, our Company does not have a holding company.

#### **Subsidiaries of our Company**

As on the date of this Draft Prospectus, our Company does not have any subsidiaries.

#### **Associate or Joint ventures of our Company**

As on the date of this Draft Prospectus, our Company does not have any joint ventures or associate companies.

#### **Strategic and Financial Partners**

As on date of this Draft Prospectus our Company does not have any strategic and financial partners.

#### **Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

#### **Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

#### **Guarantees given by Promoters offering its shares in the Offer for Sale**

This is a fresh issue of Equity Shares and our Promoters are not offering their shares in this Issue.

#### **Material Agreements**

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. As on date of this Draft Prospectus, we have four (04) Directors on our Board, which includes one (01) Managing Director, one (01) Non-Executive Director, who is also a woman director and two (02) Independent Directors.

Set forth below, are details regarding our Board as on the date of this Draft Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p><b>Dhananjay Bachubhai Thumar</b></p> <p><b>DIN:</b> 10192292</p> <p><b>Date of Birth:</b> September 29, 1968</p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Address:</b> Presiyios Apartment, E Block No. 201, Pujara, Plot Street No. 9, Laxmiwadi Main Road, Rajkot Bhaktinagar, Kotda, Sangani, Rajkot – 360 002, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> For a period of five (05) years with effect from June 7, 2023.</p> <p><b>Period of Directorship:</b> Appointed as Additional Director since June 7, 2023. His appointment was regularised by the Shareholders in the EGM held on June 24, 2023</p> <p><b>Nationality:</b> Indian</p>	54	Nil
<p><b>Jayshreeben Ramjibhai Sorathia</b></p> <p><b>DIN:</b> 08780390</p> <p><b>Date of Birth:</b> September 26, 1960</p> <p><b>Designation:</b> Non-Executive Director^</p> <p><b>Address:</b> Sarsij, Bhaktinagar Society -11, behind Dhareshwar Temple, Bhaktinagar, Rajkot – 360 002, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Director since incorporation</p> <p><b>Nationality:</b> Indian</p>	62	Nil
<p><b>Himatbhai Ranchhodbhai Parmar</b></p> <p><b>DIN:</b> 10124177</p> <p><b>Date of Birth:</b> January 25, 1959</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> Shri Hari Darshan -1, Shobhna Society, Street number 1, Patel Boarding Road, Mavdi Plot, Rajkot – 360 004, Gujarat, India.</p>	64	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Occupation:</b> Business		
<b>Term:</b> For a period of five (05) years with effect from April 22, 2023.		
<b>Period of Directorship:</b> Independent Director since April 22, 2023		
<b>Nationality:</b> Indian		

<b>Dipesh Bhailal Ghaghada</b>	44	Nil
<b>DIN:</b> 00351233		
<b>Date of Birth:</b> November 22, 1978		
<b>Designation:</b> Independent Director		
<b>Address:</b> Yamuna House, Laxmivadi-17, Bal Kishor School, Milpara Road, Rajkot – 360 002, Gujarat, India.		
<b>Occupation:</b> Business		
<b>Term:</b> For a period of five (05) years with effect from May 17, 2023.		
<b>Period of Directorship:</b> Independent Director since May 17, 2023		
<b>Nationality:</b> Indian		

*Our Company is in the process of filing Form DIR-12 for designating Jayshreeben Ramjibhai Sorathia as a Non-Executive Director of our Company. The delay in filing of the aforementioned statutory form is on account of the glitch in the website of the Ministry of Corporate Affairs.*

#### **Brief Biographies of our Directors**

**Dhananjay Bachubhai Thumar**, aged 54 years, is one of the Promoters, Chairman of the Board and Managing Director of our Company. He is an undergraduate and holds an experience in the management & administration. He is the proprietor of M/s. Shree Graphics

**Jayshreeben Ramjibhai Sorathia**, aged 62 years, is one of the Promoters and Non-Executive Director of our Company. She is an undergraduate and has experience in the human resource management. She is responsible for overseeing the human resource department of our Company and has been associated with our Company since incorporation.

**Himatbhai Ranchhodbhai Parmar**, aged 64 years, is an Independent Director of our Company. He is an undergraduate and has completed the certificate course in wireman apprentice and electrician from the Technical Examinations Board, Gujarat State. He has vast experience in the forging sector and was previously associated with Micro Forge India Limited.

**Dipesh Bhailal Ghaghada**, aged 44 years, is an Independent Director of our Company. He is an under matriculate and is the proprietor of M/s. Yamuna Jewellers.

#### **As on the date of the Draft Prospectus**

- None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market

under any order or directions made by SEBI or any other regulatory authority.

- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Prospectus.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

#### **Relationship between our Directors**

None of the Directors of our Company are related to each other.

#### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

#### **Payment or Benefit to officers of our Company**

Except as stated otherwise in this Draft Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

#### **Service Contracts**

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

#### **Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on June 24, 2023, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow in any manner from time to time any sum or sums of money at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed by our Company together with the monies already borrowed or to be borrowed (apart from temporary loans obtained from our Company's Bankers in the ordinary course of business), from the financial institutions, Company's bankers and/or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, which may exceed the aggregate of the paid up capital of our Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of ₹ 75 Crores.

#### **Terms of appointment and remuneration of our Managing Director**

##### **Dhananjay Bachubhai Thumar**

Pursuant to a resolution passed by the Board of Directors at the meeting held on June 7, 2023 and a special resolution passed by the Shareholders in the EGM held on June 24, 2023, Dhananjay Bachubhai Thumar was appointed as the Chairman and Managing Director of our Company for a period of five (05) years with effect from June 7, 2023, along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

<b>Basic Salary</b>	Rs. 1.50 lakhs per month
<b>Perquisites and other benefits</b>	<p><b>Bonus:</b> As may be determined by the Nomination and Remuneration Committee or the Board of Directors;</p> <p><b>Gratuity:</b> As per the rules of our Company, subject to completion of service of 5 years at the rate of half a month's salary for each year of completed service with effect from June 7, 2023;</p> <p><b>Provident Fund:</b> Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;</p> <p><b>Benefits, Perquisites and Allowances:</b></p> <ul style="list-style-type: none"> <li>• Provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with our Company's driver;</li> <li>• Free use of Company's mobile phone and telephone at his residence; and</li> <li>• Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 3 years.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Dhananjay Bachubhai Thumar shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

### Remuneration details of our Directors

#### (i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2023 is as follows:

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Vishal Ramjibhai Sorathia <sup>^</sup>	Nil
2.	Jayshreeben Ramjibhai Sorathia <sup>*</sup>	Nil
3.	Dhananjay Bachubhai Thumar <sup>#</sup>	Nil

<sup>^</sup>Vishal Ramjibhai Sorathia, the erstwhile Executive Director of our Company has resigned from his position with effect from July 15, 2023.

<sup>\*</sup>Jayshreeben Ramjibhai Sorathia was one of the first Directors of our Company and was appointed as the Executive Director since incorporation. She was redesignated as the Non-Executive Director of our Company pursuant to a resolution passed by the Board of Directors in their meeting held on June 23, 2023.

<sup>#</sup>Dhananjay Bachubhai Thumar has been appointed as the Chairman and Managing Director by the Board of Directors in their meeting held on June 7, 2023 and by the Shareholders in the EGM held on June 24, 2023.

Our Executive Directors were not paid sitting fee in Fiscal 2023 for attending meetings of the Board of Directors and its committees.

#### (ii) Sitting fee details of our Independent Directors

Our Independent Directors were not paid sitting fee in Fiscal 2023 for attending meetings of the Board of Directors and its committees.

### Payment or benefit to Directors of our Company

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

### Remuneration paid to our Directors by our Subsidiary

As on date of this Draft Prospectus, our Company does not have a subsidiary.

### Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Draft Prospectus.

### Shareholding of Directors in our Company

Except as stated below, none of our Directors holds any Equity Shares of our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
<i>Promoters</i>					
1.	Jayshreeben Ramjibhai Sorathia	12,60,000	29.86	12,60,000	21.98
<b>Total</b>		<b>12,60,000</b>	<b>29.86</b>	<b>12,60,000</b>	<b>21.98</b>

*\* Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.*

### Shareholding of Directors in our Subsidiaries

As on date of this Draft Prospectus, our Company does not have a subsidiary.

### Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Dhananjay Bachubhai Thumar and Jayshreeben Ramjibhai Sorathia are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent they have promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” beginning on Page Nos. 155 and 147, respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Our *erstwhile* Director and member of our Promoter Group, Vishal Ramjibhai Sorathia and one of our Promoters, Jayshreeben Ramjibhai Sorathia have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. For further details, please refer to the chapter titled — “*Financial Indebtedness*” on page 198 of this Draft Prospectus.

Further, our Directors are interested in the properties of our Company, for details please see “*Our Business- Land and Property*” on page 123.

Except as stated in “*Restated Financial Information - Annexure – IV: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements*” beginning on Page No. 155 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

### Interest as to property

Except as disclosed in this Draft Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

### Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

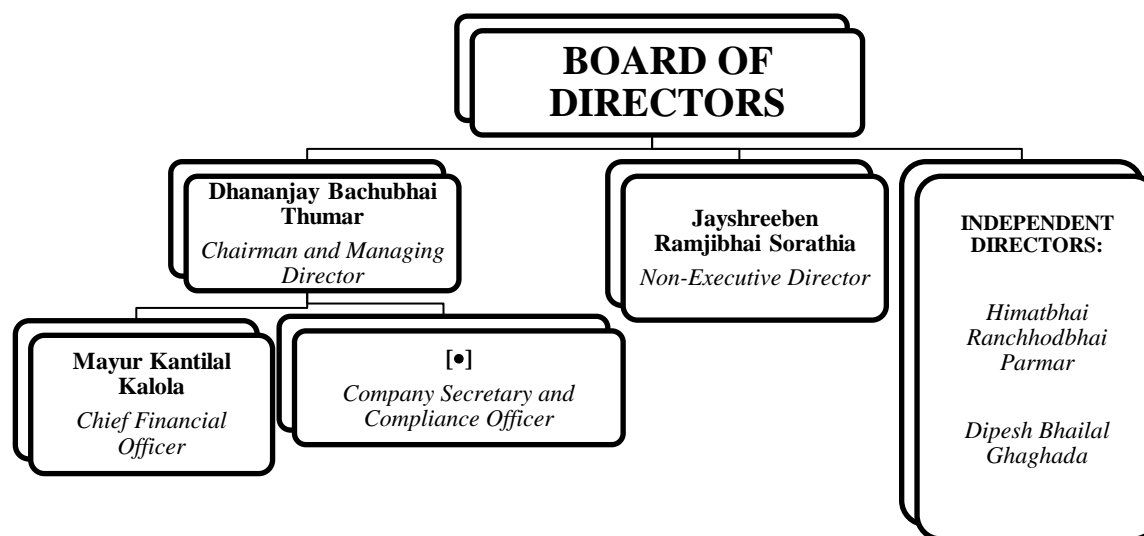
### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Appointment	Date of Cessation	Reasons for Change/ Appointment
Dhananjay Bachubhai Thumar	June 7, 2023	-	Appointed as Additional Director. Appointed as Chairman and Managing Director
Dipesh Bhailal Ghaghada	May 17, 2023	-	Appointed as Independent (Additional) Director.
Himatbhai Ranchhodhbhai Parmar	April 22, 2023	-	Appointed as Independent (Additional) Director.
Vishal Ramjibhai Sorathia	-	July 15, 2023	Resigned from the position of Executive Director
Jayshreeben Ramjibhai Sorathia	June 23, 2023	-	Change in designation from Executive Director to Non-Executive Director

### Management Organization Structure

Set forth is the management organization structure of our Company:



### Corporate Governance

As our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Draft Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.



## Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee; and
- c) Nomination and Remuneration Committee.

Details of each of these committees are as follows:

### *a. Audit Committee*

Our Audit Committee was constituted on June 23, 2023 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Himatbhai Ranchhodhbhai Parmar	Chairperson
2.	Dipesh Bhailal Ghaghada	Member
3.	Jayshreeben Ramjibhai Sorathia	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

### *A. Powers of Audit Committee*

The Audit Committee shall have the following powers:

- 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

### *B. Role of the Audit Committee*

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.

10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. 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;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. 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;
17. 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;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

***b. Stakeholders' Relationship Committee***

Our Stakeholder' Relationship Committee was constituted on June 23, 2023. The members of the said Committee are as follows:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Dipesh Bhailal Ghaghada	Chairperson
2.	Himatbhai Ranchhodbhai Parmar	Member
3.	Jayshreeben Ramjibhai Sorathia	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

***c. Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on June 23, 2023 with the following members:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Dipesh Bhailal Ghaghada	Chairperson
2.	Himatbhai Ranchhodbhai Parmar	Member
3.	Jayshreeben Ramjibhai Sorathia	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. 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;
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. 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;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the board, all remuneration, in whatever form, payable to senior management;
8. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
10. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

## **Our Key Managerial Personnel and Senior Management**

In addition to our Chairman and Managing Director, whose details have been provided under paragraph above titled ‘*Brief Profile of our Directors*’, set forth below are the details of our Key Managerial Personnel and Senior Management as on the date of filing of this Draft Prospectus:

**Mayur Kantilal Kalola**, aged 42 years, is the Chief Financial Officer of our Company. He holds a bachelor’s degree in commerce from Saurashtra University. He has also completed a post graduate diploma in computer science and application from Saurashtra University. In the past he was associated with Tirupati Forge Limited in the capacity of an accounts executive. He shall be handling the matters relating to finance and accounts of our Company and has been associated with our Company since May 11, 2023. Our Chief Financial Officer has not received remuneration during the Fiscal 2023.

Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Except for the Chief Financial Officer and Company Secretary and Compliance Officer of our Company, our Company does not have any Senior Management in our Company.

### **Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoters and / or other Key Managerial Personnel and Senior Management**

Except as disclosed under the heading “*Relationship between our Directors*” herein above, none of the key managerial personnel and senior management are related to each other or to our Promoters or to any of our Directors.

### **Shareholding of the Key Managerial Personnel and Senior Management**

Except as disclosed in “*Shareholding of our Directors*” none of our KMPs holds any Equity Shares of our Company as on the date of filing of this Draft Prospectus.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit sharing plan.

### **Payment or benefit to Key Managerial Personnel and Senior Management of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

### **Interest of Key Managerial Personnel and Senior Management**

Except as disclosed in this Draft Prospectus, none of our Key Managerial Personnel’s and Senior Management’s have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

### **Changes in Key Managerial Personnel and Senior Management in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Mayur Kantilal Kalola	Chief Financial Officer	May 11, 2023	Appointment
[•]^	[•]	[•]	[•]

<sup>^</sup>Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.

The attrition of the key management personnel and Senior Management is as per the industry standards.

**Employees' Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

**Loans taken by Directors / Key Management Personnel and Senior Management**

Our Company has not granted any loans to the Directors and/or Key Management Personnel and Senior Management as on the date of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Prospectus, our Promoters hold, 28,33,600 Equity Shares, constituting 67.15% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters’ shareholding in our Company, see “*Capital Structure*” on page 58 of this Draft Prospectus.

### Details of our Promoters

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#### DHANANJAY BACHUBHAI THUMAR



Dhananjay Bachubhai Thumar, aged 54 years, is the Promoter, Chairman and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 135 of this Draft Prospectus.

**Date of birth:** September 29, 1968

**Permanent account number:** ACFPG3758C

**Passport number:** H1169329

**Address:** Presiyios Apartment, E Block No. 201, Pujara, Plot Street No. 9, Laxmiwadi Main Road, Rajkot Bhaktinagar, Kotda, Sangani, Rajkot – 360 002, Gujarat, India.

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#### JENISH MUKESHBHAI THUMAR



Jenish Mukeshbhai Thumar, aged 21 years, is the Promoter of our Company. He is pursuing a bachelor’s degree in global business from University of South Florida. Jenish Mukeshbhai Thumar is working towards completing his education. He is currently associated with our Company in the capacity of an assistant manager and works in the exports division of our Company. Since, he is still pursuing his bachelor’s degree, he has limited experience in the business of our Company.

**Date of birth:** June 11, 2001

**Permanent account number:** BFNPT0357Q

**Passport number:** P5248606

**Address:** 202 Shubham Apartment, No. 4. Narmada Park Corner, Vindyakunj Society, Rajkot - 360 004, Gujarat, India.

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#### JAYSHREEBEN RAMJIBHAI SORATHIA

Jayshreeben Ramjibhai Sorathia, aged 62 years, is the Promoter and Non-Executive Director of our Company.

For details of her educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 135 of this Draft Prospectus.

**Date of birth:** September 26, 1960



**Permanent account number:** AEXPS3389D

**Passport number:** L9936005

**Address:** Sarsij, Bhaktinagar Society -11, behind Dhareshwar Temple, Bhaktinagar, Rajkot – 360 002, Gujarat, India.

### **Other Undertakings and Confirmations**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoters will be submitted at the time of submission of the Draft Prospectus to the NSE for listing of the securities of our Company on EMERGE Platform of NSE.

### **Other Ventures of our Promoters**

The ventures in which our Promoters are involved in are as follows:

- a) Dhananjay Bachubhai Thumar:

<b>Name of the Venture</b>	<b>Nature of Interest</b>
M/s. Shree Graphics	Sole Proprietor

- b) Jenish Mukeshbhai Thumar:

<b>Name of the Venture</b>	<b>Nature of Interest</b>
Nil	Nil

- c) Jayshreeben Ramjibhai Sorathia:

<b>Name of the Venture</b>	<b>Nature of Interest</b>
Nil	Nil

### **Change in Control of our Company**

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired during five years immediately preceding this Draft Prospectus.

### **Experience of our Promoters in the business of our Company**

Except for Jenish Mukeshbhai Thumar, our Promoter hold significant experience in the forging industry. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on pages 135 and 147 of this Draft Prospectus, respectively. For risks relating to the same please refer to “*Risk Factor 10 – One of our Promoters, Jenish Mukeshbhai Thumar has limited experience in our industry. Further, the Independent Directors of our Company do not possess adequate educational qualifications and do not have the requisite experience of acting as directors on the board of a listed company.*” in the chapter titled “*Risk factors*” on page 27 of this Draft Prospectus.

### **Interest of our Promoters**

*Interest in promotion of our Company*



Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” beginning on page 58, 135 and 153, respectively of this Draft Prospectus.

#### *Interest of Promoters in our Company other than as a Promoters*

Our Promoters, Dhananjay Bachubhai Thumar and Jayshreeben Ramjibhai Sorathia are Directors on the Board of Directors of our Company therefore, may deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Except as stated in this section and the section titled “*Our Management*” and “*Related Party Transactions*” on pages 135 and 153, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

#### *Interest in the properties of our Company*

Except as disclosed in the section titled “*Financial Information*” and the chapter titled “*Related Party Transaction*” on pages 155 and 153 our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Prospectus with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

#### **Other Interest and Disclosures**

Except as stated in this section and the section titled “*Our Management*”, “*Related Party Transactions*” and “*Financial Information*” on pages 135, 153 and 155, respectively, our Promoters do not has any interest in our Company other than as a Promoter.

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

#### **Payment or benefits to our Promoters and Promoter Group during the last two years**

Vishal Ramjibhai Sorathia, the member of our Promoter Group was an Executive Director of our Company since incorporation and therefore would be deemed to be interested to the extent of any remuneration and other benefits received by him in the said position. Further, Vishal Ramjibhai Sorathia has also lent unsecured loans to our Company and has extended personal guarantee for securing the loans of our Company. For further details, please see “*Financial Indebtedness*” on page 198.

Except as stated in this chapter and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Draft Prospectus. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 153 of this Draft Prospectus.

#### **Litigations involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Development*” in page 201.

#### **Guarantees**

Our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Prospectus.

#### **Details of Companies / Firms from which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any company/firm during the three years preceding this Draft Prospectus.

