



**QUALITY FOILS (INDIA) LIMITED**  
CIN: U27107HR1990PLC030929

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
3, Industrial Development Colony, Hisar, Haryana-125005, India	N.A.	Ms. Meenakshi, Company Secretary and Compliance Officer	<b>Email:</b> <a href="mailto:cs@qualityfoils.com">cs@qualityfoils.com</a> <b>Tel:</b> 01662-220327, 28	<a href="http://www.qualitygroup.in">www.qualitygroup.in</a>

**PROMOTER OF THE COMPANY**

**MR. KULDIP BHARGAVA AND MR. TEJASVI BHARGAVA**

**DETAILS OF ISSUE TO PUBLIC**

Type	Fresh Issue Size (Rs. In Lakhs)	OFS Size (Rs. In Lakhs)	Total Issue Size (Rs. In Lakhs)	Eligibility
Fresh Issue	Rs. 452.40 Lakhs	N.A.	Rs. 452.40 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**

**RISKS IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is 6 times of the face value of the Equity Shares. The Issue Price of Rs. 60/- (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 89 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 this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 22.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares Issued through this Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).

**LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email and Telephone
 <b>KHAMBATTA SECURITIES LIMITED</b>	<b>Mr. Chandan Mishra; Mr. Vipin Aggarwal</b>	<b>Email:</b> <a href="mailto:ipo@khambattasecurities.com">ipo@khambattasecurities.com</a> <b>Tel:</b> 011-41645051, 022-66413315

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email and Telephone
 <b>BIGSHARE SERVICES PRIVATE LIMITED</b>	<b>Mr. Babu Rapheal C</b>	<b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Tel:</b> +91 22 62638200

**ISSUE PROGRAMME**

**ISSUE OPENS ON: MARCH 14, 2023**

**ISSUE CLOSES ON: MARCH 16, 2023**



### QUALITY FOILS (INDIA) LIMITED

The Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Firm") in the name and style of "Quality Foils" pursuant to Partnership deed dated October 03, 1989. Quality Foils was thereafter converted from Partnership Firm to a Private Company under the provisions of Companies Act, 1956 with the name and style of "Quality Foils (India) Private Limited" and received a certificate of incorporation dated May 08, 1990 from the Registrar of Companies, NCT of Delhi & Haryana. Further, the word "Private" has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to "Quality Foils (India) Limited" under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993. Afterthought, the word "Private" has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to "Quality Foils (India) Private Limited" under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001. Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Quality Foils (India) Limited" vide shareholder's approval on November 12, 2022 and fresh certificate of incorporation dated November 25, 2022. For further details on incorporation and registered office of our Company, see "Our History and Certain Other Corporate Matters" beginning on page 100.

**Registered Office:** 3, Industrial Development Colony, Hisar, Haryana-125005, India.

**Tel No.:** 01662-220327, 28; **E-mail:** [cs@qualityfoils.com](mailto:cs@qualityfoils.com); **Website:** [www.qualitygroup.in](http://www.qualitygroup.in)

**Contact Person:** Ms. Meenakshi, Company Secretary and Compliance Officer

**PROMOTER OF OUR COMPANY:** MR. KULDIP BHARGAVA AND MR. TEJASVI BHARGAVA

#### DETAILS OF THE ISSUE

**PUBLIC ISSUE OF 7,54,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP OF QUALITY FOILS (INDIA) LIMITED "QUALITY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 60/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING SHARE PREMIUM OF RS. 50/- PER EQUITY SHARE) AGGREGATING RS. 452.40 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 38,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 7,16,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.42% AND 25.09% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE ISSUE PRICE IS RS. 60/-.  
THE ISSUE PRICE IS 6 TIMES THE FACE VALUE.**

In terms of Rule 19(2)(b)(i) of the SCRR this Offer is being made for at least 25% of the post-offer paid-up Equity Share capital of our Company. This offer 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 Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid applications being received from them at or above the Offer Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of 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 "Issue Procedure" beginning on page 216. A copy will be filed with the Registrar of Companies as required under Section 26 and Section 28 of the Companies Act, 2013.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 6 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 89) 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 and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 22.

#### COMPANY'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of NSE ('NSE Emerge'). Our Company has received an in-principle approval letter dated February 24, 2023 from NSE for using its name in this issue document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

#### LEAD MANAGER TO THE ISSUE

**KHAMBATTA SECURITIES LIMITED**  
1 Ground Floor, 7/10, Botawala Building, 9 Bank Street,  
Homiman Circle, Fort, Mumbai, Maharashtra – 400 001,  
India  
**Tel:** 011-41645051, 022-66413315  
**Email:** [ipo@khambattasecurities.com](mailto:ipo@khambattasecurities.com)  
**Investor Grievance Email:**  
[mbcomplaints@khambattasecurities.com](mailto:mbcomplaints@khambattasecurities.com)  
**Website:** [www.khambattasecurities.com](http://www.khambattasecurities.com)  
**Contact Person:** Mr. Chandan Mishra;  
Mr. Vipin Aggarwal  
**SEBI Registration No.:** INM000011914



#### REGISTRAR TO THE ISSUE

**BIGSHARE SERVICES PRIVATE LIMITED**  
Office No S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai-400059, India.  
**Tel:** +91 22 62638200  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Babu Rapheal C  
**SEBI Registration No:** INR000001385



#### ISSUE PROGRAMME

**ISSUE OPENS ON: MARCH 14, 2023**

**ISSUE CLOSES ON: MARCH 16, 2023**

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## SECTION – I GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