#### **A. OUR PROMOTER GROUP**

In addition to our Promoters, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

##### *Individuals forming part of the Promoter Group:*

<b>Name of the member of Promoter Group</b>	<b>Relationship with the Promoters</b>
<b><i>Dhananjay Bachubhai Thumar</i></b>	
Bachubhai Hirabhai Thumar	Father
Late Jivtiben Bachubhai Thumar	Mother
Bhavna Dhananjay Thumar	Spouse
Rameshbhai Bachubhai Thumar	Brother
-	Sister
Dhruv Dhananjay Thumar	Son
-	Daughter
Late Jivrajbhai Manjibhai Parsana	Spouse's father
Late Raliyatben Jivrajbhai Parsana	Spouse's mother
Vinodbhai Jivrajbhai Parsana	Spouse's brother
Parshotambhai Jivrajbhai Parsana	-
-	Spouse's sister
<b><i>Jenish Mukeshbhai Thumar</i></b>	
Mukeshkumar Khodabhai Thumar	Father
Chetnaben Mukeshbhai Thumar	Mother
-	Spouse
Om Mukeshbhai Thumar	Brother
-	Sister
-	Son
-	Daughter
-	Spouse's father
-	Spouse's mother
-	Spouse's brother
-	Spouse's sister
<b><i>Jayshreeben Ramjibhai Sorathia</i></b>	
Bhanubhai Mohanbhai Mansuria	Father
Manjuben Bhanubhai Mansuria	Mother
Ramjibhai Gandubhai Sorathia	Spouse
Chandrakant Bhanubhai Mansuria	Brother
Prakashbhai Bhanubhai Mansuria	-
Jyotsnaben Mansuria	Sister
Vishal Ramjibhai Sorathia	Son
Harichhaben Nayanbhai Pedhdiya	Daughter
Bhargaviben M. Thumar	-
Pujaben Sandipbhai Barasiya	-
Gandubhai Samjibhai Sorathia	Spouse's father
Maniben Gandubhai Sorathia	Spouse's mother
Vallabbhai Gandubhai Sorathia	Spouse's brother
Ghanshyambhai Gandubhai Sorathia	-
Ramnabhbai Gandubhai Sorathia	-

<b>Name of the member of Promoter Group</b>	<b>Relationship with the Promoters</b>
-	Spouse's sister

*Individuals forming part of the Promoter Group on account of significant shareholding held in our Company:*

<b>S. No.</b>	<b>Name of the member of Promoter Group</b>
1.	Jayaben Shivlal Thumar
2.	Hetal Mahendrabhai Sardhara

*Entities forming part of the Promoter Group:*

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

<b>Sr. No.</b>	<b>Name of the entity</b>
1.	M/s. Shree Graphics

### **Other Confirmations**

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters or as a fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

## OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, pursuant to a resolution of our Board dated June 23, 2023, and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Issue Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “**Financial Information**” on page 155 of this Draft Prospectus. Further, as per the Materiality Policy companies fallings under the following threshold would also be considered as group companies: (i) in which, the investment in the form of equity or loan by our Company exceeds 10% of the net worth of our Company for the last audited financial year; (ii) with which our Company has entertd into one or more transactions with such company(ies) in the last audited financial year, cumulatively exceeding 10% of the total revenue of the Company for the last audited financial year; and (iii) any other company/ entities that the Board may decide to consider material.

Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, there are no Group Companies of our Company.

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## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Restated Financial Information – Annexure: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note - Related Party Disclosures*” on page 180 of this Draft Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “*Risk Factor*” on page 22 of this Draft Prospectus.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Restated Financial Information	156 to 188

*(The remainder of this page is intentionally left blank)*

**Independent Auditor’s Examination Report for the Restated Financial Information of  
BALAJI PIPING PRODUCTS LIMITED  
(Formerly known as Balaji Piping Products Pvt. Ltd.)**

To,  
The Board of Directors  
Balaji Piping Product Limited  
Plot No. 1-5, Survey No. 92/1  
Near Shan Cement,  
Hadamtala Industrial Area,  
Kotda Sangani, Rajkot.

We have examined the attached Restated Financial Information of Balaji Piping Products Ltd. (hereinafter referred to as “the Company”), comprising Restated Assets and Liabilities as at March 31, 2023, 2022 and 2021 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the period ended March 31, 2023, 2022 and 2021, the Summary statement of Significant Accounting Policies and other explanatory information (collectively the “Restated Financial Information” or “Restated Financial Statements”) annexed to this report and initialled by us for identification purpose. These Restated Financial Information have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) in Emerge Platform of National Stock Exchange of India Limited (NSE EMERGE).

1. These Restated Financial Information have been prepared in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rule, 2014;
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (The “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document / Offer Document to be filed with Securities and Exchange Board of India, NSE and Registrar of Companies, Gujarat in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Information. The Board of Directors of the Company’s responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration.
  - a. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE Limited (“IPO” or “SME IPO”); and
  - b. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (“The Guidance Note”). The Guidance note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information.
  - d. The Requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. The Restated Financial Information of the Company have been compiled by the management from the Audited Financial Statements of the Company for the financial year ended on March 31, 2023, 2022 and 2021 which have been approved by the Board of Directors.
5. For the Purpose of our Examination, we have relied on.
  - a. Auditors’ report issued by us dated 19.05.2023 for the period ended March 31<sup>st</sup>, 2023,



- b. Auditors' report issued by previous auditor M/s M B Sardhara & Associates, Chartered Accountants as at and for the years ended March 31, 2022, and 2021 and accordingly, reliance has been placed on the financial information examined by them for the said years.
6. In accordance with the requirements of Paragraph B(1) of Part II of Schedule II of Act, ICDR Regulations, The Guidance Note and Engagement Letter, we report that:
  - a. The "Restated Statement of Asset and Liabilities" as set out in Annexure 1 to this report, of the Company as at March 31, 2023, 2022 and 2021 are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Financial Information as set out in Annexure 4 to this Report.
  - b. The "Restated Statement of Profit and Loss" as set out in Annexure 2 to this report, of the Company for the Period Ended/financial year ended on March 31, 2023, 2022 and 2021 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Financial Information as set out in Annexure 4 to this Report.
  - c. The "Restated Statement of Cash Flow" as set out in Annexure 3 to this report, of the Company for the Period Ended/financial year ended on March 31, 2023, 2022 and 2021 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Financial Information as set out in Annexure 4 to this Report.
7. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
  - a. Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - b. Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are not qualifications which require adjustments.
  - c. There are no extra-ordinary items that need to be disclosed separately other than those presented in the Restated Financial Information in the accounts, and which contains the audit qualifications requiring adjustments. The required adjustments in this Restated Financial Statements of the Company have been made and its effect on the Restated Profit & Loss is disclosed separately in the Notes to accounts under "Reconciliation of Restated profit".
  - d. These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Financial Information as set out in Annexure 4 to this report.
8. We have also examined the following regrouped/ rearranged financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Prospectus ("Offer Document").

**Annexure of Restated Financial Statements of the Company:**

- 1) Summary Statement of Assets and Liabilities, as restated as Annexure 1.
- 2) Summary Statement of Profit and Loss, as restated as Annexure 2.
- 3) Summary Statement of Cash Flow as Annexure 3.
- 4) Significant Accounting Policies in Annexure 4.
- 5) Details of Share Capital as Restated as appearing in as Annexure 5 to this report.
- 6) Details of Reserves and Surplus as Restated as appearing in Annexure 6 to this report.
- 7) Details of Long-Term Borrowings as Restated as appearing in Annexure 7 to this report.
- 8) Details of Deferred Tax Asset (Net) as Restated as appearing in Annexure 8 to this report.
- 9) Details of Long-Term Provisions as Restated as appearing in Annexure 9 to this report.
- 10) Details of Short-Term Borrowing as Restated as appearing in Annexure 10 to this report.
- 11) Details of Trade Payables as Restated as appearing in Annexure 11 to this report.
- 12) Details of Other Current Liabilities as Restated as appearing in Annexure 12 to this report.
- 13) Details of Short-Term Provisions as Restated as appearing in Annexure 13 to this report.
- 14) Details of Fixed Assets as Restated as appearing in Annexure 14 to this report.
- 15) Details of Long-Term Loans and Advances as Restated as appearing in Annexure 15 to this report.
- 16) Details of Inventories as Restated as appearing in Annexure 17 to this report.

- 17) Details of Trade Receivables as Restated as appearing in Annexure 18 to this report.
  - 18) Details of Cash and Cash Equivalents as Restated as appearing in Annexure 19 to this report.
  - 19) Details of Short-Term Loans & Advances as Restated as appearing in Annexure 20 to this report.
  - 20) Details of Other Current Asset as Restated as appearing in Annexure 21 to this report.
  - 21) Details of Revenue from Operations as Restated as appearing in Annexure 22 to this report.
  - 22) Details of Other Income as Restated as appearing in Annexure 23 to this report.
  - 23) Details of Revenue Expenditure as Restated as appearing in Annexure 24 to 29 to this report.
  - 24) Details of Foreign Currency Flow as Restated appearing in Annexure 30 to this report.
  - 25) Details of Payment to Auditor as Restated appearing in Annexure 31 to this report.
  - 26) Details of Related Parties Transactions as Restated as appearing in Annexure 32 to this report.
  - 27) Details of Additional regulatory Information as Restated as appearing in Annexure 33 to this report.
  - 28) Details of Significant Accounting Ratios as Restated as appearing in Annexure 34 to this report.
  - 29) Capitalization Statement as Restated as at 31st March, 2023 as appearing in Annexure 35 to this report.
  - 30) Statement of Tax Shelters as Restated as appearing in Annexure 36 to this report.
9. We, M. N. Manvar & Co., Chartered Accountants, 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 (“Peer Reviewed Auditor”).
  10. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the Board of Director of the Company.
  11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  13. In our opinion, the above financial information contained in Annexure 1 to 36 of this report read with the respective Significant Accounting Policies and Notes to Restated Financial Information as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note to the extent applicable, as amended from time to time. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions and accordingly, we express no such opinion thereon.
  14. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with Securities and Exchange Board of India, NSE and Registrar of Companies, Ahmedabad in connection with the Proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For, M N Manvar & Co.**  
**Chartered Accountants**  
**FRN : 106047W**

**Date : 20 July, 2023**  
**Place : Rajkot**

**(CA Mohanlal N Manvar)**  
**Proprietor**  
**MRN : 036292**  
**UDIN 23036292BGWVBF9230**

# BALAJI PIPING PRODUCTS LIMITED

## Annexure - 1 - Statement of Assets and Liabilities, as Restate

[Amount in Lakh Rs.]

Particulars	Annexure	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	5	₹ 52.75	₹ 26.75	₹ 1.00
Reserves and Surplus	6	₹ 385.56	₹ 82.96	₹ 0.00
Money received against share warrants				
Share application money pending allotment				
		<b>₹ 438.31</b>	<b>₹ 109.71</b>	<b>₹ 1.00</b>
<b>Non-Current Liabilities</b>				
Long Term Borrowings	7	₹ 79.13	₹ 0.00	₹ 36.00
Deferred Tax Liabilities (Net)	8	₹ 8.00	₹ 1.60	₹ 0.00
Other Long Term Liabilities		₹ 0.00	₹ 0.00	₹ 0.00
Long Term Provisions	9	₹ 0.01	₹ 0.00	₹ 0.00
		<b>₹ 87.14</b>	<b>₹ 1.60</b>	<b>₹ 36.00</b>
<b>Current Liabilities</b>				
Short Term Borrowings	10	₹ 76.38	₹ 0.00	₹ 0.00
Trade Payables	11	₹ 67.49	₹ 245.72	₹ 0.92
Other Current Liabilities	12	₹ 14.67	₹ 12.22	₹ 14.01
Short Term Provisions	13	₹ 40.89	₹ 17.87	₹ 0.00
		<b>₹ 199.43</b>	<b>₹ 275.81</b>	<b>₹ 14.92</b>
		<b>₹ 724.87</b>	<b>₹ 387.13</b>	<b>₹ 51.92</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant & Equipment	14	₹ 417.96	₹ 107.50	₹ 43.78
Non-current investments		₹ 0.00	₹ 0.00	₹ 0.00
Long term loans and advances	15	₹ 8.48	₹ 1.21	₹ 0.00
Other non-current assets	16	₹ 0.00	₹ 0.38	₹ 0.38
		<b>₹ 426.43</b>	<b>₹ 109.09</b>	<b>₹ 44.16</b>
<b>Current assets</b>				
Current investments				
Inventories	17	₹ 94.25	₹ 39.80	₹ 0.00
Trade receivables	18	₹ 8.92	₹ 203.83	₹ 0.00
Cash and cash equivalents	19	₹ 137.18	₹ 11.97	₹ 0.53
Short-term loans and advances	20	₹ 57.48	₹ 22.43	₹ 7.23
Other current assets	21	₹ 0.60	₹ 0.00	₹ 0.00
		<b>₹ 298.44</b>	<b>₹ 278.04</b>	<b>₹ 7.76</b>
		<b>₹ 724.87</b>	<b>₹ 387.13</b>	<b>₹ 51.92</b>

The accompanying Notes to Accounts are an integral part of the financial Statements

As per our report of even date

For and on behalf of the Board

**For, M N Manvar & Co.**  
Chartered Accountants  
FRN : 106047W

(Mohanlal N. Manvar)  
Proprietor  
MRN : 036292  
UDIN : 23036292BGWVBF9230  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar)  
Chairman and Managing Director  
DIN : 10192292

(Jayshreeben Ramjibhai Sorathia)  
Non-Executive Director  
DIN : 08780390

(Mayurkumar Kantilal Kalol)  
CFO

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# BALAJI PIPING PRODUCTS LIMITED

## Annexure - 2 - Statement of Profit and Loss, as Restated

[Amount in Lakh Rs.]

Particulars	Annexure	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>INCOME</b>				
Revenue from operations	22	₹ 1,640.58	₹ 758.03	₹ 0.00
Other Income	23	₹ 0.00	₹ 0.58	₹ 0.00
<b>Total Income</b>		<b>₹ 1,640.58</b>	<b>₹ 758.61</b>	<b>₹ 0.00</b>
<b>EXPENSES</b>				
Cost of Material Consumed	24	₹ 1,151.62	₹ 528.23	₹ 0.00
Purchase of Finished Goods	25	₹ 0.00	₹ 0.00	₹ 0.00
Changes in Inventories of Finished Goods	26	₹ 0.00	₹ 0.00	₹ 0.00
Employee Benefits Expense	27	₹ 26.50	₹ 7.53	₹ 0.00
Finance Costs	28	₹ 13.89	₹ 0.05	₹ 0.00
Depreciation / Amortisation of Expense	14	₹ 11.19	₹ 2.62	₹ 0.00
Other Expenses	29	₹ 185.98	₹ 110.62	₹ 0.00
<b>Total Expenses</b>		<b>₹ 1,389.19</b>	<b>₹ 649.05</b>	<b>₹ 0.00</b>
<b>Profit Before exceptional and extraordinary item and Tax</b>		<b>₹ 251.39</b>	<b>₹ 109.56</b>	<b>₹ 0.00</b>
Exceptionoanl Items				
<b>Profit Before extraordinary item and Tax</b>		<b>₹ 251.39</b>	<b>₹ 109.56</b>	<b>₹ 0.00</b>
Extraordinary Items				
<b>Profit Before Tax</b>		<b>₹ 251.39</b>	<b>₹ 109.56</b>	<b>₹ 0.00</b>
<b>Tax Expenses</b>				
Current Tax		₹ 49.00	₹ 25.00	₹ 0.00
Deferred Tax		₹ 6.40	₹ 1.60	₹ 0.00
<b>Profit (Loss) for the period</b>		<b>₹ 196.00</b>	<b>₹ 82.96</b>	<b>₹ 0.00</b>
Earnings per Equity Share :				
Basic		4.95	96.87	0.00
Diluted		4.95	96.87	0.00

The accompanying Notes to Accounts are an integral part of the financial Statements

As per our report of even date

For and on behalf of the Board

**For, M N Manvar & Co.**  
Chartered Accountants  
FRN : 106047W

(Mohanlal N. Manvar)  
Proprietor  
MRN : 036292  
UDIN : 23036292BGWVBF9230  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar)  
Chairman and Managing Director  
DIN : 10192292

(Jayshreeben Ramjibhai Sorathia)  
Non-Executive Director  
DIN : 08780390

(Mayurkumar Kantilal Kalol)

CFO

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# BALAJI PIPING PRODUCTS LIMITED

## Annexure - 3 - Statement of Cash Flow as Restated

[Amount in Lakh Rs.]

Particulars	Notes No	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>[A] Cash Flow From Operating Activities</b>				
Net Profit / (Loss) Before taxes		₹ 251.39	₹ 109.56	₹ 0.00
Adjustments for : - Depreciation		₹ 11.19	₹ 2.62	₹ 0.00
Interest Paid		₹ 13.89	₹ 0.05	₹ 0.00
Income Tax Paid		₹ 0.00	₹ 0.00	₹ 0.00
Operating Profit Before Working Capital Change		<b>₹ 276.48</b>	<b>₹ 112.23</b>	<b>₹ 0.00</b>
(Increase)/Decrease in Current Asset		₹ 104.81	₹ -258.84	₹ -7.23
Increase/(Decrease) in Current Liabilities		₹ -170.90	₹ 243.58	₹ 14.92
(Increase)/Decrease in other Non Current Asset		₹ -6.88	₹ -1.21	₹ -0.38
<b>Cash Generated From Operations</b>		<b>₹ 203.50</b>	<b>₹ 95.77</b>	<b>₹ 7.31</b>
Taxes Paid		₹ -30.85	₹ -7.69	₹ 0.00
<b>Net Cash From Operating Activities</b>		<b>₹ 172.65</b>	<b>₹ 88.08</b>	<b>₹ 7.31</b>
<b>[B] Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets		₹ -321.65	₹ -66.34	₹ -43.78
<b>Net Cash Flow From Investing Activities</b>		<b>₹ -321.65</b>	<b>₹ -66.34</b>	<b>₹ -43.78</b>
<b>[C] Cash Flow From Financing Activities</b>				
Increase/(Decrease) in Long Term Borrowings		₹ 79.13	₹ -36.00	₹ 36.00
Increase/(Decrease) in Short Term Borrowings		₹ 76.38	₹ 0.00	₹ 0.00
Increase/(Decrease) in Share Capital		₹ 26.00	₹ 25.75	₹ 1.00
Increase/(Decrease) in Security Premium		₹ 106.60	₹ 0.00	₹ 0.00
Interest Paid		₹ -13.89	₹ -0.05	₹ 0.00
<b>Net Cash Flow From Financing Activities</b>		<b>₹ 274.22</b>	<b>₹ -10.30</b>	<b>₹ 37.00</b>
<b>Total [A + B + C]</b>		<b>₹ 125.22</b>	<b>₹ 11.44</b>	<b>₹ 0.53</b>
<b>(Increase)/Decrease in Cash and Cash Equivalent</b>		<b>₹ -125.22</b>	<b>₹ -11.44</b>	<b>₹ -0.53</b>
Cash and Cash Equivalent at the beginning of the year		₹ 11.97	₹ 0.53	₹ 0.00
Cash and Cash Equivalent at the end of the year		₹ 137.18	₹ 11.97	₹ 0.53

As per our report of even date

For and on behalf of the Board

**For, M N Manvar & Co.**  
Chartered Accountants  
FRN : 106047W

(Mohanlal N. Manvar)  
Proprietor  
MRN : 036292  
UDIN : 23036292BGWVBF9230  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar)  
Chairman and Managing Director  
DIN : 10192292

(Jayshreeben Ramjibhai Sorathia)  
Non-Executive Director  
DIN : 08780390

(Mayurkumar Kantilal Kalol)  
CFO  
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# BALAJI PIPING PRODUCTS LIMITED

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## ANNEXURE 4 - RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1. Company Information

Originally the company was incorporated in the name – ‘Forgemaster Private Limited’ on 3<sup>rd</sup> July, 2020 and the name of the company is changed to ‘Balaji Piping Products Pvt. Ltd.’ w.e.f. 11<sup>th</sup> April, 2022.

Further, the company has passed special resolution in the extra ordinary general meeting (EGM) of the members held on 25<sup>th</sup>-Apr-2023 to convert the company into ‘Public Limited Company’ and consequently the name of our Company was changed to ‘Balaji Piping Products Limited’ and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The company is engaged in the business of own Production and Job work of forging items and accordingly sale of forging items and job work income are core and strategic activities.

### 2. Significant Accounting Policies :

The Company has considered its operating cycle as 12 months for the purpose of Current or Non-Current classification of Assets and Liabilities.

### 3. Basis of Preparations

The restated summary statement of assets and liabilities of the Company as at March 31, 2023, 2022 and 2021 and the related restated summary statement of profits and loss and cash flows for the period / years ended March 31, 2023, 2022 and 2021 (herein collectively referred to as (' Restated Summary Statements')) have been complied by the management from the audited financial statements of the Company for the period/years ended on March 31, 2023, 2022 and 2021, approved by the board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with provisions of Part - I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial Public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

#### 3.1. Basis of Accounting:

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

#### 3.2. Use of Estimates :

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and results of operations during the reporting period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates. The effects of change in accounting estimates are reflected in the financial statement in the period in which the results are known and if material, are disclosed in the financial statements.