In this Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

#### Company Related Terms

Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on November 26, 2022 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 138.
Auditors / Statutory Auditors / Peer Reviewed Auditors	The statutory auditors of our Company, currently being V S Jain & Associates, Chartered Accountants situated at 6, Green Park, Hisar, Haryana-125001, India.
Bankers to our Company	Axis Bank Limited, ICICI Bank Limited and State Bank of India.
Board of Directors / Board / Directors (s)	The Board of Directors of Quality Foils (India) Limited including all duly constituted Committees thereof as the context may refer to.
Managing Director	The Managing Director of our Company is Mr. Tejasvi Bhargava.
Chief Financial Officer /CFO	The Chief Financial Officer of our Company is Mr. Birdhi Chand Jain.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Ms. Meenakshi.
Corporate Identification Number / CIN	U27107HR1990PLC030929
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each fully paid-up.
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company.
Executive Directors	Executive Directors are the Chairman & Managing Director of our Company.
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Entities</i> ” beginning on page 159.
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 138.
ISIN	International Securities Identification Number. In this case being INE001M01015.

Term	Description
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 138.
Materiality Policy	The policy adopted by our Board on November 26, 2022 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on November 26, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 138.
Non-Executive Director	A Director not being an Executive Director or is an Independent Director.
Promoters	Mr. Kuldip Bhargava and Mr. Tejasvi Bhargava.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 153.
Registered Office	3, Industrial Development Colony, Hisar, Haryana- 125005 India.
Registrar of Companies / RoC	Registrar of Companies situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019, India
Restated Financial Statements	Restated Financial Statements of our Company as at and for the period ended September 30, 2022 and financial years ended on 2022, 2021 and 2020 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto.
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on November 26, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 138.

#### Issue Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms
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 / Allotment of Equity shares	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 for Sale to the successful applicants

Term	Description
Allotment Advice	A note or 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
Allotment Date	Date on which the Allotment is made
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus. All the applicants should make application through ASBA only.
Application lot	2,000 Equity Shares and in multiples thereof.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company.
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 and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Application Amount of the Applicant.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited.
Banker(s) to the Issue and Sponsor Bank Agreement	Agreement dated December 29, 2022, entered into between our Company, Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 216.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Designated Locations	CDP Such locations of the CDPs where Applicants can submit the ASBA 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 ASBA Forms are available on the website 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 locked 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	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 Exchange	Stock NSE Emerge, SME Platform of National Stock Exchange of India Limited.
Prospectus	This Prospectus issued in accordance with the SEBI ICDR Regulations.
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an issue or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
First Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Foreign Investors/ FII	Institutional Foreign Institutional Investor (as defined under SEBI FII Regulations) registered with SEBI under applicable laws in India.
Foreign Investor / FPIs	Portfolio Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.

Term	Description
Fresh Issue	The fresh Issue of up to 7,54,000 Equity Shares at a price of Rs. 60 per equity share aggregating to Rs. 452.40 Lakhs to be issued by our Company as part of this Issue.
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
Issue	This Initial Public Issue of up to 7,54,000 Equity Shares for cash at an Issue Price of Rs. 60 per Equity Share comprising of only Fresh Issue of up to 7,54,000 Equity Shares for cash at a Price Rs. 60 per Equity Share aggregating to Rs. 452.40 Lakhs by our company.
Issue Agreement	The agreement dated December 21, 2022, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing date	The date on which the Issue closes for subscription being March 16, 2023.
Issue Opening date	The date on which the Issue opens for subscription being March 14, 2023.
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 inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published
Issue Price	Rs. 60.00 per share at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company, in consultation with the LM.
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 81.
LM / Lead Manager	Lead Manager to the Issue, in this case being Khambatta Securities Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE.
Lot Size	The Market lot and Trading lot for the Equity Share is 2,000 and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.
Market Maker Reservation Portion	The Reserved portion of up to 38,000 Equity shares of Rs.10/- each at an Issue Price of Rs. 60.00 aggregating to Rs. 22.80 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 December 21, 2022.

Term	Description
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 Issue	The Issue less the Market Maker reservation portion.
Net Proceeds	The Gross Proceeds from the Fresh Issue less the Issue related expenses in relation to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page 81.
Non – Institutional Investor	All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs).
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI.
NSE Emerge	Emerge/SME Platform of National Stock Exchange of India Limited.
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the companies Act, 2013 containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue under section 40(3) of the Companies Act, 2013 for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the hole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
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 eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The agreement dated December 21, 2022 among 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.

Term	Description
Registrar and share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual investors / RIIs	Individual Applicants or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000 in this Issue.
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 Applicants and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the 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. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI.
Systemically Important Non-Banking Financial Company	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	The Underwriter in this case is Khambatta Securities Limited.
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India.
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no.

Term	Description
	SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time.
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue.
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price; and (ii) Issue Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number 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, including the UPI Circulars.

#### Technical and Industry Terms

Term	Description
CPLY	Corresponding Period Last Year
DFC	Dedicated Freight Corridor
DRFC	Dedicated Rail Freight Corridor
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EGEAF	Engineering Goods Exports Assistance Fund
EOL	End of Life
EPCG	Export Promotion Capital Goods Scheme
EVs	Electronic Vehicles
GW	Gigawatt
ID Fan	Induced Draught Fan
IF	Induction Furnace
IT	Information Technology
ISO	International Organization for Standardization
MCC	Motor Control Centre

MN	Million
MT	Metric Tonnes
MTPA	Metric Ton per annum
MW	Mega Watt
NIP	National Infrastructure Pipeline
PCC	Power Control Centre
P & M	Plant and Machinery
R&D	Research and development
SDF	Steel Development Fund
SRTMI	Steel Research & Technology Mission of India
TPA	Tonnes per annum
U.K.	United Kingdom
U.S./U.S.A.	Unites States of America
WSA	World Steel Association
WHO	World Health Organization
YoY	Year-Over-Year

### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRLM	Book Running Lead Manager
BSE	BSE Limited
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
Carpet Area	The area of the apartment excluding the thickness of inner walls
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
DPID	Depository Participant's Identification number
DPIIN	Department for Promotion of Industry and Internal Trade
EBITDA	Earnings before Interest, Tax and Depreciation and Amortisation
ECS	Electronic Clearing System

EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Yea	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Good and Service Tax
HUF	Hindu Undivided Family
I. T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries Of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ISO	International Organization for Standardization
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
NAV	Net Asset Value
NDOH	Next Date of Hearing
NGT	National Green Tribunal
NRO	Non Resident Ordinary Account
NRIs	Non Resident Indians Account
NRE	Non Resident External Account
NPV	Net Present Value Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
PAC	Persons Acting in Concert

Plots	Parcel of land demarcated through boundary
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
RoN	Return on Net Worth.
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	NSE
Sq.	Square
Sq. ft	Square Foot/ Square Feet
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar

U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 243, defined terms shall have the meaning given to such terms in that section;
- (ii) In the chapter titled '*Financial Information*' beginning on page 168, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Tax Benefits*" beginning on page 92, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the chapter titled ‘*Financial Information*’ beginning on page 168. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘*Financial Information*’ beginning on page 168.

### CURRENCY OF PRESENTATION

In this Prospectus, references to “Rupees” or “Rs.” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

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

### INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from International Monetary Fund (IMF), IMF World Economic Outlook, October 2022, IBEF Update December 2022, <https://www.alphainvesco.com/blog/indian-stainless-steel-industry-overview-latest-updates/>, <https://www.metalstripsolutions.com/cold-rolled-stainless-steel-strips/>, Annual Report-Jindal Stainless Limited for FY 2021-22. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.



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

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our failure to keep pace with changes in technology;
- Increased competition in our Industry;
- Availability of Labour;
- Our ability to attract and retain technical personnel;
- Any disruption in labour industry or strikes by our workforce may affect the production capability;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Higher interest outgo on our loans;
- International barriers,
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our working capital expenditure requirements;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 22 and 175 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date. Neither we, our Directors, Underwriter, Merchant Banker nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS

We are one of the growing manufacturers and exporter of Cold rolled Stainless Steel (CR) Strips/ Coils and Stainless Steel Flexible hose pipes in India having over thirty years of experience in manufacturing of stainless-steel products in two broad categories:

- (i) Cold Rolled Stainless Steel Coils/Strips;
- (ii) Stainless Steel Flexible Hose Pipes.

For more details, please refer chapter titled “*Our Business*” beginning on page 105.

### SUMMARY OF OUR INDUSTRY

We operate primarily in manufacturing Stainless Steel Cold Rolled Coils & Hose Pipes. For more details, please refer chapter titled “*Industry Overview*” beginning on page 95.

### OUR PROMOTERS

The promoters of our company are Mr. Kuldip Bhargava and Mr. Tejasvi Bhargava.

### SIZE OF ISSUE

<b>Present Issue of Equity Shares by our Company</b>	Up to 7,54,000 Equity shares of Rs.10/- each for cash at a price of Rs. 60.00 per Equity shares aggregating to Rs. 452.40 Lakhs.
<b>The Issue consists of:</b>	
<b>Issue Reserved for the Market Maker</b>	Up to 38,000 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 60 per Equity Share aggregating Rs. 22.80 Lakhs.
<b>Net Issue</b>	Up to 7,16,000 Equity shares of Rs.10/- each for cash at a price of Rs. 60 per Equity shares aggregating to Rs. 429.60 Lakhs.

For further details, please refer to chapter titled “*Terms of the Issue*” beginning on page 208.

### OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amount
1.	Funding capital expenditure requirements towards purchase of machinery	151.21
2.	Working Capital Requirement including margin money	225.00
3.	General Corporate Purpose	36.19
4.	Issue Expenses	40.00
<b>Total</b>		<b>452.40</b>

For further details, please refer to chapter titled “*Objects of the Issue*” beginning on page 81.

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

Set forth is the Pre-Issue shareholding of our Promoters, Promoter Group as a percentage of the paid-up share capital of the Company:

Particular	Pre-Issue	
	Number of Shares	Percentage (%) holding
<b>Promoters</b>		
Kuldip Bhargava	6,22,800	29.66%
Tejasvi Bhargava	1,23,600	5.89%

Particular	Pre-Issue	
	Number of Shares	Percentage (%) holding
<b>Promoter Group</b>		
Kuldip Bhargava HUF	1,30,050	6.19%
Anshu Bhargava	1,15,200	5.49%
Tapasvi Bhargava	81,900	3.90%
Jagdeep Bhargava	13,500	0.64%
Manjula Vasudeva	27,000	1.29%
Quality Bio Green Private Limited	2,30,550	10.98%
Quality Stainless Private Limited	1,84,200	8.77%
<b>Total</b>	<b>15,28,800</b>	<b>72.80%</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

(Rs. In Lakhs)