#### 3.3. Valuation of Inventories:

Inventories are stated at lower cost or net realizable value on weighted average basis. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### 3.4. Cash Flow Statements

Cash Flows are presented using an indirect method, whereby profit/loss before extra-ordinary items and tax is adjusted for the effects of transactions of non -cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing, and financing activities of the company is segregated based on the available information.

Cash comprises of cash on hand and demand deposits with banks for a period of less than 12 months. Cash equivalents are short term balances, highly liquid investment with maturity of 12 months or less that are readily convertible into cash.

#### 3.5. Net profit or loss for the period, prior period items and changes in Accounting policies:

Prior period debits included in profit & Loss account is Nil

Prior period credits included in profit & Loss account is Nil

There are no changes in accounting policies.

# BALAJI PIPING PRODUCTS LIMITED

## ANNEXURE 4 - RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 3.6. Revenue Recognition:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects GST on behalf of the government and therefore, there are not economic benefits followings to the company. Hence, they are excluded from revenue.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exist.

### 3.7. Property Plant and Equipment:

Tangible Fixed Assets are stated at cost less accumulated depreciation / amortization and impairment loss, if any except Lease hold land which is carried at cost. The cost of tangible Fixed Assets comprises its purchases price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the assets. Subsequent expenditures related to an item of fixed Assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work In Progress, comprising direct cost, related incidental expenses and attributable interest.

All other expenses on fixed assets, including repair and maintenance expenditure and replacement expenditure of parts are charged to Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Depreciation of Fixed Assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

There are no intangible assets.

The management of the company believes that the useful lives as given below best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which may be different from the useful lives as prescribed Part C of Schedule II of The Companies Act 2013

Sr. No.	Assets Category	Useful Life in Years
1	Office Equipment	5
2	Furniture	10
3	Electrification	10
4	Computers	3
5	Plant & Machinery	15

### 3.8. Impairment of Assets:

An asset is impaired when the carrying cost of assets exceeds its recoverable value. An Impairment loss is charges to statement of profit and loss in the year which an asset is identified as impaired. The Impairment Loss recognized in prior accounting period is reversed there has been change in the estimate of recoverable amount. The management periodically assess, using internal and external sources to identify impairment of assets.

### 3.9. Accounting for Foreign Currency Transactions:

**3.9.1.** Transactions dominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

**3.9.2.** Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contracts.

## ANNEXURE 4 - RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

**3.9.3.** In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximate the actual rate at the date of transactions. Branch monetary assets and liabilities are restated at the year-end rates.

**3.9.4.** Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit or loss account.

### **3.10. Government Grants:**

**3.10.1.** Revenue related grants are recognized on an accrual basis wherever there is reasonable certainty and are disclosed under other income. Receivables of such grants are shown under Other Current Assets, if any.

**3.10.2.** Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such export benefits are shown under Other Current Assets.

**3.10.3.** Capital grants are accounted as Capital Subsidy and adjusted against the cost of Fixed Assets in the year of receipt, if any.

### **3.11. Accounting of Investment:**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fee and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another assets, the acquisition is determined by reference to the fair value of the assets given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

On disposal on investments, the difference between its carrying amount and net disposal proceeds is charged or credited to statement of profit and loss.

### **3.12. Employee Benefit:**

#### **3.12.1. Provident fund:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no further obligation, other than the contribution payable to the provident fund.

#### **3.12.2. Gratuity:**

The cost of providing benefits under the scheme are determined on the basis of actuarial valuation at each year end and contribution for the year is charged to the statement of profit and loss for the year. The Company has no obligation to pay Gratuity during the year under consideration.

#### **3.12.3. Leave Encashment**

The company measures the expected cost that it expects to pay as a result of unused entitlement that has accumulated at the reporting date and the earned leave amount for the current reporting period is charged to the statement of profit and loss for the year. The company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### **3.13. Borrowing Cost:**

Borrowing Costs includes interest and ancillary costs incurred in connection with the arrangement of borrowing and foreign exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest costs.



## BALAJI PIPING PRODUCTS LIMITED

### ANNEXURE 4 - RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Borrowing Costs directly attributable to the Construction of an asset that necessarily take a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All of these borrowing costs are expensed in the period they are incurred.

#### 3.14. Segment Reporting:

The Company is engaged in manufacturing forging items which is the primary business segment based on the nature of products manufactured/traded and sold. Thus, the Company has only one reportable business which is manufacturing forging items and only one reportable geographical segment. Accordingly, the segment information as required by AS 17 on “segment Reporting” is not required to be disclosed.

#### 3.15. Accounting for Taxes on Income:

Provision for tax comprises of current and deferred tax. Provision is made on the basis of relief and deductions available under the Income Tax Act. Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The Deferred Tax asset is recognized and carried forward for timing differences of items unabsorbed depreciation and accumulated losses only to the extent that there is a virtual certainty that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed as at each balance sheet date for their reliability.

#### 3.16. Provisions, Contingent liabilities and Contingent Assets:

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. 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.

Contingent liabilities is not recognized but are disclosed when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are a possible asset that arise from past events the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Contingent Liability	Nil	Nil	Nil
Commitment	Nil	Nil	Nil

#### 3.17. Other Disclosures :

##### 3.17.1. Sales:

Sales are accounted excluding GST.

##### 3.17.2. Purchase:

Purchase is accounted excluding GST.

##### 3.17.3. GST :

The GST collected on sales and services is accounted separately under GST Payable Account which is eligible for set-off against GST paid on inputs. The Balance in GST Account after set-off is shown under the head “Other Current Assets” forming part of Balance Sheet.

#### 3.18. Reconciliation of Restated Profit

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Net Profit/(Loss) after tax as per Audited Profit &amp; Loss Account</b>	<b>174.24</b>	<b>108.73</b>	<b>0.00</b>
<b>Adjustment for:</b>			
Change in Depreciation	0	0.83	0.00
Income Tax Expenses	18.71	0.00	0.00
Change in Provision of Income Tax	1.55	-25.00	0.00

## BALAJI PIPING PRODUCTS LIMITED

### ANNEXURE 4 - RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Change in Deferred Tax	1.609	-1.60	0.00
Provision for Gratuity	-0.31	0.00	0.00
<b>Net Profit/(Loss) after tax as Restated</b>	<b>196.00</b>	<b>82.96</b>	<b>0.00</b>

- As per the Audited Financial Statement for FY 2021-22, Excess depreciation of Rs. 0.83 Lakh has been debited to profit and loss account. Hence, while preparing restated financial statement it has been rectified by adjusting the same in Fixed assets and in depreciation of the respective year.
- As per the audited financial statement for FY 2022-23, the company has debited profit and loss account by Rs. 18.71 Lakh for Income Tax Expenses related to FY 2021-22 as company did not provide provision for income tax in respective year. Hence, while preparing restated financial statements, the same has been rectified.
- The company did not provide Provision for Income Tax in the books of accounts. Hence, while preparing restated audited financial statement, Provision for Income Tax, is calculated and provided.
- The company did not provide deferred tax as per AS - 22 issued by ICAI. Hence, while preparing restated audited financial statement, Deferred Tax Liability / (Asset), after considering effect of above-mentioned changes, is recalculated.
- The company did not provide Provision for Gratuity in books of accounts. Hence, while preparing restated audited financial statement, Provision for Gratuity based on Actuarial valuation given by Trueval Consulting has been considered and provided for.

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 5 - Details of Share Capital as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised Share Capital</b>			
8000000 Equity Shares of Rs. 10 Each	₹ 800.00	₹ 30.00	₹ 1.00
(300000 Equity Shares of Rs. 10 Each for FY 2021 - 22 and 10000 Equity Shares of Rs. 10 Each for FY 2020 - 21)			
	<b>₹ 800.00</b>	<b>₹ 30.00</b>	<b>₹ 1.00</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>			
527500 Equity Shares of Rs. 10 Each	₹ 52.75	₹ 26.75	₹ 1.00
(267500 Equity Shares of Rs. 10 Each for FY 2021 - 22 and 10000 Equity Shares of Rs. 10 Each for FY 2020 - 21)			
	<b>₹ 52.75</b>	<b>₹ 26.75</b>	<b>₹ 1.00</b>
<b>5.01</b> Par value of the share	<b>₹ 10.00</b>	<b>₹ 10.00</b>	<b>₹ 10.00</b>

### 5.02 Reconciliation of the number of shares

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
	No. of shares [Amount in Lakh Rs.]	No. of shares [Amount in Lakh Rs.]	No. of shares [Amount in Lakh Rs.]
Shares outstanding at the beginning of	2,67,500	10,000	0
	₹ 26.75	₹ 10.00	₹ 0.00
Add : Issued during the year	2,60,000	2,57,500	10,000
	₹ 26.00	₹ 25.75	₹ 1.00
Less : Shares bought back during the	0	0	0
	₹ 0.00	₹ 0.00	₹ 0.00
Shares outstanding at end of the year	5,27,500	2,67,500	10,000
	₹ 52.75	₹ 35.75	₹ 1.00

[During the FY 2022-23, the Company has made preferential allotment of 260000 Fully paid equity Shares of Rs. 10 each at premium of Rs. 41 (i.e. Issue price Rs. 51)].

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 5.03 Details of more than 5% of total shares, held by each shareholder

Particulars	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2021
	No of Share Held	No of Share Held	No of Share Held
	% of Holding	% of Holding	% of Holding
Vishal Ramjibhai Sorathia	90,500 17.16%	27,500 10.28%	5,000 50.00%
Jayshree Ramjibhai Sorathia	67,000 12.70%	30,000 11.21%	5,000 50.00%
Jenish Mukeshbhai Thummar	1,96,700 37.29%	75,000 28.04%	NIL NIL
Darshna Hiteshbhai Thummar	70,300 13.33%	50,000 18.69%	NIL NIL
Hetal Mahendra Sardhara	71,000 13.46%	NIL NIL	NIL NIL
Jayaben Shivabhai Thummar	30,000 5.69%	NIL NIL	NIL NIL
Om Shanti Heights	NIL	50,000	NIL
Otamben K Thummar	NIL	18.69%	NIL
	NIL	13.08%	NIL

### 5.04 Shareholding of Promoters and Promoters Group

Particulars	As at	As at	As at	% Change During the	% Change During the
	31st March, 2023	31st March, 2022	31st March, 2021		
	No. of Share	No. of Share	No. of Share	FY 2022 - 23	FY 2021 - 22
	% of Holding	% of Holding	% of Holding		
Vishal Ramjibhai Sorathia	90500 17.16%	27500 10.28%	5,000 50.00%	6.88%	-39.72%
Jayshree Ramjibhai Sorathia	67000 12.70%	30000 11.21%	5,000 50.00%	1.49%	-38.79%
Jenish M. Thummar	196700 37.29%	75000 28.04%	NIL 0.00%	9.25%	28.04%
Darshna Hiteshbhai	70300 13.33%	50000 18.69%	NIL 0.00%	-5.36%	18.69%
Otamben K Thummar	NIL 0.00%	35000 13.08%	NIL 0.00%	-13.08%	13.08%

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 5.05 Shares allotted, as fully paid up pursuant to contracts without payment being received in cash/ by way of bonus shares and shares bought back during the preceding five years

	Year (Aggregate No of shares)				
	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Fully paid up pursuant to contract(s) without payment being received in cash</b>	NIL	NIL	NIL	NIL	NIL
<b>Fully paid up by way of bonus</b>	NIL	NIL	NIL	NIL	NIL
<b>Shares bought back</b>	NIL	NIL	NIL	NIL	NIL

The Company has only one class of share referred to as Equity Shares having a par value of Rs.10/- each. Each holder of Equity Shares is entitled to one vote per share. Dividend on such shares is payable in proportion to the paid up amount. Dividend (if any) recommended by board of directors (other than interim dividend) is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of winding up of the company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the company after all preferential amounts and external liabilities are paid in full. However, no such preferential amount exists currently. The distribution of such remaining assets will be on the basis of number of Equity Shares held and the amount paid up on such shares.

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 6 - Details of Reserves and Surplus as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Security Premium	₹ 106.60	₹ 0.00	₹ 0.00
<b>Surplus in the Profit &amp; Loss Account</b>			
Opening Balance of Profit & Loss Account	₹ 82.96	₹ 0.00	₹ 0.00
Add : Profit for the Current Year	₹ 196.00	₹ 82.96	₹ 0.00
Less : Deferred Tax Adjustment	₹ 0.00	₹ 0.00	₹ 0.00
Less : Depreciation Adjustment	₹ 0.00	₹ 0.00	₹ 0.00
<b>Surplus in the Profit &amp; Loss Account</b>	<b>₹ 278.96</b>	<b>₹ 82.96</b>	<b>₹ 0.00</b>
	<b>₹ 385.56</b>	<b>₹ 82.96</b>	<b>₹ 0.00</b>

### Annexure - 7 - Details of Long-Term Borrowings as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Term Loan</b>			
(Secured)			
From Bank	₹ 72.13	₹ 0.00	₹ 0.00
<b>Loans &amp; Advance from Related Party</b>			
(Unsecured)			
From Directors	₹ 7.00	₹ 0.00	₹ 36.00
	<b>₹ 79.13</b>	<b>₹ 0.00</b>	<b>₹ 36.00</b>

### 7.01 Details of Terms of Repayment, nature of security and Rate of Interest

Details of Loan / Nature of Security	[Amount in Lakh Rs.]		
	Rate of Interest	Terms of Repayment	Outstanding As at 31st March, 2023
1. Term Loan From Indian Overseas Bank	11.05 % p.a.	54 EMI of Rs. 175926	₹ 93.24
<p>(Term loan is secured by Hypothecation of plant &amp; machinery purchased and to be purchased out of said term loan. Further, it is secured by Equitable mortgage followed by registered memorandum of all the piece and parcel of immovable property being Industrial land and building on land of Plot No 2 of 560.70 Sq. Mtrs, Plot No-3 of 560.70 Sq. Mtrs and Plot No-4 of 724.71 Sq. Mtrs, situated on NA Land of R.S. No 92 (Old R.S. no 928 Paiki 1 Paiki 1) of Mouje (Village): Hadamtala, Taluka: Kotda SanganL District: Rajkot, belonging to M/s Balaji Piping Products Private Limited )</p> <p>(Entire Term Loan is carrying unconditional personal gurantee of Mrs. Jayshreeben Ramjibhai Sorathia and Mr. Vishal Ramjibhai Sorathia, Directors of the Company)</p>			
2. Unsecured deposit from Vishal Ramjibhai Sorathia	Mutually decided	Mutually decided	₹ 7.00

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 8 - Details of Deferred Tax Liability (Net) as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	₹ 1.60	₹ 0.00	₹ 0.00
<b>Current Year Provision</b>			
DTL / (DTA) on Depreciation	₹ 6.40	₹ 1.60	₹ 0.00
Closing Balance	<b>₹ 8.00</b>	<b>₹ 1.60</b>	<b>₹ 0.00</b>

### Annexure - 9 - Details of Long-Term Provisions as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Employee Benefit</b>			
For Gratuity	₹ 0.01	₹ 0.00	₹ 0.00
	<b>₹ 0.01</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### Annexure - 10 - Details of Short-Term Borrowing as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Loan Repayable on Demand</b>			
From Bank	₹ 55.27	₹ 0.00	₹ 0.00
<b>Current Maturity of Long Term Borrowing</b>			
From Bank	₹ 21.11	₹ 0.00	₹ 0.00
	<b>₹ 76.38</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 10.01 Details of Terms of Repayment, nature of security and Rate of Interest

Details of Loan / Nature of Security	Rate of Interest	Terms of Repayment	[Amount in Lakh Rs.]
			Outstanding As at 31st March, 2023
1. Cash Credit Limit From Indian Overseas Bank (Limit Rs. 60.00 Lakh)	11.05 % p.a.	Repayable on Demand	₹ 55.27
<p>(Cash Credit limit is secured by Hypothecation of Stock, Book Debt and Other Current Assets of the Company both Present and Future. Further, it is secured by Equitable mortgage followed by registered memorandum of all the piece and parcel of immovable property being Industrial land and building on land of Plot No 2 of 560.70 Sq. Mtrs, Plot No-3 of 560.70 Sq. Mtrs and Plot No-4 of 724.71 Sq. Mtrs, situated on NA Land of R.S. No 92 (Old R.S. no 928 Paiki1 Paiki 1) of Mouje (Village): Hadamtala, Taluka: Kotda SanganL District: Rajkot, belonging to M/s Balaji Piping Products Private Limited)</p> <p>(Entire Limit is carrying unconditional personal gurantee of Mrs. Jayshreeben Ramjibhai Sorathia and Mr. Vishal Ramjibhai Sorathia, Directors of the</p>			

### Annexure - 11 - Details of Trade Payables as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00
Others	₹ 67.49	₹ 245.72	₹ 0.92
Disputed - Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00
Disputed - Others	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 67.49</b>	<b>₹ 245.72</b>	<b>₹ 0.92</b>

### 11.01 Trade Payable Aging Schedule as on 31st March, 2023

Particulars	Outstanding for following periods from the due date of payment				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Others	₹ 67.49	₹ 0.00	₹ 0.00	₹ 0.00	₹ 67.49
Disputed - Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Disputed - Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 67.49</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 67.49</b>

### 11.02 Trade Payable Aging Schedule as on 31st March, 2022

Particulars	Outstanding for following periods from the due date of payment				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Others	₹ 245.72	₹ 0.00	₹ 0.00	₹ 0.00	₹ 245.72
Disputed - Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Disputed - Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 245.72</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 245.72</b>



# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 11.03 Trade Payable Aging Schedule as on 31st March, 2021

Particulars	Outstanding for following periods from the due date of payment				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Disputed - Micro, Small and Medium Enterprises	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Disputed - Others	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### Annexure - 12 - Details of Other Current Liabilities as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Other Payables</b>			
GST Payable	₹ 14.38	₹ 11.75	₹ 0.01
TDS Payable	₹ 0.25	₹ 0.42	₹ 0.00
TCS Payable	₹ 0.01	₹ 0.05	₹ 0.00
Professional Tax Payable	₹ 0.03	₹ 0.00	₹ 0.00
Advance from Customers	₹ 0.00	₹ 0.00	₹ 10.00
Other Payable	₹ 0.00	₹ 0.00	₹ 4.00
	<b>₹ 14.67</b>	<b>₹ 12.22</b>	<b>₹ 14.01</b>

### Annexure - 13 - Details of Short-Term Provisions as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Employee Benefit</b>			
For Salary	₹ 3.37	₹ 0.56	₹ 0.00
For Provident Fund	₹ 0.46	₹ 0.00	₹ 0.00
For Gratuity	₹ 0.30	₹ 0.00	₹ 0.00
<b>Other Provisions</b>			
Audit Fees	₹ 0.60	₹ 0.00	₹ 0.00
Other Expenses	₹ 0.70	₹ 0.00	₹ 0.00
Income Tax	₹ 35.46	₹ 17.31	₹ 0.00
	<b>₹ 40.89</b>	<b>₹ 17.87</b>	<b>₹ 0.00</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 14 - Details of Property, Plant & Equipment as Restated

FY 2022 - 23		[Amount in Lakh Rs.]		
Particulars	Gross Block as on 01st April, 2022	GROSS BLOCK		Gross Block as on 31st March, 2023
		Addition	Deduction / Sold	
Land	₹ 5.04	₹ 0.00	₹ 0.00	₹ 5.04
Buildings	₹ 0.00	₹ 177.92	₹ 0.00	₹ 177.92
Computers And Data Processing Units	₹ 0.53	₹ 2.35	₹ 0.00	₹ 2.88
Electrical Installations And Equipment	₹ 1.10	₹ 12.25	₹ 0.00	₹ 13.35
Furniture And Fittings	₹ 0.18	₹ 0.00	₹ 0.00	₹ 0.18
Office Equipment	₹ 0.03	₹ 0.00	₹ 0.00	₹ 0.03
Plant And Machinery	₹ 58.10	₹ 153.59	₹ 0.00	₹ 211.69
	<b>₹ 64.97</b>	<b>₹ 346.11</b>	<b>₹ 0.00</b>	<b>₹ 411.08</b>
Capital Work - in - Progress	₹ 45.15	₹ 143.30	₹ 167.75	₹ 20.69
<b>Total Assets</b>	<b>₹ 110.12</b>	<b>₹ 489.40</b>	<b>₹ 167.75</b>	<b>₹ 431.77</b>

FY 2021 - 22		[Amount in Lakh Rs.]		
Particulars	Gross Block as on 01st April, 2021	GROSS BLOCK		Gross Block as on 31st March, 2022
		Addition	Deduction / Sold	
Land	₹ 4.24	₹ 0.80	₹ 0.00	₹ 5.04
Buildings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Computers And Data Processing Units	₹ 0.00	₹ 0.53	₹ 0.00	₹ 0.53
Electrical Installations And Equipment	₹ 0.00	₹ 1.10	₹ 0.00	₹ 1.10
Furniture And Fittings	₹ 0.00	₹ 0.18	₹ 0.00	₹ 0.18
Office Equipment	₹ 0.00	₹ 0.03	₹ 0.00	₹ 0.03
Plant And Machinery	₹ 0.00	₹ 58.10	₹ 0.00	₹ 58.10
	<b>₹ 4.24</b>	<b>₹ 60.73</b>	<b>₹ 0.00</b>	<b>₹ 64.97</b>
Capital Work - in - Progress	₹ 39.54	₹ 45.15	₹ 39.54	₹ 45.15
<b>Total Assets</b>	<b>₹ 43.78</b>	<b>₹ 105.88</b>	<b>₹ 39.54</b>	<b>₹ 110.12</b>

FY 2020 - 21		[Amount in Lakh Rs.]		
Particulars	Gross Block as on 01st April, 2020	GROSS BLOCK		Gross Block as on 31st March, 2021
		Addition	Deduction / Sold	
Land	₹ 0.00	₹ 4.24	₹ 0.00	₹ 4.24
Buildings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Computers And Data Processing Units	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Electrical Installations And Equipment	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Furniture And Fittings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Office Equipment	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Plant And Machinery	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 4.24</b>	<b>₹ 0.00</b>	<b>₹ 4.24</b>
Capital Work - in - Progress	₹ 0.00	₹ 39.54	₹ 0.00	₹ 39.54
<b>Total Assets</b>	<b>₹ 0.00</b>	<b>₹ 43.78</b>	<b>₹ 0.00</b>	<b>₹ 43.78</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 14.01 Details of Accumulated Depreciation, As Restated

FY 2022 - 23		[Amount in Lakh Rs.]		
Particulars	ACCUMULATED DEPRECIATION			
	Depreciation Reserve as on 01st April, 2022	Depreciation for the Year	Deduction	Depreciation Reserve as on 31st March, 2023
Land	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Buildings	₹ 0.00	₹ 2.44	₹ 0.00	₹ 2.44
Computers And Data Processing Units	₹ 0.17	₹ 0.38	₹ 0.00	₹ 0.55
Electrical Installations And Equipment	₹ 0.03	₹ 0.62	₹ 0.00	₹ 0.65
Furniture And Fittings	₹ 0.00	₹ 0.02	₹ 0.00	₹ 0.02
Office Equipment	₹ 0.00	₹ 0.01	₹ 0.00	₹ 0.01
Plant And Machinery	₹ 2.42	₹ 7.73	₹ 0.00	₹ 10.15
	<b>₹ 2.62</b>	<b>₹ 11.19</b>	<b>₹ 0.00</b>	<b>₹ 13.81</b>

FY 2021 - 22		[Amount in Lakh Rs.]		
Particulars	ACCUMULATED DEPRECIATION			
	Depreciation Reserve as on 01st April, 2021	Depreciation for the Year	Deduction	Depreciation Reserve as on 31st March, 2022
Land	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Buildings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Computers And Data Processing Units	₹ 0.00	₹ 0.17	₹ 0.00	₹ 0.17
Electrical Installations And Equipment	₹ 0.00	₹ 0.03	₹ 0.00	₹ 0.03
Furniture And Fittings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Office Equipment	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Plant And Machinery	₹ 0.00	₹ 2.42	₹ 0.00	₹ 2.42
	<b>₹ 0.00</b>	<b>₹ 2.62</b>	<b>₹ 0.00</b>	<b>₹ 2.62</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

FY 2020 - 21		[Amount in Lakh Rs.]		
Particulars	ACCUMULATED DEPRECIATION			
	Depreciation Reserve as on 01st April, 2020	Depreciation for the Year	Deduction	Depreciation Reserve as on 31st March, 2021
Land	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Buildings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Computers And Data Processing Units	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Electrical Installations And Equipment	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Furniture And Fittings	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Office Equipment	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Plant And Machinery	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### 14.02 Details of Net Property, Plant & Equipment, As Restated

Particulars	[Amount in Lakh Rs.]		
	NET BLOCK		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Land	₹ 5.04	₹ 5.04	₹ 4.24
Buildings	₹ 175.48	₹ 0.00	₹ 0.00
Computers And Data Processing Units	₹ 2.33	₹ 0.37	₹ 0.00
Electrical Installations And Equipment	₹ 12.69	₹ 1.07	₹ 0.00
Furniture And Fittings	₹ 0.16	₹ 0.17	₹ 0.00
Office Equipment	₹ 0.02	₹ 0.03	₹ 0.00
Plant And Machinery	₹ 201.54	₹ 55.68	₹ 0.00
	<b>₹ 397.27</b>	<b>₹ 62.35</b>	<b>₹ 4.24</b>
Capital Work - in - Progress	₹ 20.69	₹ 45.15	₹ 39.54
<b>Total Assets</b>	<b>₹ 417.96</b>	<b>₹ 107.50</b>	<b>₹ 43.78</b>

### Annexure - 15 - Details of Long-Term Loans and Advances as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Security Deposit	₹ 8.48	₹ 1.21	₹ 0.00
	<b>₹ 8.48</b>	<b>₹ 1.21</b>	<b>₹ 0.00</b>

### Annexure - 16 - Details of Other Non Current Assets as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Pre-Operative Expenses to be Written Off	₹ 0.00	₹ 0.38	₹ 0.38
	<b>₹ 0.00</b>	<b>₹ 0.38</b>	<b>₹ 0.38</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 17 - Details of Inventories as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Raw Material	₹ 92.36	₹ 39.80	₹ 0.00
Consumable Stores	₹ 1.89	₹ 0.00	₹ 0.00
	<b>₹ 94.25</b>	<b>₹ 39.80</b>	<b>₹ 0.00</b>

### Annexure - 18 - Details of Trade Receivables as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Undisputed Trade Receivable</b>			
Considered Good	₹ 8.92	₹ 203.83	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00
<b>Disputed Trade Receivable</b>			
Considered Good	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 8.92</b>	<b>₹ 203.83</b>	<b>₹ 0.00</b>

- Trade Receivables as on 31st March, 2023 has been taken as certified by the Management of the Company.

### 18.01 Trade Receivable Aging as on 31st March, 2023

Particulars	Outstanding for Following Periods from Due Date of Payment				
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years
<b>Undisputed Trade Receivable</b>					
Considered Good	₹ 8.92	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
<b>Disputed Trade Receivable</b>					
Considered Good	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 8.92</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 18.02 Trade Receivable Aging as on 31st March, 2022

Particulars	Outstanding for Following Periods from Due Date of Payment				
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years
<b>Undisputed Trade Receivable</b>					
Considered Good	₹ 203.83	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
<b>Disputed Trade Receivable</b>					
Considered Good	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 203.83</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### 18.03 Trade Receivable Aging as on 31st March, 2021

Particulars	Outstanding for Following Periods from Due Date of Payment				
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years
<b>Undisputed Trade Receivable</b>					
Considered Good	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
<b>Disputed Trade Receivable</b>					
Considered Good	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Which have Significant Increase in Credit Risk	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Credit Impaired	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### Annexure - 19 - Details of Cash and Cash Equivalents as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Balances with banks	₹ 134.61	₹ 9.25	₹ 0.47
Cash on hand	₹ 2.57	₹ 2.72	₹ 0.06
	<b>₹ 137.18</b>	<b>₹ 11.97</b>	<b>₹ 0.53</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 20 - Details of Short-Term Loans & Advances as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b><u>Receivables from Revenue Authority</u></b>			
(Unsecured, considered good)			
Receivables from Income Tax Authority	₹ 0.00	₹ 0.00	₹ 0.00
Receivables from GST Authority	₹ 22.01	₹ 4.73	₹ 7.09
<b><u>Other Loans &amp; Advance</u></b>			
Advance to Supplier	₹ 17.45	₹ 17.70	₹ 0.14
Prepaid Expenses	₹ 6.49	₹ 0.00	₹ 0.00
State Subsidy Receivable	₹ 11.53	₹ 0.00	₹ 0.00
	<b>₹ 57.48</b>	<b>₹ 22.43</b>	<b>₹ 7.23</b>

- Advance given to suppliers have been taken as certified by the management of the company

### Annexure - 21 - Details of Other Current Asset as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Loan to Staff	₹ 0.60	₹ 0.00	₹ 0.00
	<b>₹ 0.60</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 22 - Details of Revenue from Operations as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Sale of Products</b>			
Export	₹ 0.00	₹ 23.40	₹ 0.00
Domestic	₹ 1,465.26	₹ 635.98	₹ 0.00
<b>Other Operating Income</b>			
Jobwork Income	₹ 175.33	₹ 98.66	₹ 0.00
	<b>₹ 1,640.58</b>	<b>₹ 758.03</b>	<b>₹ 0.00</b>

### 22.01 Bifurcation of Revenue

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Contry wise and State Wise Sale of Products</b>			
<b>Export</b>			
USA	₹ 0.00	₹ 23.40	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 23.40</b>	<b>₹ 0.00</b>
<b>Domestic</b>			
Madhya Pradesh	₹ 13.28	₹ 0.00	₹ 0.00
Karnataka	₹ 218.67	₹ 62.89	₹ 0.00
Gujarat	₹ 1,233.30	₹ 573.09	₹ 0.00
	<b>₹ 1,465.26</b>	<b>₹ 635.98</b>	<b>₹ 0.00</b>
<b>Contry wise and State Wise Jobwork Income</b>			
<b>Domestic</b>			
Gujarat	₹ 175.33	₹ 98.66	₹ 0.00
	<b>₹ 175.33</b>	<b>₹ 98.66</b>	<b>₹ 0.00</b>

### Annexure - 23 - Details of Other Income as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Foreign Exchange Gain	₹ 0.00	₹ 0.53	₹ 0.00
Other Income	₹ 0.00	₹ 0.04	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.58</b>	<b>₹ 0.00</b>

### Annexure - 24 - Details of Raw Material Consumption as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Raw Material Consumption</b>			
Opening Stock	₹ 39.80	₹ 0.00	₹ 0.00
Add : Purchase (Net)	₹ 1,204.18	₹ 568.04	₹ 0.00
Less : Closing Stock	₹ 92.36	₹ 39.80	₹ 0.00
	<b>₹ 1,151.62</b>	<b>₹ 528.23</b>	<b>₹ 0.00</b>



# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 25 - Details of Purchase of Finished Goods as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Finished Goods</b>			
Purchase (Net)	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### Annexure - 26 - Details of Change in Inventory as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Opening Stock</b>			
Finished Goods	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>
<b>Closing Stock</b>			
Finished Goods	₹ 0.00	₹ 0.00	₹ 0.00
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>
	<b>₹ 0.00</b>	<b>₹ 0.00</b>	<b>₹ 0.00</b>

### Annexure - 27 - Details of Employees Benefit as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Salaries and Wages (*)	₹ 25.44	₹ 7.53	₹ 0.00
Contribution to Provident Fund and Other Funds	₹ 0.98	₹ 0.00	₹ 0.00
Staff Welfare Expenses	₹ 0.09	₹ 0.00	₹ 0.00
	<b>₹ 26.50</b>	<b>₹ 7.53</b>	<b>₹ 0.00</b>

(\*) No Remuneration has been paid to Directors and/or KMP

### Annexure - 28 - Details of Finance Cost as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Interest paid on</b>			
Term Loan	₹ 3.55	₹ 0.00	₹ 0.00
Cash Credit	₹ 1.89	₹ 0.00	₹ 0.00
Government Dues	₹ 1.39	₹ 0.01	₹ 0.00
<b>Bank Charges</b>			
Bank Charges	₹ 7.06	₹ 0.04	₹ 0.00
	<b>₹ 13.89</b>	<b>₹ 0.05</b>	<b>₹ 0.00</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 29 - Details of Other Expenses as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Clearing & Forwarding Charges	₹ 0.00	₹ 0.32	₹ 0.00
Consumable Stores & Spares	₹ 15.41	₹ 9.19	₹ 0.00
Custom Duty on Import	₹ 0.00	₹ 0.00	₹ 0.00
Donation	₹ 0.00	₹ 0.00	₹ 0.00
Income Tax Expenses	₹ 0.00	₹ 0.00	₹ 0.00
Insurance	₹ 0.16	₹ 0.19	₹ 0.00
Jobwork Expenses	₹ 93.85	₹ 54.45	₹ 0.00
Other Administrative Expenses	₹ 5.52	₹ 2.31	₹ 0.00
Other Manufacturing Expenses	₹ 0.08	₹ 3.01	₹ 0.00
Packing & Forwarding Expenses	₹ 23.72	₹ 19.10	₹ 0.00
Payment to Auditor	₹ 0.60	₹ 0.10	₹ 0.00
Power Consumption	₹ 15.25	₹ 6.35	₹ 0.00
Printing & Stationery	₹ 0.12	₹ 0.17	₹ 0.00
Professional Fees	₹ 1.89	₹ 0.15	₹ 0.00
Rent, Rate & Taxes	₹ 4.38	₹ 3.79	₹ 0.00
Repairs & Maintenance	₹ 1.11	₹ 0.19	₹ 0.00
ROC Filing Fees	₹ 7.59	₹ 0.00	₹ 0.00
Telephone & Internet	₹ 0.58	₹ 0.08	₹ 0.00
Transportation	₹ 15.73	₹ 11.23	₹ 0.00
	<b>₹ 185.98</b>	<b>₹ 110.62</b>	<b>₹ 0.00</b>

### Annexure - 30 - Details of Foreign Currency Flow as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Earning &amp; Expenditure in foreign currency on accrual basis</b>			
Value of Export calculated on F.O.B. basis (USD)	\$0.00	\$0.32	\$0.00
Value of Export calculated on F.O.B. basis (INR)	₹ 0.00	₹ 23.40	₹ 0.00
Import of Plant and Machinery (USD)	\$1.57	\$0.00	\$0.00
Import of Plant and Machinery (INR)	₹ 89.48	₹ 0.00	₹ 0.00

### Annexure - 31 - Details of Payment to Auditor as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Statutory Audit	₹ 0.30	₹ 0.10	₹ 0.00
Tax Audit	₹ 0.30	₹ 0.00	₹ 0.00
	<b>₹ 0.60</b>	<b>₹ 0.10</b>	<b>₹ 0.00</b>

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 32 - Details of Related Parties Transactions as Restated

#### 32.01 Related parties where control exist

Name of related Party	Nature of Relation
Vishal Ramjibhai Sorathia	Director
Jayshree Ramjibhai Sorathia	Director

#### 32.02 Related parties with whom transactions taken place during the year

Name of related Party	Nature of Relation
NIL	

### Annexure - 33 - Additional Regulatory Information

- 33.01** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- 33.02** The title deeds of all the immovable properties are in the name of Company, Further the Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year
- 33.03** The company does not have granted any loans or advance to promoters, Directors, KMPs and the related parties that are repayable on demand and/or without specifying any terms or period of repayment.
- 33.04** The Company is having borrowing from Bank against which security of current asset is provided. Quarterly return and statement of current asset filed by the Company with bank are not in agreement with books of account. Summary of reconciliation and reasons of material discrepancies are as follow.

Quarter	Name of Bank	Security Provided	Amount as per books	Amount as reported in the Quarterly Return / Statement	Amount of Difference
Q4	Indian Overseas Bank	Stock	₹ 94.25	₹ 94.25	₹ 0.00
		Eligible Debtors	₹ 0.85	₹ 8.92	₹ -8.07
		Eligible Creditors	₹ 40.18	₹ 67.49	₹ -27.31

Quarterly eligible Debtors and Eligible Creditors which is to be considered for Bank Finance for the purpose of disclosure in Quarterly Return / Statement submitted to the Bank have been classified and identified by the Management in the Books of Account for the relevant period.

# BALAJI PIPING PRODUCTS LIMITED

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## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Reasons of Material Discrepancies.

#### 1) Eligible Debtors

As represented and Explained by the Management, difference in eligible debtors between quarterly return / statement and Book of account is due to error in classification of grouping of eligible & ineligible debtors required to be disclosed in stock statement of a particular period.

#### 2) Eligible Creditors

As represented and Explained by the Management, difference in eligible creditors between quarterly return / statement and Book of account is due to error in classification of grouping of eligible & ineligible creditors required to be disclosed in stock statement of a particular period.

- 33.05** The company is not declared as wilful defaulter by any Banks or financial institution or other lender.
- 33.06** The Company has not any transaction with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- 33.07** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond statutory dues
- 33.08** The Company has not advanced or loaned or invested funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 33.09** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 33.10** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 33.11** The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 33.12** The Company does not have any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### 33.13 The following are the analytical ratios for the year ended 31st March, 2023 and 31st March, 2022

	As at 31st March, 2023	As at 31st March, 2022	% Variance
<b>Current Ratio (in times)</b> [Current Assets / Current Liability] <i>[Variance is on account of payment made to trade payable which result into reduction in current liability and improved working capital cycle]</i>	1.50	1.01	48.45%
<b>Debt Equity Ratio (in times)</b> (Total borrowings / total Equity) <i>[Company has raised fund through Bank Borrowing and Unsecured Loan during the FY 2022-23]</i>	0.35	0.00	0.00%
<b>Debt service coverage ratio (in times)</b> [Profit before tax, Exceptional items, Depreciation, Finance Cost / (Finance cost + Scheduled principal repayment)] <i>[Variance due to Interest Cost on Borrowed Working Capital]</i>	19.90	2,276.09	-99.13%
<b>Return on Equity [ROE] (in %)</b> [Net Profit after Tax / Average Equity] <i>[Variance due to Interest Cost on Borrowed Fund and Depreciation of Capital Asset]</i>	71.53%	149.87%	-52.27%
<b>Inventory turnover ratio (in times)</b> [Cost of Material Consumed + Purchase of Finished Goods + Change in inventory / average inventories] <i>[Improved in Inventory Turnover Ratio is mainly on account of Fast inventory cycle]</i>	17.18	26.54	-35.27%
<b>Trade Receivable turnover ratio (in times)</b> [Revenue from operations / average account receivable] <i>[Improved in Debtors Turnover Ratio is mainly on account of improved in debtors recovery]</i>	15.42	7.44	107.35%
<b>Trade Payable turnover ratio (in times)</b> [Purchase / average account Payable] <i>[Improved in Trade Payable Ratio is mainly on account of payment made to trade payable]</i>	7.69	4.61	66.93%
<b>Net Capital Turnover Ratio (in times)</b> [Net Sales / Working Capital] <i>[Variance due to change in working capital cycle]</i>	16.57	340.88	-95.14%
<b>Net Profit Ratio (in %)</b> [Net Profit after Tax / Net Sales] <i>[Variance due to Interest Cost on Borrowed Working Capital]</i>	0.12	0.11	9.16%
<b>Return on Capital Employed [ROCE] (in%)</b> [Net Profit before interest and Tax / Average Capital Employed] <i>[Variance due to Interest Cost on Borrowed Fund and Depreciation of Capital Asset]</i>	74.40%	147.81%	-49.67%
<b>Return on Investment</b> [Income Generated from Investment / Average Investment]	NA	NA	NA

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 34 - Details of Significant Accounting Ratios as Restated

Particulars	[Amount in Lakh Rs.]		
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Restated PAT as per statement of profit and loss	₹ 196.00	₹ 82.96	₹ 0.00
Weighted average number of equity shares at the end of the year (Before Issue of Bonus Shares)	2,68,212	10,705	10,000
Weighted average number of equity shares at the end of the year (After Issue of Bonus Shares 7:1)	39,60,712	85,644	80,000
Net worth, as restated (₹)	₹ 438.31	₹ 109.71	₹ 1.00
<b>Earnings Per Share</b>			
Basic & Diluted (Rs)(Before Issue of Bonus Shares)	₹ 73.08	₹ 774.96	₹ 0.00
Basic & Diluted (Rs)(After Issue of Bonus Shares 7:1)	₹ 4.95	₹ 96.87	₹ 0.00
<b>Return on net worth (%)</b>	44.72%	75.62%	0.00%
Net asset value per share (Rs)(Before Issue of Bonus Shares)	₹ 163.42	₹ 1,024.84	₹ 10.00
Net asset value per share (Rs)(After Issue of Bonus Shares 7:1)	₹ 10.39	₹ 5.13	₹ 1.25
Nominal value per equity share (Rs.)	₹ 10.00	₹ 10.00	₹ 10.00
Earning Before Interest ,Taxes, Depreciation & Amortization (EBITDA)	₹ 276.48	₹ 111.66	₹ 0.00

#### Notes :

(1) After the Balance Sheet Date but before the Signing of this Report, Company has issued bonus shares in the ratio of (7:1) to existing share holder.