Particulars	As At 30 <sup>th</sup> September, 2022	For the year ended March 31		
		2022	2021	2020
Share Capital	140.00	140.00	140.00	140.00
Reserves and Surplus	2,097.26	1,891.27	1,729.39	1,633.53
<b>Net worth</b>	<b>2,237.26</b>	<b>2,031.27</b>	<b>1,869.39</b>	<b>1,773.53</b>
Total Revenue	10,471.59	18,030.63	12,436.67	15,210.77
Profit after Tax	205.99	161.88	95.86	107.87
<b>Earnings per share (Basic &amp; diluted) (Pre-Split &amp; Bonus) (Rs.)</b>				
On Ordinary items	5.29	11.56	6.85	7.70
On Ordinary & extraordinary items	14.71	11.56	6.85	7.70
<b>Earnings per share (Basic &amp; diluted) (Post-Split &amp; Bonus) (Rs.)</b>				
On Ordinary items	3.52	7.71	4.56	5.14
On Ordinary & extraordinary items	9.81	7.71	4.56	5.14
Net Asset Value per Equity Share (Rs.) (Pre-Split and Bonus Issue)	1,598.04	1450.91	1,335.28	1,266.81
Net Asset Value per Equity Share (Rs.) (Post-Split and Bonus Issue)	106.54	95.73	89.02	84.45
Long-Term borrowings	1,358.09	1,608.25	1,382.43	1,366.28
Short-Term borrowings	2,677.59	3,199.24	2,745.53	2,748.06

## QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

### Litigations/Matters against/by our Company:

Sr. No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable in Lakhs
<b>1.</b>	<b>Filed against the Company</b>		
	Criminal Matters	-	-

	Civil Matters	-	-
<b>2.</b>	<b>Filed by our Company</b>		
	Criminal Matters	03	4.00
	Civil Matters	01	0.60
	Other Matters	01	No Amount/liability is pending
	<b>Total</b>	<b>05</b>	<b>4.60</b>

**Litigations filed by/against our Group Companies (which may have a material impact on us):-**

Sr. No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable in Lakhs
<b>1.</b>	<b>Filed against the Group Companies</b>		
	Criminal Matters	-	-
	Civil Matters	01	No Amount/liability is pending
	Tax Liabilities	01	0.05
<b>2.</b>	<b>Filed by our Group Companies</b>		
	Criminal Matters	-	-
	Civil Matters	-	-
	<b>Total</b>	<b>02</b>	<b>0.05</b>

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

*For further details, please refer chapter “Outstanding Litigation and Material Development” beginning from page no. 188 of this Prospectus. Further, in addition to that, there could be other litigations & claims filed against the Company, Directors & Promoters which the Company may not be aware of as on the date of this Prospectus.*

## RISK FACTORS

*For details relating to risk factors, please refer section titled “Risk Factors” beginning on page 22.*

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, Rs. 365.00 Lakhs of contingent liabilities exists as on September 30, 2022.

*For details, please refer to Section titled “Restated Financial Statements” beginning on page 168.*

## SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 “Related Party Disclosures” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

### i. List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
Key Management Personnel	Sh. Kuldip Bhargava
Key Management Personnel	Sh. Tejasvi Bhargava
Key Management Personnel	Sh. Yashvir Singh
Relative of Key Management Personnel	Smt. Divya Bhargava
Relative of Key Management Personnel	Smt. Preet Bhargava

<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>	<ul style="list-style-type: none"> <li>i. Quality Stainless Pvt Ltd.</li> <li>ii. The East Punjab Mfg. Co.</li> <li>iii. Aurum Fabrications</li> <li>iv. Jindal Quality Tubular Ltd</li> </ul>
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**Transactions carried out with related parties referred to in (i) above, in ordinary course of business:**

(Rs. In Lakhs)

Particulars	Nature of relationship	Name of related party	30 <sup>th</sup> Sept. 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Managerial Remuneration	KMP	Kuldip Bhargava Tejasvi Bhargava Yashvir Singh	30.11 24.11 1.95	60.22 48.22 3.89	40.22 38.22 3.72	36.22 36.22 3.66
Interest paid	KMP	Tejasvi Bhargava	3.69	10.23	-	-
Remuneration	Relatives of KMP	Divya Bhargava Preet Bhargava	3.11 3.11	3.82 3.82	3.22 3.22	3.22 3.22
Interest Received	Associate concern	Jindal Quality Tubular Ltd.	-	-	13.35	-
Sales and other services	Associate concern	Quality Stainless Pvt. Ltd. The East Punjab Mfg.Co. Aurum Fabrication Jindal Quality Tubular Ltd.	623.50 - 0.39 -	2418.81 0.20 2.59 -	1761.18 0.03 5.89 -	1390.41 0.69 3.54 123.21
Receivable from	Associate concern	Quality Stainess Pvt. Ltd.	207.60	140.49	525.49	826.50
Payable to	KMP	Tejasvi Bhargava	-	147.70	-	-
Rent paid	KMP	Kuldip Bhargava	-	-	-	2.25
Rent paid	Relatives of KMP	Anshu Bhargava	-	-	-	2.25
Purchase	Associate concern	Quality Stainess Pvt. Ltd.	-	-	-	0.36

**B. Balances outstanding are as follows:**

(Rs. In Lakhs)

Particulars	Nature of relationship	Name of related party	30 <sup>th</sup> Sept. 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Receivable from	Associate concern	Quality Stainess Pvt. Ltd.	207.60	140.49	525.49	826.50

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 168.

**FINANCING ARRANGEMENTS**

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

### WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS IN LAST ONE YEAR

The average cost of acquisition of Equity Shares acquired by our Promoters in last one year is set forth in the table below:

Sr. No.	Name of The Promoter	No. Of Equity Shares Held	Type of Issue	Average Cost Of Acquisition (In Rs.)
1.	Kuldip Bhargava	1,70,150	Bonus Issue	NA
2.	Tejasvi Bhargava	40,700	Bonus Issue	NA

For details, please refer to Section titled “Capital Structure” beginning on page 64.