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 35 - Capitalization Statement as Restated as at 31st March, 2023

Particulars	[Amount in Lakh Rs.]	
	Pre IPO	Post IPO
<b>Borrowings</b>		
Short term debt (A)	₹ 76.38	₹ 76.38
Long term debt (B)	₹ 79.13	₹ 79.13
<b>Total debts (C)</b>	<b>₹ 155.51</b>	<b>₹ 155.51</b>
<b>Shareholders' funds</b>		
Equity share capital	₹ 52.75	*
Reserve and surplus - as restated	₹ 385.56	*
<b>Total shareholders' funds</b>	<b>₹ 438.31</b>	*
Long term debt / shareholders' funds	0.18	*
Total debt / shareholders' funds	0.35	*

#### Notes :

- (1) Short-term borrowings implies borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also includes the current maturities of long-term borrowings (included in other current liabilities).
- (2) The above ratios have been computed on the basis of the Restated Summary Statement of Assets and Liabilities of the Company.
- (3) The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company.
- (4) Our company has allotted 3692500 Bonus shares on June 23, 2023 in the ratio of 7:1 i.e., 7 (Seven) Equity Shares for every 1 (One) Equity Share held.

# BALAJI PIPING PRODUCTS LIMITED

## NOTES FORMING PARTS OF AUDITED FINANCIAL STATEMENTS

### Annexure - 36 - Statement of Tax Shelters as Restated

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Profit before tax as per books (A)</b>	251.39	109.56	0.00
Tax Rate (%)	0.22	0.22	0.22
Tax at Notional Rate on Profits	55.00	24.00	0.00
<b>Adjustments :</b>			
<b>Permanent differences (B)</b>			
Other Expenses	7.59	0.00	
Income Tax Expenses	1.39	0.01	0.00
<b>Total permanent differences(B)</b>	<b>8.99</b>	<b>0.01</b>	<b>0.00</b>
<b>Timing differences (C)</b>			
Difference between tax depreciation and book depreciation	-25.15	-6.37	0.00
<b>Total timing differences (C)</b>	<b>-25.15</b>	<b>-6.37</b>	<b>0.00</b>
<b>Net adjustments E = (B+C)</b>	<b>-16.16</b>	<b>-6.36</b>	<b>0.00</b>
<b>Tax expense / (saving) thereon F = [E * Tax Rate]</b>	<b>-3.56</b>	<b>-1.40</b>	<b>0.00</b>
<b>Total Taxable Income</b>	<b>235.23</b>	<b>103.20</b>	<b>0.00</b>
Less : Manufacturing Profit u/s 115BAB taxed @ 15%	124.07	12.89	0.00
Profit other than Manufacturing Profit taxed @ 22%	111.16	90.32	0.00
<b>Income tax for the Year</b>	<b>49.00</b>	<b>25.00</b>	<b>0.00</b>

As per our report of even date

For and on behalf of the Board

For, M N Manvar & Co.  
Chartered Accountants  
FRN : 106047W

(Mohanlal N. Manvar)  
Proprietor  
MRN : 036292  
UDIN : 23036292BGWVBF9230  
Date : 20 July, 2023  
Place : Rajkot

(Dhananjay Bachubhai Thumar) (Jayshreeben Ramjibhai Sorathia)  
Chairman and Managing Director Non-Executive Director  
DIN : 10192292 DIN : 08780390

(Mayurkumar Kantilal Kalol)

CFO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 22, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.*

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated July 20, 2023 which is included in this Draft Prospectus under the section titled "Restated Financial Information" beginning on page 155 of this Draft Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 22 and 15 respectively, and elsewhere in this Draft Prospectus. Accordingly, the degree to which the financial statements in this Draft Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" beginning on page 13 of this Draft Prospectus.

### **BUSINESS OVERVIEW**

Our Company engaged in manufacturing of closed die forged products which have a wide application. Closed die forging, one of the main forging processes, involves the pressing or hammering of preformed metal blanks into a set of dies shaped parts to be produced. In closed die forging, the hammer and anvil fully enclose the workpiece, forcing the metal to fill all areas of the dies. Closed die forging can produce nearly limitless variety of 3-D shapes, and is capable of producing complex parts with tight tolerances. We manufacture our products using the closed die forging process through various hydraulic press. As of date of this Draft Prospectus, we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. The products manufactured under precision components, forge fittings and pipe nipple are generally customizable and are manufactured as per applicable international standards. We manufacture finished products through computerized numerical control ("CNC") to enhance the value of forgings and deliver finished machined components according to our clients' specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer's technical drawings and specifications. These products are referred to as the precision components. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels *etc.*, of various grades with partial and fully machining. Further, we also manufacture threaded pipe nipple as per customer specifications and international standards. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Our products under forged fittings are made in such a manner that they work with least vibrations and therefore are hum free without a ripple.

Our Company is in the process of diversifying its present product portfolio to manufacture two additional categories of closed die forged products, namely, hammer union and ring joint gasket. Our proposed products under hammer union will generally be manufactured for the oil and gas industry. The products shall be standardized in nature and would generally be used for sour gas service. Further, ring joint gasket shall be manufactured and designed for high-pressure, temperature, and corrosive environments. Ring joint gasket is usually made of metal,

such as carbon steel and stainless steel, and has a specific shape that enables it to seal the flanges under high pressure. The gasket has a raised ring with a hexagonal or octagonal shape that matches a corresponding groove on the flange faces. When the flanges are tightened, the gasket is squeezed, and the raised ring is distorted to create a metal-to-metal seal that can resist high pressure. They are used in oil & gas pipelines, chemical processing plants, refineries, and other industrial applications that demand a high level of reliability and safety. Ring Joint gaskets would be available in various sizes, shapes, and materials to suit different applications. The sampling of the aforementioned products has been completed and during this Financial Year, our Company proposes to initiate sale of these products.

#### FINANCIAL SNAPSHOT

The financial performance of the company for the last three years as per restated financial Statement:

(₹ In Lakh)

Particulars	For the Year Ended on March 31, 2023	For the Year Ended on March 31, 2022	For the Year Ended on March 31, 2021
Revenue from Operations	1640.58	758.03	0.00
Other Income	0.00	0.58	0.00
<b>Total Revenue</b>	<b>1640.58</b>	<b>758.61</b>	<b>0.00</b>
EBITDA	276.48	111.66	0.00
EBITDA % to revenue from Operations	16.85%	14.73%	0.00
Profit Before Tax (PBT)	251.39	109.56	0.00
<b>Profit After Tax (PAT)</b>	<b>196.00</b>	<b>82.96</b>	<b>0.00</b>

#### FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Year ended on March 31		
	2023	2022	2021
Revenue from Operations (₹ in Lakhs)	1,640.58	758.03	0.00
Growth in Revenue from Operations (%)	116.43	N.A.	0.00
Gross Profit (₹ in Lakhs)	488.96	229.80	0.00
Gross Profit Margin (%)	29.80	30.32	0.00
EBITDA (₹ in Lakhs)	276.48	111.66	0.00
EBITDA Margin (%)	16.85	14.73	0.00
Profit After Tax (₹ in Lakhs)	196.00	82.96	0.00
PAT Margin (%)	11.95	10.94	0.00
RoE (%)	71.53	149.87	0.00
RoCE (%)	74.40	147.82	0.00
Net Fixed Asset Turnover (In Times)	6.24	10.02	0.00
Net Working Capital Days	39.02	1.07	0.00
Operating Cash Flows (₹ in Lakhs)	172.65	88.08	7.31

#### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST AUDITED BALANCE SHEET:

After the date of last Audited accounts i.e. March 31, 2023, the Directors of our Company confirm that, there have not been any significant material developments except mentioned below;

*Note:*

- Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at an Extra-Ordinary General Meeting held on April 25, 2023 and consequently the name of our Company was changed to ‘Balaji Piping Products Limited’ and a fresh certificate of incorporation dated May 10, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad.
- Company has made bonus allotment on June 23, 2023 in the ratio of 7:1 i.e., 7 (Seven) Equity Shares for every 1 (One) Equity Share held.
- The present Issue of not exceeding 1600000 equity shares has been authorized pursuant to a resolution of our Board dated June 23, 2023 and a special resolution of our Shareholders at an Extra-ordinary General Meeting dated June 24, 2023 under Section 62(1)(c) of the Companies Act, 2013.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:**

Our Company’s future results of operations could be affected potentially by the following factors:

- *COVID-19 Pandemic;*
- *Natural Calamities e.g. Tsunami, earthquake.*
- Global GDP growth and seaborne trade growth
- Prevailing commercial freight rates;
- Changes in laws or regulations
- Political Stability of the Country;
- Competition from existing players;
- Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Occurrence of Environmental Problems & Uninsured Losses;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

#### **OUR SIGNIFICANT ACCOUNTING POLICIES:**

For Significant accounting policies please refer Significant Accounting Policies and Notes to accounts, “Annexure 4” beginning under Chapter titled “*Restated Financial Information*” beginning on page 155 of this Draft Prospectus.

#### **RESULTS OF OUR OPERATION**

(₹ In Lakhs)

Particulars	Years		
	31.03.2023	31.03.2022	31.03.2021
Revenue from operations	1,640.58	758.03	-
<b>Total Revenue from Operation</b>	<b>1,640.58</b>	<b>758.03</b>	-
% of growth	116.43%	-	-
Other Income	-	0.58	-
% of growth	-100.00%	-	-
<b>Total income</b>	<b>1,640.58</b>	<b>758.61</b>	-

Particulars	Years		
	31.03.2023	31.03.2022	31.03.2021
% Increase/(Decrease)	116.26%	-	-
<b>Expenses</b>			
Cost of Material Consumed	1,151.62	528.23	-
% Increase/(Decrease)	118.01%	-	-
Employee benefits expense	26.50	7.53	-
% Increase/(Decrease)	252.16%	-	-
Finance Costs	13.89	0.05	-
% Increase/(Decrease)	28070.30%	-	-
Depreciation and amortisation expenses	11.19	2.62	-
% Increase/(Decrease)	326.94%	-	-
Other expenses	185.98	110.62	-
% Increase/(Decrease)	68.13%	-	-
<b>Total Expenses</b>	<b>1,389.19</b>	<b>649.05</b>	-
% to total revenue from operations	84.68%	85.62%	-
Profit/(Loss) Before Extra-Ordinary Items and Tax	<b>251.39</b>	<b>109.56</b>	-
% Increase/(Decrease)	<b>129.45%</b>	-	-
% to total revenue from operations	15.32%	14.45%	-
Exceptional Items	-	-	-
<b>Profit before Tax</b>	<b>251.39</b>	<b>109.56</b>	-
Total tax expense	55.40	26.60	-
% Increase/(Decrease)	108.22%	-	-
<b>Profit and Loss after tax for the Year as Restated</b>	<b>196.00</b>	<b>82.96</b>	-
% to total revenue from operations	11.95%	10.94%	-
<b>Profit and Loss for the period as Restated</b>	<b>196.00</b>	<b>82.96</b>	-
% Increase/(Decrease)	<b>136.26%</b>	-	-

#### COMPARISON OF FY 2022-23 WITH FY 2021-22:

##### REVENUE:

##### Revenue from operations

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. The Total Revenue from operations for the year ended on FY 2022-23 was ₹ 1640.58 Lakh as compared to ₹ 758.03 Lakh during the FY 2021-22. Revenue from Operations mainly includes revenue from Sale of Product and Jobwork Income. Revenue from operations increase by 116.43%. Income from Operations increased due to increase in quantity sold in Gujarat, Karnataka and Madhya Pradesh and jobwork income.

##### Particulars of Revenue Segment wise

(Amt. in Rs. Lakhs)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Sale of Products</b>				
Export	0.00	0.00%	23.40	3.09%

Domestic	1465.26	89.31%	635.98	83.90%
<b>Other Operating Income</b>				
Jobwork Income	175.33	10.69%	98.66	13.01%
<b>TOTAL</b>	<b>1640.58</b>	<b>100.00%</b>	<b>758.03</b>	<b>100.00%</b>

#### Other Income:

Other income of the company was NIL and ₹ 0.58 lakhs for FY 2022-23 and FY 2021-22 respectively showing a decrease of 100.00%. Other Income consists of Foreign Exchange Gain and Miscellaneous balance written off during the year.

#### **EXPENDITURE:**

##### Cost of Material Consumed

Our Cost of Material Consumed increased by 118.01% from ₹ 528.23 lakhs in FY 2021-22 to ₹ 1,151.62 lakhs in FY 2022-23, the primary reason for such increase was due to increase in Purchase of Steel Billet and pipes, which ultimately leads to increase in revenue from operations.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	₹ in Lakhs	₹ in Lakhs
Opening Stock	39.80	0.00
Add : Purchase (Net)	1204.18	568.04
Less : Closing Stock	92.36	39.80
<b>Cost of Material Consumed</b>	<b>1151.62</b>	<b>528.23</b>
<b>% Increase/(Decrease)</b>	<b>118.01%</b>	-

##### Employee Benefit Expenses

Employee Benefit expenses increased to ₹ 26.50 Lakhs for FY 2022-23 from ₹ 7.53 Lakh for FY 2021-22 showing an increase of 252.16%. Employee Benefit Expenses mainly includes Salary and wages, Staff Welfare Expenses, Gratuity Expenses, Contribution to Provident fund and other funds. Employee Benefit expenses increased due to increase in number of employees and workers.

##### Finance Cost

Finance expense were ₹ 13.89 Lakhs for FY 2022-23 as against ₹ 0.05 Lakhs in FY 2021-22 showing increase of 28070.30%. Finance Cost mainly includes Interest paid on Term Loan, Cash Credit, Government Dues and Bank Charges.

##### Depreciation and amortisation expenses

The Depreciation and amortization expense for FY 2022-23 was ₹ 11.19 Lakh as against ₹ 2.62 Lakhs for FY 2021-22 showing an increase of 326.94%.

##### Other Expenses

Other Expenses increased to ₹ 185.98 Lakh for FY 2022-23 from ₹ 110.62 Lakh for FY 2021-22 showing an increase of 68.13%. Other expense mainly includes Consumable Stores & Spares, Jobwork Expenses, Packing & Forwarding Expenses, Power Consumption, Rent, Rate & Taxes, ROC Filing Fees, Transportation and Other Manufacturing Expenses.

##### Profit before Extra-Ordinary Items and Tax

The Profit before Extra-Ordinary Items and Tax for the FY 2022-23 was 15.32% of the total revenue from operations and it was 14.45% of total revenue from operations for the FY 2021-22. The Profit before Extra-Ordinary Items and Tax has increased to ₹ 251.39 Lakh in FY 2022-23 from ₹ 109.56 Lakh in FY 2021-22.

##### Profit after Tax (PAT)

PAT increased to ₹ 196.00 Lakh in FY 2022-23 from ₹ 82.96 Lakh in the FY 2021-22. PAT was 11.95% and 10.94% of Total Revenue from operations of our company for the year ended on March 31, 2023 and March 31, 2022 respectively. Increase in PAT is due to increase in revenue from operations.

#### **COMPARISON OF FY 2021-22 WITH FY 2020-21:**

##### **REVENUE:**

##### **Revenue from operations**

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Our Company was incorporated on July 03, 2020. For FY 2020-21 there was no transactions. Our Company started its operations in the year 2021. The Total Revenue from operations for the year ended on FY 2021-22 was ₹ 758.03 Lakh as compared to NIL during the FY 2020-21. Revenue from Operations mainly includes revenue from Sale of Product in domestic market as well as in USA and Jobwork Income.

##### **Particulars of Revenue Segment wise**

(Amt. in Rs. Lakhs)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Sale of Products</b>				
Export	23.40	3.09	0.00	0.00
Domestic	635.98	83.90	0.00	0.00
<b>Other Operating Income</b>				
Jobwork Income	98.66	13.01	0.00	0.00
<b>TOTAL</b>	<b>758.03</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

##### **Other Income:**

Other income of the company was ₹ 0.58 Lakhs and NIL for FY 2021-22 and FY 2020-21 respectively. Other Income consists of Foreign Exchange Gain and Miscellaneous balance written off during the year.

##### **EXPENDITURE:**

##### **Cost of Material Consumed**

Our Cost of Material Consumed increased from NIL in FY 2020-21 to ₹ 528.23 lakhs in FY 2021-22, the primary reason for such increase was mainly due to increase in Purchase of Steel Billet and products using the closed die forging process, which ultimately leads to increase in revenue from operations.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	₹ in Lakhs	₹ in Lakhs
Opening Stock	0.00	0.00
Add : Purchase (Net)	568.04	0.00
Less : Closing Stock	39.80	0.00
<b>Cost of Material Consumed</b>	<b>528.23</b>	<b>0.00</b>

##### **Employee Benefit Expenses**

Employee Benefit expenses increased to ₹ 7.53 Lakhs for FY 2021-22 from NIL for FY 2020-21. Employee Benefit Expenses includes Salary and wages.

#### **Finance Cost**

Finance expense were ₹ 0.05 Lakhs for FY 2021-22 as against NIL in FY 2020-21. Finance Cost mainly includes Bank Charges and Government Dues.

#### **Depreciation**

The Depreciation and amortization expense for FY 2021-22 was ₹ 2.62 Lakh as against NIL for FY 2020-21.

#### **Other Expenses**

Other Expenses increased to ₹ 110.62 Lakh for FY 2021-22 from NIL for FY 2020-21. Other expense mainly includes Consumable Stores & Spares, Jobwork Expenses, Packing & Forwarding Expenses, Power Consumption, Rent, Rate & Taxes, Transportation and Other Manufacturing Expenses.

#### **Profit before Extra-Ordinary Items and Tax**

The Profit before Extra-Ordinary Items and Tax for the FY 2021-22 was 14.45% of the Total revenue from operations and it was NIL for the FY 2020-21. The Profit before Extra-Ordinary Items and Tax was ₹ 109.56 Lakh in FY 2021-22 & NIL in FY 2020-21.

#### **Profit after Tax (PAT)**

PAT was ₹ 82.96 Lakh in FY 2021-22 & NIL in the FY 2020-21. PAT was 10.94% of Total Revenue from operation of our company for the year ended on March 31, 2022. Increase in PAT is due to increase in revenue from operations.

#### **RELATED PARTY TRANSACTIONS**

For further information please refer “Annexure – 29 - Related Party Transaction” under section “Restated Financial Information” beginning from page no. 155 of this Draft Prospectus.

#### **FINANCIAL MARKET RISKS**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

#### **INTEREST RATE RISK**

We are currently exposed to interest rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

#### **EFFECT OF INFLATION**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:**

##### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

##### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “Risk Factors” beginning on page no. 22 of the Draft Prospectus. To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 22 in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. 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 economic factor.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Increases in revenues are by and large linked to increase in volume of products of our company.

**6. Total turnover of each major industry segment in which the issuer company operated.**

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Relevant Industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 90 of this Draft Prospectus.

**7. Status of any publicly announced new products or business segment.**

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades. Currently our company has not launched any new product publicly. Our company is in the process of diversifying its present product portfolio to manufacture two additional categories of closed die forged products, namely, hammer union and ring joint gasket.



**8. The extent to which business is seasonal.**

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades and Business of our company is not seasonal.

**9. Any significant dependence on a single or few suppliers or customers.**

Our Company engaged in manufacturing of closed die forged products which have a wide application. We manufacture our products using the closed die forging process through various hydraulic press. we manufacture precision components and forge fittings using the closed die forging mechanism. We also manufacture Pipe nipple using welded and seamless pipes. We manufacture finished products through computerized numerical control (“CNC”) to enhance the value of forgings and deliver finished machined components according to our clients’ specifications and drawings. Our Company develops and manufactures customized automotive spares on the basis of customer’s technical drawings and specifications. We have the facility to forge outlet, grooved weld outlets, rings, gears, crown wheels etc., of various grades with partial and fully machining. Pipe nipples are offered in various grades in seamless and welded form. Our Company also manufactures forged fittings as per international standards of various grades.

Business of our company is dependent on few numbers of customers. Our top ten customers contribute to 100%, 100% and NIL of our total sales for the period/year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively on standalone basis.

Our Top ten Suppliers contributes to 86.74%, 93.82% and NIL of our total Purchase for the period/year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively on standalone basis.