### AVERAGE COST OF ACQUISITION OF PROMOTERS

The average cost of acquisition of per Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of The Promoter	No. Of Equity Shares Held	Average Cost Of Acquisition per share (In Rs.)
1.	Kuldip Bhargava	6,22,800	9.08
2.	Tejasvi Bhargava	1,23,600	22.63

### DETAILS OF PRE-IPO PLACEMENT

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

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

The following shares of the Company have been issued in the last one year:

Date of Allotment	No. of Equity Shares allotted	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of allotment	Nature of consideration
October 20, 2022	7,00,000	10.00	-	Bonus Shares	Other than cash

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

Detail of Split:

Date of Shareholders Approval	No. of Equity Shares (Pre-Split)	Face Value (In Rs.) (Pre-Split)	Split Ratio	Face Value (In Rs.) (Post-Split)	No. of Equity Shares (Post-Split)
September 30, 2022	1,40,000	100.00	10:1	10.00	14,00,000

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

Our Company has not filed any application to SEBI with regard to exemption from complying with any provisions of securities laws.

### SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 168, 105 and 175 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Prospectus 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 certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

#### **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 future.*

*Note: The risk factors 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 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” on page 22 and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 175 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.*

## INTERNAL RISK FACTORS

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

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

### Litigations/Matters against/by our Company:

Sr. No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable in Lakhs
<b>1.</b>	<b>Filed against the Company</b>		
	Criminal Matters	-	-
	Civil Matters	-	-
<b>2.</b>	<b>Filed by our Company</b>		
	Criminal Matters	03	4.00
	Civil Matters	01	0.60
	Other Matters	01	No Amount/liability is pending
	<b>Total</b>	<b>05</b>	<b>4.60</b>

### Litigations filed by/against our Group Companies (which may have a material impact on us):-

Sr. No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable in Lakhs
<b>1.</b>	<b>Filed against the Group Companies</b>		
	Criminal Matters	-	-
	Civil Matters	01	No Amount/liability is pending
	Tax Liabilities	01	0.05
<b>2.</b>	<b>Filed by our Group Companies</b>		
	Criminal Matters	-	-
	Civil Matters	-	-
	<b>Total</b>	<b>02</b>	<b>0.05</b>

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

For further details, please refer chapter “Outstanding Litigation and Material Development” beginning from page no. 188 of this Prospectus. Further, in addition to that, there could be other litigations & claims filed against the Company, Directors & Promoters which the Company may not be aware of as on the date of this Prospectus.

There can be no assurance that these litigations will be decided in favour of our Company and our Group Companies, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For

the details of the cases please refer the chapter titled “Outstanding Litigations and Material Developments” on page 188 of this Prospectus.

2. **We do not have long-term agreements with most of our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows. Further, our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.**

The primary raw materials used for our manufacturing process are Hot Rolled Coils, Cold Rolled Coils, Thinner size C R Strips & Stainless Steel. All the raw materials are purchased from third parties except Cold Rolled Coils mainly used for the manufacturing of Flexible Hose pipes and we procure the same from our Cold Rolled Division.

Initially in past financial years i.e. financial year 2022, 2021 & 2020, we have entered a supplier’s agreement with Jindal Stainless Hisar Limited, Hisar (“Jindal”) for the raw material supply i.e. Hot Rolled Coils, Cold Rolled Coils & HR/ CR strips. The main condition was that we will purchase at least 95.00% of our raw material consumed from Jindal & rest 5.00% we can purchase from other suppliers. In April 2022, our Company & Jindal mutually decided to amend the agreement & lift the restriction that bind us to purchase 95.00% raw material from Jindal, now we can purchase raw material from any suppliers.

Now, we do not have any long-term supply contracts with any of our suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to inter alia the domestic scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We typically do not enter into long-term agreements with most of our customers. Our relationship with our customers is generally on a non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. Therefore, we cannot assure that we will receive repeat orders from our customers in the future. Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers’ expectations and specifications could result in the cancellation or non-renewal of contracts. There are also a number of factors, other than our performance, that could cause the loss of a customer such as:

- a) increase in prices of raw materials and other input costs;
- b) changes in consumer preferences;
- c) changes in governmental or regulatory policy, etc.

Any of these factors may have an adverse effect on our business, results of operations and financial condition. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to these customers in the future. If we overestimate demand, we may incur costs to purchase more raw materials and manufacture more products than required.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us. Cancellations, reductions or instructions to delay production

(thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity in which case we would be forced to incur a loss.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. We may fail to maintain the requisite inventory, which may adversely impact our ability to deliver products to customers in a timely manner which may lead to loss of revenues or customers. Our inability to accurately forecast demand for our products and manages our inventory may have an adverse effect on our business, results of operations and financial condition.

**3. Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.**

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. For the six-month period ended September 30, 2022 and in Fiscals 2022, 2021 and 2020, our cost of raw materials consumed constituted 82.91%, 88.61%, 81.44% and 85.77%, respectively, of our total expenses which amounted to Rs. 10,326.64 Lakhs, Rs. 17,808.98 Lakhs, Rs. 12,304.18 Lakhs and Rs. 15,079.18 Lakhs, respectively. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemic, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. We typically do not enter into long-term agreements with our suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations.

Further, we procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. Cost of raw materials sourced from Jindal Stainless Hisar Limited, Hisar accounted for approx. 90.59%, 99.00%, 99.00% and 99.00% of the total cost of raw materials consumed during the six-month period ended September 30, 2022 and for Fiscals 2022, 2021 and 2020 which was to Rs. 8,561.46 Lakhs, Rs. 15,780.44 Lakhs, Rs. 10,020.79 Lakhs and Rs. 12,933.27 Lakhs, respectively. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Additionally, there can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials.

If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

Further, any increase in raw material prices may result in corresponding increases in our product costs. While we typically sell our products to our customers on a short-term contracts basis, given that we have long term relationships with many of our customers, our ability to pass on any increases in the costs of raw materials and other inputs to our customers may be limited. There may be a significant difference in the price of raw materials when raw materials are ordered and paid for and the prevailing price when the raw materials are received and we may not be able to pass on the difference in the prices to our customers. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial conditions.

**4. The Company is dependent on few numbers of customers. Any loss of top 10 customers will significantly affect our revenues and profitability.**

For the period ended September 30, 2022 & year ended March 31, 2022:

(Rs. In Lakhs)

Particular	Standalone	Standalone
	September 30, 2022	March 31, 2022
Revenue from Operations	10,445.27	17,978.58
Top 10 Customers contribute	6,623.16	9,216.46
% of total Revenue	63.41	51.26

Although, we have long term relationships with some of our customers, we have not entered into long-term agreements with them and the success of our business is significantly dependent on us maintaining good relationships with our customers. The actual sales by our Company may differ from the management estimates and 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. There can be no assurance that we shall 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 shall be able to significantly reduce customer concentration in the future.

**5. Failure to recover amounts from our Sundry Debtors/Trade Receivables on a timely manner might affect our financial conditions.**

As of audited financial statement for the period ended September 30, 2022 and year ended March 31, 2022:

(Rs. In Lakhs)

Particular	Standalone	Standalone
	September 30, 2022	March 31, 2022
Trade Receivables	3,297.74	3,356.75
Top 10 Debtors contribute	20,36.26	20,03.83
% of Total Trade Receivables	61.75%	59.70%

If we are unable to recover balance amount in a timely manner it might affect our financial conditions and profitability.

**6. Our manufacturing activities are dependent upon availability of skilled and unskilled labours.**

We do not have any permanent arrangement of labour and recruitments are made as per requirements except for those who are on permanent pay rolls of our Company. As on the date of this Prospectus, we have more than 80 permanent pay rolls labour. Our manufacturing activities are dependent on availability of skilled and

unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers.

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

#### 7. Our Capacity utilisation was lower in past years.

Since our company is into manufacturing business, the capacity utilisation is an important factor to determine the strength and potential output that can be produced if capacity was fully used.

##### For C R Coils/Strips

(In Metric Tonnes)

Capacity Utilisation	March 31, 2022	March 31, 2021	March 31, 2020
Installed Capacity	12,000	12,000	12,000
Actual Production	7,258	7,276	9,752
% Utilisation	60.48%	60.63%	81.27

##### For Hose Pipes

(In Meters)

Capacity Utilisation	March 31, 2022	March 31, 2021	March 31, 2020
Installed Capacity	2,00,000	2,00,000	2,00,000
Actual Production	1,70,000	1,60,000	1,85,000
% Utilisation	85.00%	80.00%	92.50%

We have seen the downward in our actual production in past years as compared to installed capacity of plant and machinery for production. For C R Coils/Strips it was 60.48% for the year ending March 31, 2022 and 60.63% for year ended March 31, 2021 and for Hose Pipes it was 85.00% for the year ending March 31, 2022 and 80.00% for year ended March 31, 2021. However, in the financial year 2019-20, we achieved 81.27% capacity utilization for CR Coils/Strips & 92.50% for Hose Pipes. Due to covid -19 our actual production seen the downward in last 2 financial years. Although the revenue has been increased in FY 2021-22 by 45.01%. We cannot assure you that in future this trend continues, this could adversely affect our business operations.

#### 8. A portion of our revenues and expenses are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks and regulatory changes in foreign exchange management which may adversely impact our results of operations.

Apart from our operations in India of which our sales are denominated in Indian Rupees, we also sell our Products in several other countries and receive payments in foreign currencies. Fluctuation in foreign currencies exchange rates could have adverse effects on our business, results of operations and financial condition. We export our products i.e. Cold Rolled Coils & Strips and flexible house pipes, mainly to Germany, U. K., Philippines, Sri Lanka, Turkey, Poland and Bogota Colombia. Our export constituted 2.26%, 5.73%, 5.87%, and 2.14% of our total revenue for the six-month period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Although in the Fiscals 2022 & 2020 there were net foreign currency exchange gains aggregating to Rs. 7.27 lakhs and Rs. 0.95 lakhs respectively, there can be no assurance that we shall not be subject to such foreign currency exchange losses in the future. Depreciation of the Indian Rupee against such international currencies may have an adverse effect on our total profit.

Certain markets in which we sell our Products may be subject to exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

**9. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital, could adversely affect our operations.**

Our business is working capital intensive and hence, trade receivables form a substantial part of our current assets and net worth. Our trade receivables as on September 30, 2022 & March 31, 2022 were Rs. 3,297.74 lakhs and 3,356.75 Lakhs respectively and inventories were Rs. 1,339.72 lakhs & Rs.1,922.37 Lakhs. Thus, major portion of our working capital is utilized towards debtors and inventory. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and dealers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations.