**10. Competitive conditions:**

We face competition from existing and potential competitors which is common for any business. We have, over a period, developed certain competitors who have been discussed in section titles “*Business Overview*” beginning on page no. 111 of this Draft Prospectus

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on June 24, 2023, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow in any manner from time to time any sum or sums of money at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed by our Company together with the monies already borrowed or to be borrowed (apart from temporary loans obtained from our Company's Bankers in the ordinary course of business), from the financial institutions, Company's bankers and/or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, which may exceed the aggregate of the paid up capital of our Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of ₹ 75 Crores.

### **SECURED BORROWINGS**

As on June 30, 2023, we have availed secured loan of ₹ 127.60 lakhs from Indian Overseas Bank, which are outstanding as of date, the details of which are as under:

(₹ in lakhs)			
Sr. No.	Nature of Facilities	Sanctioned Amount	Outstanding amount as of June 30, 2023
1.	Cash Credit facility (for working capital against stock and bad debts)	60.00	39.64
2.	Term Loan (For purchase of new machinery)	95.00	87.96
<b>Total Credit Facilities sanctioned</b>		<b>155.00</b>	<b>127.60</b>

### **Principal terms of borrowings availed by the Company:**

**a. Interest:**

The rate of interest payable on the cash credit and the term loan facilities is linked to Repo Linked Lending Rate at the rate of 2.80%.

**b. Tenor and repayable terms:**

*Cash Credit:* Repayable on demand & subject to annual renewal.

*Term Loan:* The proposed term loan is repayable in 54 equal monthly instalments. The repayment will start after 6-month initial holiday periods from the date of first disbursement.

**c. Security Details of the above mentioned borrowings:**

Following securities has been executed against the Loan

Name of the Bank	Security details
<b>Cash credit</b>	Hypothecation of stock, book debts and other current assets of the company both present & future.
<b>Term Loan</b>	Hypothecation of plant and machineries purchased and to be purchased out of said term loans.
Personal gurantee of member of our Promoter Group, Vishal Ramjibhai Sorathia and our Promoter, Jayshreeben Ramjibhai Sorathia.	

**UNSECURED BORROWINGS**

<b>Name of Lender</b>	<b>Purpose</b>	<b>ROI</b>	<b>Securities offered</b>	<b>Re-Payment Schedule</b>	<b>Outstanding amount on March 31, 2023 (in lakhs)</b>
Vishal Sorathia	Working capital	Nil	Unsecured	On demand	7.00

## CAPITALISATION STATEMENT

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short- term	76.38	76.38
Long- term (including current maturities) (A)	79.13	79.13
<b>Total Borrowings (B)</b>	<b>155.51</b>	<b>155.51</b>
<b>Shareholders' funds</b>		
Share capital	52.75	[•]
Reserves and surplus	385.56	[•]
<b>Total Shareholders' funds (C)</b>	<b>438.31</b>	<b>[•]</b>
<b>Long- term borrowings/ equity* {(A)/(C)}</b>	<b>0.18</b>	<b>[•]</b>
<b>Total borrowings / equity* {(B)/(C)}</b>	<b>0.35</b>	<b>[•]</b>

*\*equity= total shareholders' funds*

**Notes:**

1. *Short-term borrowings implies borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also includes the current maturities of long-term borrowings (included in other current liabilities).*
2. *The above ratios have been computed on the basis of the Restated Summary Statement of Assets and Liabilities of the Company.*
3. *The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company.*
4. *Our company has allotted 36,92,500 Bonus Equity Shares on June 23, 2023 in the ratio of 7:1 i.e., 7 (Seven) Bonus equity shares for every 1 (One) equity share held.*

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter 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 Draft 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 Draft 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 Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, 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 has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft 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 1% of the net profits after tax of the Company for the most recent audited fiscal period; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at [www.balajipingproducts.com](http://www.balajipingproducts.com).*
- 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.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters 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, PROMOTER AND SUBSIDIARIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax : NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

**PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose



outcome could have a material adverse effect on our Company.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Prospectus.

#### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

#### **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

#### **MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" beginning on page 189 there have been no material developments that have occurred after the Last Balance Sheet Date.

#### **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2023: -

<b>Name</b>	<b>Number of creditors</b>	<b>Amount (₹ in lakhs)</b>
Total Outstanding dues to material creditors	Nil	Nil
Total Outstanding dues to Micro and Small & Medium Enterprises	Nil	Nil
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	25	67.49

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*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 Draft 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 Draft 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**

1. Certificate of Incorporation dated July 04, 2020 from the Registrar of Companies, Gujarat, RoC- Ahmedabad under the Companies Act, 2013 FORGEMASTER PRIVATE LIMITED" (Corporate Identification No. - U27320GJ2020PTC114317)
2. Fresh Certificate of Incorporation dated April 11, 2022 from the Registrar of Companies, Gujarat, RoC- Ahmedabad, consequent to change of the name of the Company from "FORGEMASTER PRIVATE LIMITED" to "BALAJI PIPING PRODUCTS PRIVATE LIMITED" (Corporate Identification No. - U27320GJ2020PTC114317)
3. Fresh Certificate of Incorporation dated May 10, 2023 from the Registrar of Companies, Gujarat, and RoC- Ahmedabad, consequent to conversion of the Company from "BALAJI PIPING PRODUCTS PRIVATE LIMITED" to "BALAJI PIPING PRODUCTS LIMITED" (Corporate Identification No. - U27320GJ2020PLC114317)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on **23rd June, 2023** authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated **24<sup>th</sup> June, 2023** under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated **30<sup>th</sup> June, 2023** and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with NSE EMERGE.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated **26<sup>th</sup> May, 2023** with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is **KFin Technologies Limited**, for the dematerialization of its shares.
2. The Company has entered into an agreement dated **26<sup>th</sup> May, 2023** with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is **KFin Technologies Limited**, for the dematerialization of its shares.

### **APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

#### **Tax Related Approvals**

<b>S.No</b>	<b>Description</b>	<b>Address of Place of Business / Premises</b>	<b>Registration Number</b>	<b>Issuing Authority</b>	<b>Date of issue</b>	<b>Date of Expiry</b>
1.	Permanent Account Number (PAN)	--	AAECF1208 N	Income Tax Department	July 04, 2020	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	--	RKTF00691F	Income Tax Department	July 04, 2020	Valid till Cancelled
3.	GST Registration Certificate (Gujarat)	M/s. Balaji Piping Products Private Limited Near Shaan Ciment Pvt.Ltd., Plot No.1 To 4, Survey No.92/1/1, Taluka Kotda Sangani, Rajkot Gondal National Highway 27, Village: Hadamtala, Hadamatala, Rajkot, Gujarat, 360311	24AAECF120 8N1ZS	Goods and Services Tax department	November 12, 2022	Valid till Cancelled
4.	Professions Tax Payer Registration certificate (P.T.R.C.)	Plot No.1 To 4, Survey No.92/1/1, Taluka Kotda Sangani, Rajkot Gondal National Highway 27, Village: Hadamtala, Hadamatala, Rajkot, Gujarat, 360311	RC050402232 4	Hadamatala Gram Panchayat	January 31, 2023	Valid till Cancelled
5.	Professions Tax Payer Enrolment certificate (P.T.E.C.)	Plot No.1 To 4, Survey No.92/1/1, Taluka Kotda Sangani, Rajkot Gondal National Highway 27, Village: Hadamtala, Hadamatala, Rajkot, Gujarat, 360311	EC050402232 4	Hadamatala Gram Panchayat	January 31, 2023	Valid till Cancelled

**Registrations related to Labour Laws:**

S.No	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	License To Work as a Factory	M/s. Balaji Piping Products Private Limited, R.S.No.92 Plot No.1 2 3 4 National Highway No.27, Nr. Shaan Cement, Hadmtala Industrail Area,Kotda Sangani, Rajkot	Registration No. 4628/25290/2023 License No.50061	Joint Director, Industrial Safety and Helath, Rajkot Region	March 03,2023	December 31,2026
2.	Udyam Registration	M/s. Balaji Piping Products Private Limited, R.S.No.92 Plot No.1 to 4 National Highway No.27, Nr. Shaan Cement, Hadmtala Industrail Area,Kotda Sangani, Rajkot	UDYAM-GJ-20-0032474	Ministry of Micro Small & Medium Enterprises	June 22, 2021	Valid till Cancelled
3.	Registration under the Employees Provident fund (EPF)	M/s. Forgemaster Private Limited, C/o. R.G. Patel,11 Bhaktinagar Society, Sarsij Rajkot-360002 Gujarat	GJRAJ21282 68000	Employee's Provident Fund	July 07,2020	Valid till Cancelled

**Business Related Approvals:**

S.No	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Import Export Code (IEC)	M/s. Balaji Piping Products Private Limited C/O. Ramjibhai G. Patel, "Sarsij", 11, Bhaktinagar Society, B/h. Dhareshwar Temple,, Rajkot, Rajkot, Gujarat, 360002	AAECF1208N	Ministry of Commerce and Industry Directorate General of Foreign Trade, Rajkot	August 02, 2020	Valid till Cancelled
2.	Start Up Certificate	M/s. Balaji Piping Products Private Limited	Certificate No. DIPP93812	Ministry Of Commerce & Industry, Department Of Promotion Of Industry and Internal Trade	February 03,2020	July 02, 2030
3.	ISO: 9001:2015	M/s. Balaji Piping Products Private Limited, Survey No.92/1/1,Plot No.1 To 4, Near Shaan Ciment Pvt.Ltd.,N.H. No. 27, Hadamtala Industrail Area,Village:	Certificate No. 9910022933	Tuv Sud South Aisa Private Limited, Mumbai	January 31,2023	January 30, 2026

		Hadamtala,, Rajkot, Gujarat, 360311				
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### Intellectual Property

#### Domain Name

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	http://balajipipingproducts.com/	2683940041_DOMAIN_COM-VRSN	M/s. Balaji Piping Products Private Limited	March 24, 2022	March 24, 2024

#### LICENSES TO BE APPLIED FOR:

S. No.	Description	Address of Premises	Authority to which application to be made	Existing Registration number if any	Current Status
1.	Update in factory license for increasing the capacity of labour to be employed	R.S.No.92 Plot No.1 2 3 4 National Highway No.27, Nr. Shaan Cement, Hadmtala Industrail Area,Kotda Sangani, Rajkot	Joint Director, Industrial Safety and Helath, Rajkot Region	Registration No. 4628/25290/2023 License No.50061	To be applied
2.	No Objection certificate for use of Ground water abstraction	R.S.No.92 Plot No.1 2 3 4 National Highway No.27, Nr. Shaan Cement, Hadmtala Industrail Area,Kotda Sangani, Rajkot	Ministry of Jal Shakti Department of Water Resources, River Development and Ganga Rejuvenation Central Ground Water Authority	--	To be Applied

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated June 23, 2023 and by the shareholders pursuant to a special resolution in an EGM held on June 24, 2023 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the Emerge Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●]. NSE is the Designated Stock Exchange.

### **Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Promoters, our Promoter Group, our Directors, Person in control of our Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our subsidiary, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 201 of the Draft Prospectus.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("**SBO Rules**"), to the extent applicable, as on the date of the Draft Prospectus.

### **Eligibility for the Issue**

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our company, nor any of its Promoters, promoter group or directors are debarred from accessing the capital market by the Board.

- Neither our Promoters, nor any directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoter nor our directors, are Wilful Defaulters or a fraudulent borrower.
- Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital will not be more than 10 crores, and can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

We further confirm that:

- In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Lead Manager and the EMERGE Platform of NSE. Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of prospectus shall also be furnished to the SEBI in a soft copy.

- In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated July 25, 2023 with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of NSE.

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under:**

**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 ₹ 25.00 Crore.**

The present paid-up capital of our Company is ₹ 422.00 Lakh and we are proposing issue of 15,12,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●]/- per Equity Share including share premium of ₹ [●]/- per Equity Share, aggregating to ₹ [●] Lakhs. Hence, our Post Issue Paid up Capital will be ₹ 5.73 Crores which is less than ₹ 25.00 Crore.

**3. Track Record**

**A. The company should have a track record of at least 3 years.**

Our Company was originally incorporated on July 3, 2020 under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by Deputy Registrar of Companies, Central Registration Centre. 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.**

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

Particulars	For the year ended			For the period ended on
	March 31, 2021	March 31, 2022	March 31, 2023	May 31, 2023
Operating profit (earnings before interest, depreciation and tax and other income) from operations	0.00	111.66	276.48	0.00
Net Worth as per Restated Financial Statement	1.00	109.71	438.31	1.00

**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.

**5. The Company has a website:** [www.balajipipingproducts.com](http://www.balajipipingproducts.com)

**6. Disclosures**

We confirm that:

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of 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. In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten by the LM in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by LM, please refer to Section titled “*General Information*” beginning on page no. 49 of this Draft Prospectus.
2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the LM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled “*General Information*” beginning on page no. 49 of this Draft 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 is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight 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 eight 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 LM 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 Issue Document through LM immediately up on registration of the Issue Document with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on our Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2023.**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

*Note:*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act,*

#### **Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Beeline Capital Advisors Private Limited) and our Company on July 25, 2023 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **Disclaimer in Respect of Jurisdiction**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, 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, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.**

Applicants are advised to ensure that any Applications from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant where required must agree in the Allotment Advice that such Applicants will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

## **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Draft Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the filing with the RoC.

## **Filing**

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer 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, a copy of Draft Prospectus shall be furnished to the Board. Pursuant to SEBI Master Circular, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of this Draft Prospectus, will be filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Prospectus, along with the material contracts and documents will also be submitted to the RoC under Section 32 and Section 26 of the Companies Act, 2013 at its office situated at:

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

## **Listing**

Application will be made to the NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE has given its in-principle approval for using its name in our Offer documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within six Working Days from the Issue Closing Date

## **Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer<sup>^</sup>, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\* The consent will be taken while registering the Prospectus with Roc.*

*^Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.*

Our Company has received written consent dated August 1, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated July 20, 2023 on our restated financial information; and (ii) its report dated August 1, 2023 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

#### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Prospectus except as disclosed in this Draft Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 58 of this Draft Prospectus.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

#### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

#### **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 58 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. Our Company does not have any subsidiaries or group companies.

#### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

As of date of this Draft Prospectus, our Company does not have any Associate companies or group companies.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

#### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

## **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

## **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on June 23, 2023. For further details on the Stakeholders Relationship Committee, please refer to section titled "*Our Management*" beginning on page 135 of this Draft Prospectus.

**Our Company has appointed [●], Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

R.S. No. 92/1/1, Plot No.1-4, National Highway 27,  
Near Shaan Cement, Hadamtala industrial Area,  
Kotdasangani, Rajkot-360 311,  
Gujarat, India

**Telephone:** +91 951 230 8445

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

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

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

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

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

**Price Information of past issues handled by the Lead Manager**

Sr. No	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing	+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing
1.	Vital Chemtech Limited	64.64	101.00	November 14, 2022	164.00	39.06% (1.52%)	6.53% (-2.58%)	+10.56% (+0.08%)
2.	RBM Infracon Limited	8.37	36.00	January 04, 2023	52.50	132.36% (-3.19%)	52.78% (3.47%)	+58.33% (6.35%)
3.	Aristo Bio-Tech and Lifescience Limited	13.05	72.00	January 30, 2023	80.00	-11.81% (-1.95%)	-17.50% (2.36%)	N.A.
4.	Transvoy Logistics India Limited	5.11	71.00	February 02, 2023	71.00	3.17% (1.67%)	-14.44% (2.37%)	N.A.
5.	Viaz Tyres Limited	20.00	62.00	March 01, 2023	68.00	-17.28% (-1.60%)	-15.40% (6.58%)	N.A.
6.	Vertex Technologies Limited	14.21	96.00	March 15, 2023	101.00	0.74% (5.04%)	22.92% (9.38%)	N.A.
7.	Dev Labtech Venture Limited	11.22	51	March 29, 2023	51.20	18.32% (4.64%)	25.94% (9.41%)	N.A.
8.	Sotac Pharmaceuticals Limited	33.30	111.00	April 13, 2023	115.00	+7.70% (+2.31%)	6.31% (8.73%)	N.A.
9.	Remus Pharmaceuticals Limited	47.69	1229.00	May 29, 2023	1711.25	263.98% (1.01%)	N.A.	N.A.
10.	Pentagon Rubber Limited	16.17	70.00	July 07, 2023	130.00	N.A.	N.A.	N.A.
11.	Ahasolar Technologies Limited	12.85	157	July 21, 2023	203.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Note:**

1. The S&P NSE Sensex and NSE Nifty are considered as the Benchmark.
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing.
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.
4. In case 30<sup>th</sup>/ 90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

## SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			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%
2023-24	3	76.71	1	-	-	-	-	-	-	-	-	-	-	
2022-23	12	232.94	-	1	2	3	2	4	-	1	-	1	2	
2021-22			N.A.											

### Notes:

1. Issue opening date is considered for calculation of total number of IPO's in the respective financial year.
2. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
3. Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

### Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Lead Manager at [www.beelinemb.com](http://www.beelinemb.com)



## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, see “*Objects of the Issue*” and “*Other Regulatory and Statutory Disclosures*” on pages 67 and 210, respectively.

#### **Authority for the Issue**

The present Public Issue of upto 15,12,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 23, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on June 24, 2023 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the 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 283 of the Draft 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 154 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹10.00 each are being offered in terms of the Draft Prospectus at the price of ₹ [●]/- per equity Share (including premium of ₹ [●]/- per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis for Issue Price*” on page 80 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Description of Equity Shares and terms of the Articles of Association*” beginning on page 283 of the Draft Prospectus.

#### **Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated May 26, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated May 26, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

#### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the Emerge Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## Withdrawal of the Issue

Our Company in consultation with the 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 Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants 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.

## Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	●
ISSUE CLOSES ON	●

## 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 draft 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 Rs. 1,00,000 (Rupees One Lakh) per application.*

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 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 Offer 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 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 as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Issue shall be 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 Draft 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 application law of such jurisdiction.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### **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 on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “Capital Structure” beginning on page 61 of the Draft Prospectus, and except as provided in the Articles

of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading “*Description of Equity Shares and terms of the Articles of Association*” on page 283 of the Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the 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 Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

### **Migration to Main Board**

Our Company may migrate to the main board of NSE on a later date, subject to the following:

If the Paid-up Capital of the company is more than ₹ 10 crores and up to ₹ 25 crores, we may migrate equity shares to the main board of the stock exchanges if shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board.

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

OR

Where the post-issue face value capital of the Company listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further issue of capital by the Company shall be made unless;

- the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the Emerge Platform of NSE, wherein the 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 Emerge Platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 55 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### **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 Ahmedabad.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) 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 and 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 Emerge Platform of NSE). 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 221 and 230 of the Draft Prospectus.

Our Company is proposing the public issue of upto 15,12,000 equity shares of face value of ₹ 10/- each of Balaji Piping Products Limited (the “**Company**” or the “**Issuer**”, and such equity shares the “**Equity Share**”) for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share (the “**Issue Price**”) aggregating to ₹ [●] lakhs (the “**Issue**”), of which 76,800 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker to the Issue (the “**Market Maker Reservation Portion**”). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 14,35,200 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “**Net Issue**”. The Issue and the Net Issue will constitute [●]% and [●]%, respectively, of the post issue paid up Equity Share capital of our company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	15,12,000 Equity Shares	76,800 Equity Shares
Percentage of Issue Size available for allocation	[●]% of the Issue Size	[●]% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to “ <i>Issue Procedure</i> ” on page 230 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of [●] each, such that the Application Value exceeds ₹ 2,00,000/-.  <b><u>For Retail Individuals Investors:</u></b> [●] Equity Shares at an Issue price of [●] Each	[●] Equity Shares
Maximum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b>	[●] Equity Shares

	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹2,00,000/-	
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Application lot Size	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	
Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form	

This Issue 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 “*Issue Structure*” on page 227 of the Draft Prospectus.

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual Applicant other than retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

***If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.***

#### **Withdrawal of the Issue**

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after 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 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 the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh 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 final RoC approval to the Prospectus after it is filed with the RoC.

#### **Issue Programme:**

<b>ISSUE OPENING DATE</b>	[●]
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<b>ISSUE CLOSING DATE</b>	[●]
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Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through UPI Circulars, 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 RIIs 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.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days 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 has been undertaken under UPI Phase II, till any further notice issued by SEBI.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com](http://www.nseindia.com) For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE .

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants.

### **FIXED PRICE ISSUE PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

### **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

### **Electronic registration of Bids**

a) The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Draft Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (NSE) i.e. [www.bsesme.com](http://www.bsesme.com) at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the

RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*\*excluding electronic Application Forms downloaded by the Applicants.*

## **SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)
- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- iv. A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v. A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver

the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic application details with depository’s records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or Subsequent notice of such changes to the Applicants.

**WHO CAN APPLY?**

**As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants 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 Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". 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) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) 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);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;

- m) 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;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) 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;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

*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.*

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoters and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

**APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**



Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, 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 (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

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.

### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- 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.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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.

### **APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

#### **ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCBS to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

**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 Application Amount, at the time of the submission of the Application Form.**

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 permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **APPLICATIONS BY ELIGIBLE FPIs INCLUDING FIIs ON REPATRIATION BASIS**

**FIIs INCLUDING FIIs WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).**

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.

- (c). No transaction on the stock exchange shall be carried forward;
- (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - viii. Any other transaction specified by the Board.
- (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

- 4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
- 5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- 6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
- 7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
- 8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
  - (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client"

requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) 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. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

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 or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- (a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b.) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged 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 addition to the above, certain additional documents are required to be submitted by the following entities:

- a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, 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 reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, 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, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d.) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

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 lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.*

## INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE

### ASBA PROCESS

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility

available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### CHANNELS OF SUBMISSION OF APPLICATION FORMS

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.  For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	Not Applicable	RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII) including Qualified Institutional Buyer (QIB)			Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB 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.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

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 into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the



Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## **PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR**

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

### **Application and validation process**

- (a). submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- (b). RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.
- (c). The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.
- (d). Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.
- (e). Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- (f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

### **The Block Process**

- (a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.
- (b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and Subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.
- (c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.
- (d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.

- (e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.
- (f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.
- (g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- (h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

#### **NUMBER OF APPLICATIONS PER BANK ACCOUNT**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor 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 and all related circulars issued thereafter, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

#### **UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

The applications in this Issue, being a fixed price issue, will be categorized into two;

### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

### **2. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] 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. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 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**

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

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. 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.

### **INFORMATION FOR THE APPLICANTS**

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.

e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **PRE-ISSUE ADVERTISEMENT**

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper and one widely circulated Hindi national daily newspaper.

#### **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●]

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

#### **INFORMATION FOR THE APPLICANTS**

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **INTEREST AND REFUNDS**

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured. 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.

## **GROUNDS FOR REFUND**

### **NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days 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 eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue 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 issue 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 may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Draft Prospectus including devolvment of underwriters within Sixty Days from the date of closure of the Issue, 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.

### **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

### **MODE OF REFUND**

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCsBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

### **LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **GENERAL INSTRUCTIONS**

#### **Do's:**

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- 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;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- 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 Applications, the Application Form

should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;

- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application 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 Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (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) Applications 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 Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants 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 Applications 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;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- 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 Issue;
- 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;
- 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 Application Amount mentioned in the Application Form at the time of submission of the Application;



- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

**INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 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's Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the LM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse

side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

**A. INSTRUCTION FOR FILLING THE APPLICATION FORM**

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No.
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ _____ _____ Address _____ _____ Email _____ _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b>	<b>6. INVESTOR STATUS</b>
<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Individual(s)      • IND <input type="checkbox"/> Non- Resident Indians (Non- Repatriation Basis)      • NRI <input type="checkbox"/> Hindu Undivided Family*      - HUF <input type="checkbox"/> Bodies Corporate      - CO <input type="checkbox"/> Banks & Financial Institutions      - FI <input type="checkbox"/> Mutual Funds      - MF <input type="checkbox"/> National Investment Funds      - NIF <input type="checkbox"/> Insurance Funds      - IF <input type="checkbox"/> Insurance Companies      - IC <input type="checkbox"/> Venture Capital Funds      - VCF <input type="checkbox"/> Alternative Investment Funds      - AIF <input type="checkbox"/> Others (Please Specify)      - OTH
<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures)      (In Words)	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
ALLOTMENT WILL BE IN DEMAT MODE ONLY <sup>2</sup>	
<sup>1</sup> Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ (Maximum 45 characters)	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b> Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No.	PAN of Sole/First Applicant
DPID / CLID: _____ Amount Blocked (₹ in figures) _____ ASBA Bank & Branch _____ ASBA Bank A/c No./UPI Id _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	Stamp & Signature of SCSB Branch		

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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>									
	In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Name of Sole / First Applicant					
No. of Equity Shares									
Amount Blocked (₹)				<b>Acknowledgement Slip for Applicant</b>					
ASBA Bank A/c No. / UPI Id:									
Bank & Branch:									
				Application Form No.					

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**COMMON APPLICATION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**  
 Registered Office  
 Tel. No.: Fax No.: Email: Website:  
 Contact Person: CIN:

FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No.
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis) <input type="checkbox"/> Foreign Institutional Investor - FII/ <input type="checkbox"/> Foreign Portfolio Investor - FPI <input type="checkbox"/> Foreign Venture Capital Investor - FVCI <input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA <input type="checkbox"/> Others - OTH (please specify)
<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures) _____ (In Words) _____ <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB

<sup>1</sup> Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.  
<sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	
OR	
UPI Id _____	
(Maximum 45 characters)	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No.
DPID / CLID _____		PAN of Sole/First Applicant _____	
Amount Blocked (₹ in figures) _____	ASBA Bank & Branch _____	<b>Stamp &amp; Signature of SCSB Branch</b>	
ASBA Bank A/c No./UPI Id _____			
Received from Mr./Ms. _____			
Telephone / Mobile _____	Email _____		

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>		In Figures	In Words	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares				
	Amount Blocked (₹)				
	ASBA Bank A/c No. / UPI Id: _____				
Bank & Branch: _____				<b>Acknowledgement Slip for Applicant</b>	
				<b>Application Form No.</b>	

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

### **1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:**

- a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c.) The exemption for the PAN Exempted Applicant is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

### **3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS**

- a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.

- c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.
- d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4. FIELD NUMBER 4: APPLICATION OPTIONS

- a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as [●] per equity shares (including premium of [●] per equity share).
- b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of [●] Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of [●] Equity Shares and in multiples of [●] Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.
- d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

#### Maximum and Minimum Application Size

- e.) The Applicants may apply for the desired number of Equity Shares in multiple of [●] equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for [●] equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.

In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- f.) Application by QIBs and NIIs must be for [●] equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.

- h.) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

#### **Multiple Applications**

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:
  - i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
  - ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.
- m.) **The following Applications may not be treated as multiple Applications:**
  - i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
  - ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

#### **6. FIELD NUMBER 6: INVESTOR STATUS**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

**7. FIELD NUMBER 7: PAYMENT DETAILS**

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.
- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

**Payment instructions for Applicants (other than Anchor Investors)**

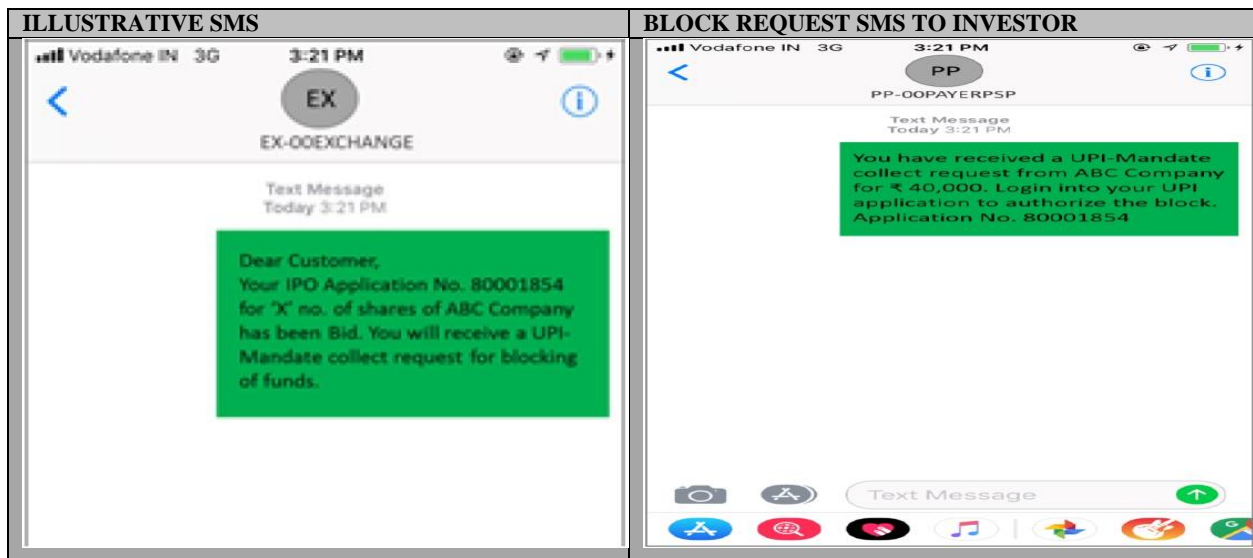
- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of finds in the		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.	Not Applicable

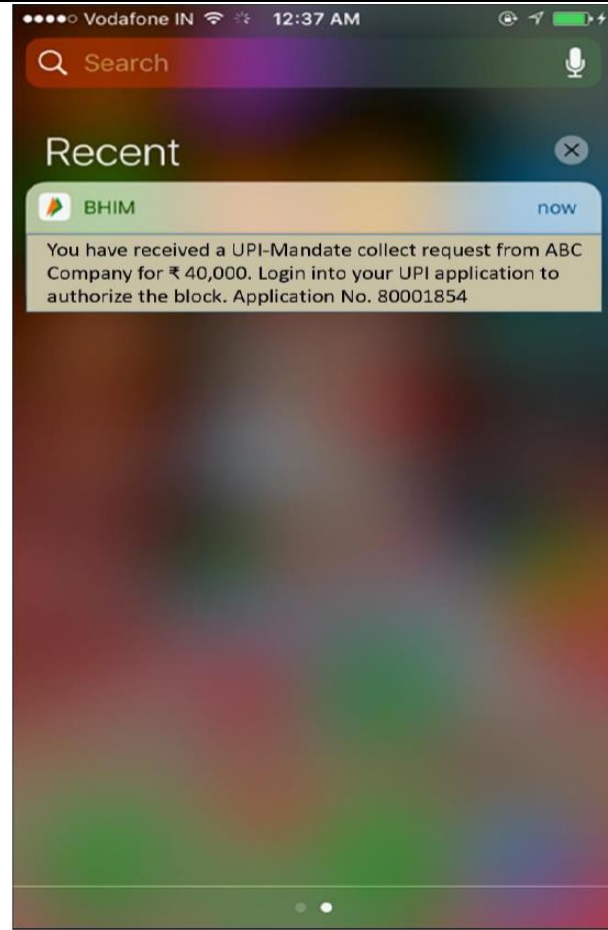


Category of Investor	Channel I	Channel II	Channel III	Channel IV
	RIs account by the SCSB would continue.		For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	

Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

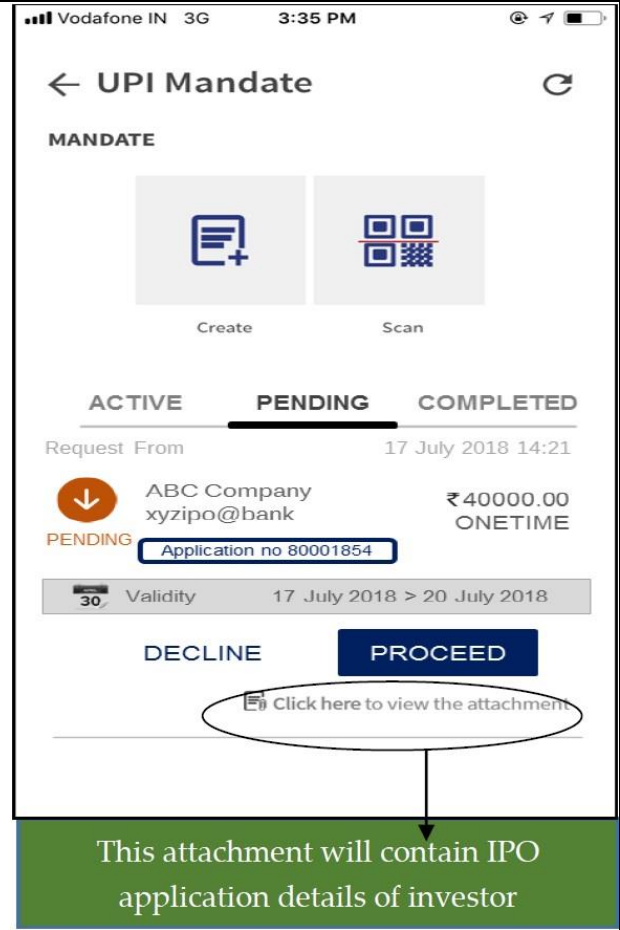


**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION**



**SAMPLE OF IPO DETAILS IN ATTACHMENT**

**BLOCK REQUEST SMS TO INVESTOR**



**POST VERIFICATION OF DETAILS ABOVE**

**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION**

Secure | https://^

1 Enter Details

**Investor Details**

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468
Beneficiary No.	PAN Card	Investor's Name
-	AAMPF7581P	SHYAM SHARAM

**IPO Details**

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000
Face Value	Maximum Price	Minimum Price
10.00	₹ 32.00	₹ 27.00
Cut Off Price	IPO Start Date	IPO End Date
₹ 32.00	20 July 2018	27 July 2018
Discount Amount	Discount Category	
NA	-	

**BLOCK REQUEST SMS TO INVESTOR**

Vodafone IN 3G 5:43 PM

← **Create Mandate**

TO

ABC Company

✓ xyzipo@bank **Verified Merchant**

Mandate Amount

₹ 40000.00

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency

**ONETIME**

Validity

31 Start Date **20 JULY 2018** > 31 End Date **27 JULY 2018**

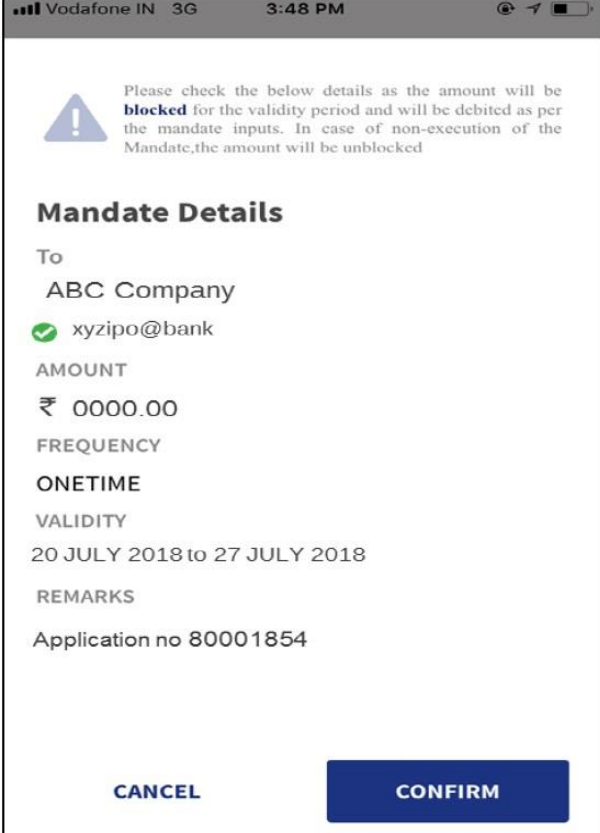
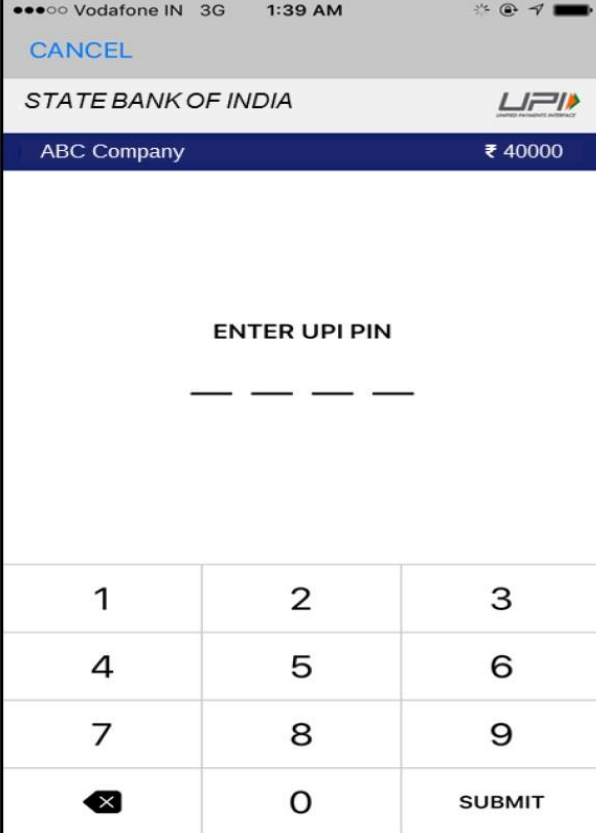
Users account will be debited within validity period.