There exist substantial requirement of working capital and financing in the form of fund and non-fund based working capital facilities to meet our requirements. The details of our working capital in last 3 years are as under which is showing continuous increase:

(Rs. In Lakhs)

Particulars	September 30, 2022 (Actual)	Fiscal 2022 (Actual)	Fiscal 2021 (Actual)	Fiscal 2020 (Actual)
<b>Current Assets</b>				
Inventories	1,339.72	1,922.37	1,303.31	1,513.83
Trade Receivables	3,297.74	3,356.75	2,785.72	2,553.77
Short-term Loans and Advances	6.53	20.88	53.78	14.07
Other Current Assets	199.95	214.31	116.02	201.27
<b>Total Current Assets (A)</b>	<b>4,843.94</b>	<b>5,514.31</b>	<b>4,258.83</b>	<b>4,282.94</b>
<b>Current Liabilities</b>				
Trade Payables	261.82	380.92	9.49	251.15
Other Current Liabilities	173.09	222.41	152.23	100.49
<b>Total Current Liabilities (B)</b>	<b>434.91</b>	<b>603.33</b>	<b>161.72</b>	<b>351.64</b>
<b>Total Working Capital Requirements (A-B)</b>	<b>4,409.03</b>	<b>4,910.98</b>	<b>4,097.11</b>	<b>3,931.30</b>
<b>Funding Pattern</b>				
<b>Working Capital Funding from Banks and Financial Institutions</b>	2,677.59	3,199.24	2,745.53	2,748.06
<b>Internal Accruals and Unsecured Loans</b>	1,731.44	1,711.74	1,351.58	1,183.24

A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. The significant amount of working capital and major

portion of our working capital is utilized towards inventories and trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. We would require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the IPO proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/ cash flows would be adversely affected to that extent, and consequently affect our operations, revenue and profitability.

**10. A shortage or unavailability of electricity or water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.**

Our manufacturing operations require continuous supply of electricity. for which we depend on Dakshin Haryana Bijli Vitran Nigam (DHBVN). For the Manufacturing Facility, we have a connected load of 1600 KVA from Dakshin Haryana Bijli Vitran Nigam (DHBVN). Further, we have a power backup at our Manufacturing Facility through a DG set supporting our critical manufacturing operations. Any shortage or non-availability of electricity or failure of the state electricity grid could delay our operations at the Manufacturing Facility which may consequently adversely affect our delivery timelines to our customers. Any such delay may have an adverse effect on our business, results of operations and financial condition.

Further, we require regular water supply for our manufacturing processes which is currently being sourced from private water tanker suppliers. Although, we have not witnessed any major shortfall in supply of water, we do not have long-term supply arrangements with these suppliers, and there can be no assurance that we shall be able to secure our water requirements through these suppliers in a timely manner or at all. Any shortage or non-availability water supply could delay our operations at the Manufacturing Facility which may consequently adversely affect our delivery timelines to our customers. Any such delay may have an adverse effect on our business, results of operations and financial condition.

**11. Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.**

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of the date of this Prospectus, we have 157 permanent employees. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. While there have been no strikes by employees in the past, we cannot assure that there will be no strikes or participation of our labour or employees in such strikes.

Further, we may engage independent contractors through whom we can engage contract labour for performance of certain functions at our manufacturing unit as well as at our offices on assignment basis. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and

maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

**12. The demand in the steel and steel products industry is volatile and a decrease in demand of steel may have a material adverse effect on our business, results of operations, prospects and financial condition.**

Cold Rolled Coils & Strips fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, which may lead to a decrease in steel and steel product prices, and consequently we may experience decreased demand for our Products. This may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

**13. The pricing in the steel industry is subject to market demand, volatility and economic conditions. Fluctuations in steel prices may have a material adverse impact on our business, results of operations, prospects and financial conditions.**

Low steel prices adversely affect the businesses and results of operations of steel product producers generally, including ours, resulting in lower revenue and margins and write-downs of products and raw material inventories. Further, substantial decreases in steel and steel product prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery shall require a broad economic recovery, in order to underpin an increase in real demand for steel and steel products by end users. In addition, the volatility, length and nature of business cycles affecting the steel and steel products industry may become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

**14. We rely on our Manufacturing Facility in Hisar, Haryana, India as our only Manufacturing Facility and any adverse developments affecting this facility and the region could have an adverse effect on our business, results of operations and financial condition.**

We currently operate only one Manufacturing Facility for manufacturing all of our Products, which is located in Hisar, Haryana, India. For details, see “Business - Description of Our Business - Our Operations – Manufacturing”. Our Manufacturing Facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lockouts, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at the Manufacturing Facility may entail significant repair and maintenance costs and cause delays in our operations. In the event that we are forced to shut down our Manufacturing Facility for a significant period of time, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole.

Our business is dependent on our ability to manage our Manufacturing Facility, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers’ requirements and would result in us breaching our contractual obligations. Any disruption to the operations at our Manufacturing Facility may result in an adverse effect on our business, results of operations and financial condition. In addition, any significant social, political or economic disruption, or natural calamities

or civil disruptions or breakdown of services and utilities in the region where Manufacturing Facility is located, or changes in the policies of the state or local governments of such region, may require us to incur significant capital expenditure, or change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

**15. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.**

We have Insurance cover which may not be adequate to cover all our losses or liabilities that may arise from our operations. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

For further details, kindly refer chapter titles “Our Business” on Page 105.

**16. Our indebtedness and the restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.**

As of period September 30, 2022, we had total outstanding borrowings including short-term & long term of Rs. 4,035.70 Lakhs. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. Although we have received consents from our lenders for the Fresh Issue, these restrictive covenants may affect some of the rights of our Shareholders.

**17. Our Company may in the future avail, unsecured loans that may be recalled by the lenders at any time.**

As on September 30, 2022 we had Rs. 150.00 Lakhs as unsecured loans with the interest of 12% PA from our shareholder. Our Company may in the future avail, unsecured loans which may be recalled by the lenders at any time. In the event that any lender seeks a repayment of any such loan, then Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Moreover, our Company may not have adequate working capital to continue our operations. As a result, any such demand may affect our business, and in turn may affect our cash flows and results of operations.

For further details please refer chapter titled “Financial Information” beginning on Page 168.