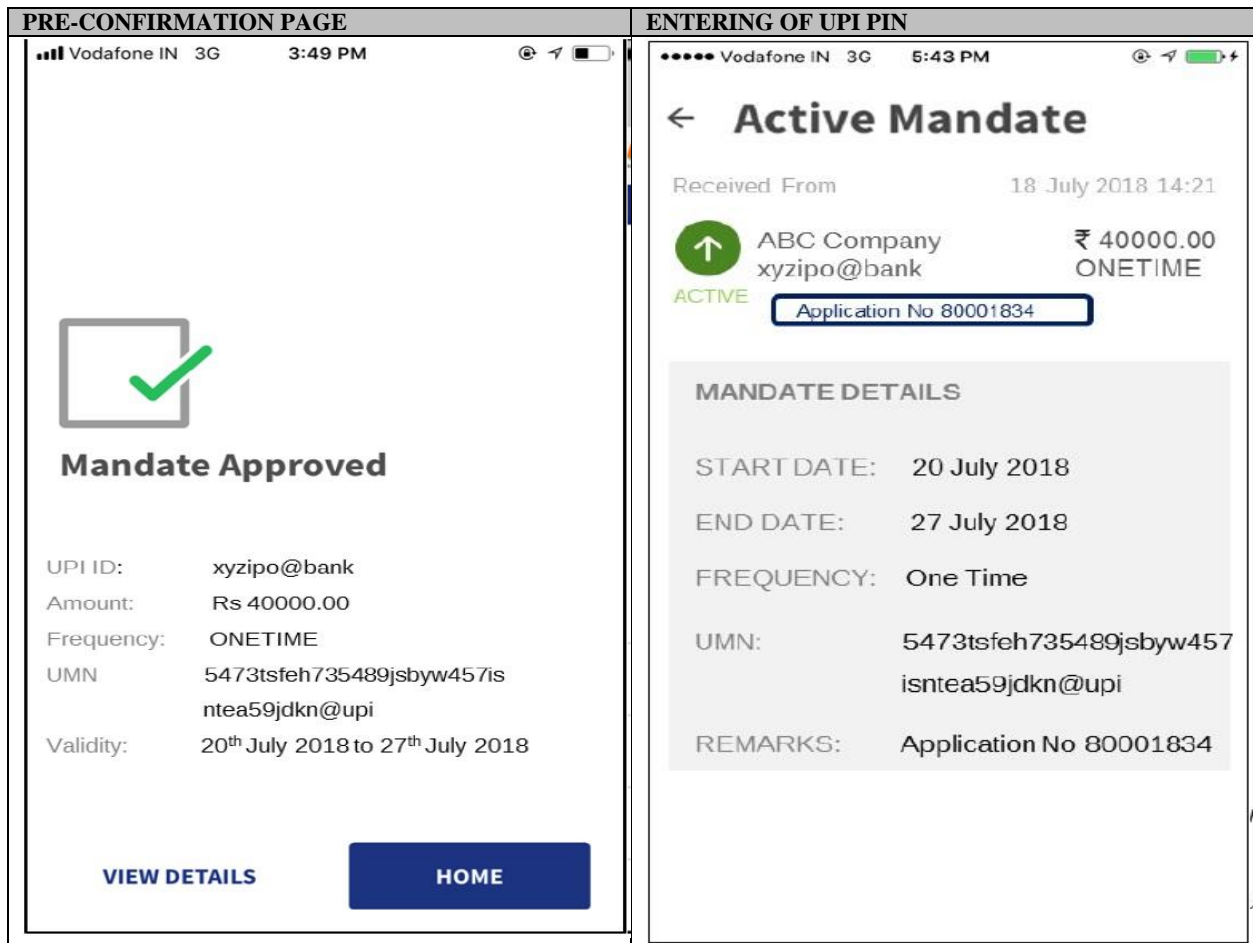
REMARKS

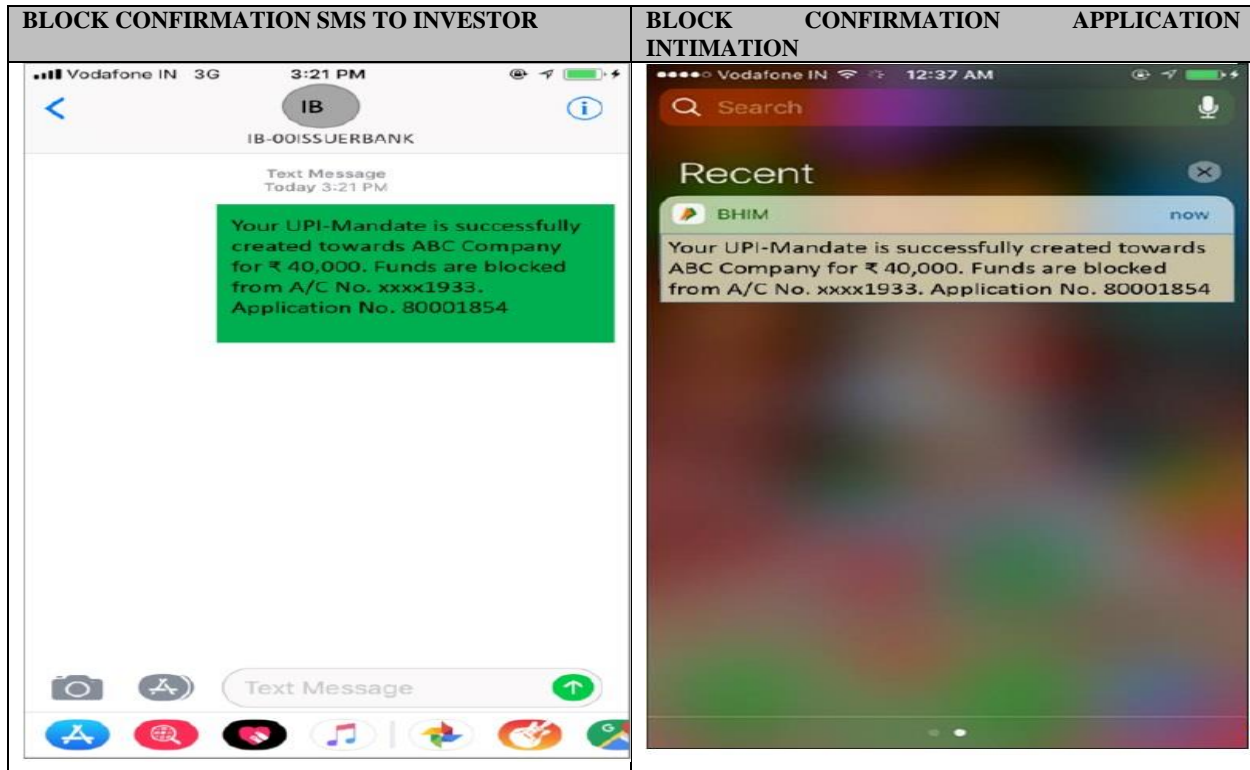
Application no 80001834

Click here to view the attachment

**PROCEED**

PRE-CONFIRMATION PAGE	ENTERING OF UPI PIN												
 <p>Vodafone IN 3G 3:48 PM</p> <p>Please check the below details as the amount will be <b>blocked</b> for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked</p> <p><b>Mandate Details</b></p> <p>To ABC Company</p> <p>xyzipo@bank</p> <p>AMOUNT ₹ 0000.00</p> <p>FREQUENCY ONETIME</p> <p>VALIDITY 20 JULY 2018 to 27 JULY 2018</p> <p>REMARKS Application no 80001854</p> <p>CANCEL CONFIRM</p>	 <p>Vodafone IN 3G 1:39 AM</p> <p>CANCEL</p> <p>STATE BANK OF INDIA</p> <p>ABC Company ₹ 40000</p> <p>ENTER UPI PIN</p> <p>— — — —</p> <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>7</td> <td>8</td> <td>9</td> </tr> <tr> <td>⬅</td> <td>0</td> <td>SUBMIT</td> </tr> </table>	1	2	3	4	5	6	7	8	9	⬅	0	SUBMIT
1	2	3											
4	5	6											
7	8	9											
⬅	0	SUBMIT											
CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION												





- b.) QIB and NII Applicants may submit the Application Form either;
- i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f.) Applicants 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 Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

- h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.
- k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

## **8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

- a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.
- b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

### **Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/her bank account where the funds equivalent to the application amount is available.
- e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.
- g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.
- l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.
- m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

**Additional Payment Instruction for NRIs**



The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

- a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

#### **10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b.) All communications in connection with Application made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.
  - vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.
  - viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;
- c.) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or

- iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.
- iv. For further details, Applicants may refer to the Prospectus and the Application Form.

**B. INSTRUCTIONS FOR FILLING THE REVISION FORM**

- a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b.) RII may revise / withdraw their Application till closure of the Issue period.
- c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

LOGO

TO, THE BOARD OF DIRECTORS XYZ LIMITED

FIXED PRICE SME ISSUE ISIN : XXXXXXX

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE, BROKER/SCSB/CDP/RTA STAMP & CODE, SUB-BROKER'S / SUB-AGENT'S STAMP & CODE, SCSB BRANCH STAMP & CODE, BANK BRANCH SERIAL NO., SCSB SERIAL NO., 1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT, 2. PAN OF SOLE/FIRST APPLICANT, 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL, CDSL

PLEASE CHANGE MY APPLICATION

PHYSICAL

4. FROM (as per last Application or Revision) Table with columns for Options, No. of Equity Shares Application, Issue Price, Discount, Net Price, and Cut-off.

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off") Table with columns for Options, No. of Equity Shares Application, Issue Price, Discount, Net Price, and Cut-off.

6. PAYMENT DETAILS, PAYMENT OPTION: Full Payment, Additional Amount Blocked, ASBA Bank A/c No., Bank Name & Branch, UPI Id

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE / FIRST APPLICANT, 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S), SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP

TEAR HERE--

LOGO

XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgment Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Application Form No.

DPID / CLID, PAN, Additional Amount Blocked, ASBA Bank & Branch, Stamp & Signature of SCSB Branch, Received from Mr./Ms., Telephone / Mobile, Email

TEAR HERE--

XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R, Table with columns for Options, Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA, Name of Sole / First Applicant, Acknowledgment Slip for Applicant, Application Form No.

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	FIXED PRICE SME ISSUE ISIN : XXXXXXX	Application Form No. _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b> _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL <input type="checkbox"/> CDSL <input type="checkbox"/> <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>

**PLEASE CHANGE MY APPLICATION**  PHYSICAL

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures)											
	7	6	5	4	3	2	1	Issue Price			Discount, if any			Net Price			"Cut-off" (Please ✓ tick)		
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1				
Option 1 (OR) Option 2 (OR) Option 3	ORIGINAL APPLICATION							ORIGINAL APPLICATION											

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures)											
	7	6	5	4	3	2	1	Issue Price			Discount, if any			Net Price			"Cut-off" (Please ✓ tick)		
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1				
Option 1 (OR) Option 2 (OR) Option 3	REVISED APPLICATION							REVISED APPLICATION											

<b>6. PAYMENT DETAILS</b>												<b>PAYMENT OPTION : Full Payment</b>											
Additional Amount Blocked (₹ in Figures) _____												(₹ in words) _____											
ASBA Bank A/c No. _____												Bank Name & Branch _____											
OR												UPI Id _____ <small>(Maximum 45 characters)</small>											

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
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----- TEAR HERE -----

LOGO	<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	<small>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</small>	Application Form No. _____
DPID / CLID _____		PAN _____	
Additional Amount Blocked (₹ in figures) _____		ASBA Bank & Branch _____	
ASBA Bank A/c No./UPI Id _____		<b>Stamp &amp; Signature of SCSB Branch</b>	
Received from Mr./Ms. _____			
Telephone / Mobile _____		Email _____	

----- TEAR HERE -----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>		Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b> _____ _____
No. of Equity Shares _____		Issue Price _____		Additional Amount Blocked (₹) _____		<b>Acknowledgment Slip for Applicant</b>
ASBA Bank A/c No. / UPI Id: _____		Bank & Branch: _____		Application Form No. _____		

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

## **12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for [●] equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of [●] equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

## **13. PAYMENT DETAILS**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.

- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

#### **14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.

#### **APPLICANT’S DEPOSITORY ACCOUNT AND BANK DETAILS**

*Please note that, providing bank account details or UPI 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, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as ‘Demographic Details’) or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID 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 Lead Manager nor the Registrar to the Issue 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 CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **OTHER INSTRUCTIONS**

#### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN

allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.**

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## **GROUND FOR REJECTIONS**

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 not 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 Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- 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, Issue 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 for “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 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, UPI ID and/or Depositories Account;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;
- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

1. Tripartite agreement dated May 26, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
  2. Tripartite agreement dated May 26, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.
- a.** The Company's shares bear an ISIN: INE0PYG01015
- 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**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

<p>R.S. No. 92/1/1, Plot No.1-4, National Highway 27, Near Shaan Cement, Hadamtala industrial Area, Kotdasangani, Rajkot-360 311, Gujarat, India <b>Telephone:</b> +91 951 230 8445 <b>E-mail:</b> cs@balajipingproducts.com</p>	<p><b>To the Registrar to the Issue</b> <b>KFin Technologies Private Limited</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India. <b>Contact Person:</b> M Murali Krishna <b>Tel:</b> +91 406 716 2222 <b>Toll Free:</b> 1800 309 4001 <b>Email:</b> bppl.ipo@kfintech.com <b>Investor grievance e-mail:</b> einward.ris@kfintech.com <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>SEBI Registration No. :</b> INR000000221</p>
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#### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) **‘Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, 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 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 that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*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 twenty lakh rupees or with both.*

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and
    - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

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

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “BASIS OF ALLOTMENT”.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Emerge Platform of NSE .

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Emerge Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company’s balance sheet indicating the purpose for which such monies have been utilized;

- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion (“**DPIIT**”)).

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Rules.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The foreign investment in our Company is governed by inter alia the FEMA, as amended, the FEMA Rules, the FDI Policy issued and amended by way of press notes. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Sr. No	Particulars	Heading
1.	No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.  The regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F excluded &amp; not to apply.</b>  <b>Company to be governed by these Articles of Association.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *"The Company" shall mean Balaji Piping Products Limited	<b>The Company</b>
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>

<b>Sr. No</b>	<b>Particulars</b>	<b>Heading</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	<b>Special Resolution</b>
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
3.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	<b>Reduction of capital</b>
8.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Debentures</b>



<b>Sr. No</b>	<b>Particulars</b>	<b>Heading</b>
9.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
10.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
11.	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.	<b>Buy Back of shares</b>
12.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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.	<b>Consolidation, Sub-Division And Cancellation</b>
13.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
14.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
15.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of Rights</b>
16.	The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari-passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
17.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
18.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
19.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-	<b>Shares should be Numbered progressively and no</b>

Sr. No	Particulars	Heading
	divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	share to be subdivided.
20.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
21.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up
22.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc. to be a debt payable immediately.
23.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
24.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
25.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
<b>CERTIFICATES</b>		
26.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.	Share Certificates.

Sr. No	Particulars	Heading
	<p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
27.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>
28.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<b>The first named joint holder deemed Sole holder.</b>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<b>Maximum number of joint holders.</b>
29.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
30.	<p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.</p>	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
31.	<p>Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.</p>	<b>Commission</b>
32.	<p>The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.</p>	<b>Brokerage</b>
<b>CALLS</b>		

<b>Sr. No</b>	<b>Particulars</b>	<b>Heading</b>
33.	<p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	<b>Directors may make calls</b>
34.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
35.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from Resolution.</b>
36.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
37.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
38.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
39.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
40.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
41.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
42.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and	<b>Payments in Anticipation of calls may carry interest</b>

Sr. No	Particulars	Heading
	<p>the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	
	<b>LIEN</b>	
43.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	<b>Company to have Lien on shares.</b>
44.	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.</p>	<b>As to enforcing lien by sale.</b>
45.	<p>The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.</p>	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
46.	<p>If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.</p>	<b>If call or installment not paid, notice maybe given.</b>
47.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	<b>Terms of notice.</b>



Sr. No	Particulars	Heading
48.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
49.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
50.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
51.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
52.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
53.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
54.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
55.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of Share Certificate in respect of forfeited shares.</b>
56.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
57.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
58.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		

Sr. No	Particulars	Heading
59.	<p>(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p>	<b>Execution of the instrument of shares.</b>
60.	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p>	<b>Transfer Form.</b>
61.	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	<b>Transfer not to be registered except on production of instrument of transfer.</b>
62.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p>	<b>Directors may refuse to register transfer.</b>
63.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<b>Notice of refusal to be given to transferor and transferee.</b>
64.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	<b>No fee on transfer.</b>
65.	<p>The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>	<b>Closure of Register of Members or debenture holder or other security holders.</b>
66.	<p>The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.</p>	<b>Custody of transfer Deeds.</b>
67.	<p>Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p>	<b>Application for transfer of partly paid shares.</b>
68.	<p>For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>	<b>Notice to transferee.</b>

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69.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
70.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
71.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
72.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (Transmission Clause).</b>
73.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
74.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
75.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>



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	neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	
76.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
77.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
78.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>
79.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
<b>DEMATERIALIZATION OF SHARES</b>		
80.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialization of Securities</b>
<b>JOINT HOLDER</b>		
81.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
82.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken	<b>Title of survivors.</b>

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	to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
<b>SHARE WARRANTS</b>		
83.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
84.	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
85.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
86.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
87.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of Shares into stock or reconversion.</b>
88.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
89.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
90.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		

<b>Sr. No</b>	<b>Particulars</b>	<b>Heading</b>
91.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
92.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
93.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
94.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
95.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
96.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
97.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>

<b>Sr. No</b>	<b>Particulars</b>	<b>Heading</b>
98.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
99.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
100.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
101.	<p>a) 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.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) 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.</p> <p>d) 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.</p>	<b>Chairman with consent may adjourn meeting.</b>
102.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
103.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
104.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
105.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
106.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
107.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>

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108.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
109.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
110.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
111.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
112.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
113.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
114.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members paying money in advance.</b> <b>Members not prohibited if share not held for any specified period.</b>
115.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
116.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
117.	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,	<b>Appointment of a Proxy.</b>



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	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.	
118.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
119.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
120.	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.	<b>Time for objections to votes.</b>
121.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
122.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution: The First Directors of the company are: <b>1. Mr. Vishal R. Sorathia</b> <b>2. Ms. Jayshreeben R. Sorathia</b>	<b>Number of Directors</b>
123.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
124.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	<b>Nominee Directors.</b>
125.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
126.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.	<b>Additional Director</b>
127.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall	<b>Directors power to fill casual vacancies.</b>

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	hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.	
128.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
129.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses incurred by Director on Company's business.</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
130.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
131.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
132.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board Meeting how decided.</b>
133.	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.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
134.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
135.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
136.	a) A committee may elect a Chairperson of its meetings. b) 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.	<b>Chairperson of Committee Meetings</b>
137.	a) A committee may meet and adjourn as it thinks fit. b) 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.	<b>Meetings of the Committee</b>
138.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>

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<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
139.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
<b>POWERS OF THE BOARD</b>		
140.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
141.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute	<b>To appoint trustees for the Company.</b>



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	and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
(14)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
(15)	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
(17)	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
(18)	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>

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	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	<b>To appoint Attorneys.</b>
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses,	

Sr. No	Particulars	Heading
	dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
142.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Whole-time Directors.</b>
143.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed	<b>Remuneration of Managing or Whole-time Director.</b>

Sr. No	Particulars	Heading
	salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	
144.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
145.	<p>a) Subject to the provisions of the Act,—</p> <p>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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorizing 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.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
146.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
147.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other	<b>Deeds how executed.</b>

Sr. No	Particulars	Heading
	person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	
	<b>Dividend and Reserves</b>	
148.	<p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p>	<b>Division of profits.</b>
149.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The Company in General Meeting may declare Dividends.</b>
150.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
151.	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.	<b>Interim Dividend.</b>
152.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
153.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
154.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
155.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
156.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
157.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>



Sr. No	Particulars	Heading
158.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
159.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
160.	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.	<b>Notice of dividend.</b>
161.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
162.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize 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</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(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</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
163.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(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 generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>

<b>Sr. No</b>	<b>Particulars</b>	<b>Heading</b>
164.	(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges. (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.	<b>Inspection of Minutes Books of General Meetings.</b>
165.	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. b) 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.	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
166.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
167.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
168.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
<b>WINDING UP</b>		
169.	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.	
<b>INDEMNITY</b>		
170.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
171.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense	<b>Not responsible for acts of others</b>

Sr. No	Particulars	Heading
	<p>happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	
	<b>SECRECY</b>	
172.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>



## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Prospectus until the Issue Closing Date and have also been uploaded on the website of our Company at [www.balajipipingproducts.com](http://www.balajipipingproducts.com).

#### 1. Material Contracts for the Issue

- (i) Issue Agreement dated July 25, 2023 entered into between our Company and the LM.
- (ii) Registrar Agreement dated July 25, 2023 entered into amongst our Company and the Registrar to the Issue.
- (iii) Tripartite Agreement dated May 26, 2023 between our Company, NSDL and the Registrar to the Issue.
- (iv) Tripartite Agreement dated May 26, 2023 between our Company, CDSL and the Registrar to the Issue.
- (v) Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
- (vi) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
- (vii) Underwriting Agreement dated [●] amongst our Company and the Underwriters.

#### 2. Material Documents

- (i) Certificate of Incorporation dated July 3, 2020 under the Companies Act, 2013 issued by Deputy Registrar of Companies, Central Registration Centre.
- (ii) Fresh Certificate of Incorporation dated April 11, 2022 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat at Ahmedabad, consequent upon change of name of our Company from '*Forgemaster Private Limited*' to '*Balaji Piping Products Private Limited*'.
- (iii) Fresh Certificate of Incorporation dated May 10, 2023 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat at Ahmedabad, consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to '*Balaji Piping Products Limited*'.
- (iv) Resolution of the Board of Directors dated June 23, 2023 in relation to the Issue.
- (v) Shareholders' resolution dated June 24, 2023 in relation to the Issue.
- (vi) The examination reports dated July 20, 2023 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Prospectus.
- (vii) Copies of the annual reports of our Company for the Fiscals 2022, 2021 and 2020.
- (viii) Statement of Tax Benefits dated August 1, 2023 from the Statutory Auditor included in this Draft Prospectus.

- (ix) Consent of the Promoters, Directors, the LM, Legal Counsel, Registrar to the Issue, Market Maker Bankers to our Company, Company Secretary and Compliance Officer<sup>^</sup> and Chief Financial Officer as referred to in their specific capacities.  
*<sup>^</sup>Our Company is in the process of appointing a Company Secretary and Compliance Officer. We undertake to appoint the same prior to filing of the Prospectus.*
- (x) Consent letter dated August 1, 2023 of the Statutory Auditor to include their names as experts in relation to their report dated August 1, 2023 on the Restated Financial Information and the Statement of Tax Benefits dated August 1, 2023 included in this Draft Prospectus.
- (xi) Certificates dated August 1, 2023 issued by the Statutory Auditor confirming the (i) deployment of Issue Proceeds by our Company; and (ii) certifying the KPIs included in the Draft Prospectus.
- (xii) Certificate dated July 19, 2023 issued by Dr. P. J. Gandhi, Chartered Engineer confirming the installed capacity in the manufacturing unit of our Company.
- (xiii) Due Diligence Certificate dated [●] issued the LM.
- (xiv) In principle listing approvals dated [●] issued by NSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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**Dhananjay Bachubhai Thumar**  
(Chairman and Managing Director)

Sd/-

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**Jayshreeben Ramjibhai Sorathia**  
(Non-Executive Director)

Sd/-

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**Himatbhai Ranchhodhbhai Parmar**  
(Independent Director)

Sd/-

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**Dipesh Bhailal Ghaghada**  
(Independent Director)

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/-

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**[•]**  
(Company Secretary & Compliance Officer)

Sd/-

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**Mayur Kantilal Kalola**  
(CFO)

**Place: Rajkot**

**Date: August 02, 2023**