**18. Our Promoter & Promoter Group have provided personal guarantees to secure certain of our loan facilities, which if revoked or invoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**

Our Promoter & Promoter Group have provided personal guarantees in relation to certain of our loan facilities and may continue to provide such guarantees after the listing of the Equity Shares pursuant to the Issue. In the event that any of these guarantees are revoked or invoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities, as applicable. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result, may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all. Any such failure to raise additional capital could adversely affect our operations and our financial condition.

For further details, kindly refer chapter titles “Financial Statements” on Page 168.

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

Our Company has entered into related party transactions with our Promoter Group aggregating to Rs. 823.89 Lakhs & Rs. 2,421.60 Lakhs for the period ended on September 30, 2022 & year ended March 31, 2022 respectively. Related Party Transactions have been conducted in compliance of Companies Act, 2013 and other applicable laws. We have taken the Board approval dated April 25, 2022 for approval and authorization in relation to related party transactions pursuant to the provisions of the Companies Act, 2013. Currently we are below the limit as specified under section 188 of Companies Act, 2013 so accordingly shareholders’ approval is not applicable on the Company.

While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

We hereby confirm that in future, we will comply all the compliances related with related party transactions as required under the Companies Act, 2013 and other applicable laws.

**20. We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.**

Our contingent liabilities as of September 30, 2022 were as follows:

(Rs. In Lakhs)

Matter	As of September 30, 2022
Corporate Guarantee	365.00
<b>Total</b>	<b>365.00</b>

For further details of the contingent liabilities and commitments of our Company as on September 30, 2022, see “Restated Financial Information – Contingent Liabilities” on page 168. If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**21. Non-availability of initial period secretarial/ statutory records of the company filed with ROC since incorporation.**

Since the company was incorporated in 1990, it is not possible to trace all secretarial records since incorporation. We are unable to trace copies of certain records. However, we have taken the data from registers & minutes maintained by the Company from 1990 to 2005. We cannot assure you that the filings were made in a timely manner and that we shall not be subject to any penalty imposed by the regulatory authorities in this respect.

**22. We have experienced negative cash flows in relation to our operating, investing and financing activities in the last three financial years. Any negative cash flows in the future would adversely affect our results of operations and financial condition.**

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from

external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following periods as indicated in the table below:

(Rs. In Lakhs)

Particulars	Six-month period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Net cash used/ generated from operating activities	840.80	(176.72)	393.69	618.16
Net cash used/generated from investing activities	113.54	(220.25)	2.34	(102.93)
Net cash used/ generated from financing activities	(962.57)	353.93	(319.12)	(535.92)
Net increase/(decrease) in cash and cash equivalent	(8.23)	(43.04)	76.92	(20.68)

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 168 and 175, respectively.

**23. 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 absence of any independent monitoring agency.**

The Object for which the funds raised through the Issue pursuant to this Prospectus shall be utilized has 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 could adversely impact our operations and sustainability in the absence of any independent monitoring agency.

**24. We have issued the following shares in the last one year prior to the date of this Prospectus, which could have been issued at a price lower than the Issue Price.**

The following shares of the Company have been issued in the last one year:

Date of Allotment	No. of Equity Shares allotted	Face Value (In Rs.)	Issue Price (In Rs.)	Nature of allotment	Nature of consideration
October 20, 2022	7,00,000	10.00	-	Bonus Shares	Other than cash

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further information, please see section “Capital Structure” beginning on page 64.

**25. Our manufacturing process requires our labourers to work under potentially dangerous circumstances. In the event of any accidents, our Company may be held liable for damages and penalties which may impact the financials of our Company.**

Our employees/labour may be required to work under potentially dangerous circumstances in the operation of our manufacturing unit associated with the handling, storage, movement and production of our Products, as well as accidents such as fire and explosions. Any mishandling of our equipment and machineries could also lead to serious and sometimes fatal accidents. These accidents can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. Liabilities incurred as a result of these events have the potential to adversely impact our financial position and reputation. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance.

**26. Some of our Group Companies have incurred Profit/losses during recent financial years.**

Some of our Group Companies have incurred losses in the recent financial years. The following table sets forth details of these Profit/losses in the financial years 2022, 2021 and 2020:

(Rs. In Lakhs)

Name of Group Company	Financial Year 2022	Financial Year 2021	Financial Year 2020
Quality Stainless Private Limited	322.72	94.23	(186.11)
Jindal Quality Tubular Limited	584.19	465.29	(1,695.10)
Quality Bio Green Private Limited	(0.32)	(1.88)	(1.78)

We cannot assure you we, or our Group Companies, shall not make losses in the future, which may have an adverse impact on our reputation and business.

**27. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.**

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacement, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**28. We may not be successful in implementing our business and growth strategies.**

The success of our business depends substantially on our ability to implement our business and growth strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers/projects. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Failure to implement our business and growth strategies would have a material adverse effect on our business and results of operations.

**29. We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may affect our operations.**

We require certain statutory and regulatory permission, licenses and approvals to operate our business. We believe that we have obtained all the requisite permission and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permission, licenses and approvals. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

**30. Changes in latest technology or requirement of machinery based on business opportunity may adversely affect Our Company's results of operations and its financial condition.**

Modernization and technology upgradation are essential to reduce costs and increase the output. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Presently we are using software's for designing, with the latest technological standards however in future we may be required to implement new technology or upgrade the software and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the software may be significant which could substantially affect our finances and operations. Also, the cost of implementing new process as well as R & D would require substantial new capital expenditures and could adversely affect our business, prospects, results of operations and financial condition.

**31. We are exposed to the risk of delays or non-payment by our clients and other counterparties, which may also result in cash flow mismatches.**

We are exposed to counter party credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows. For further details of our Business and Clients.

**32. If we are unable to attract new customers or retain our existing customers the growth of our business and cash flows will be adversely affected.**

To increase our revenue and cash flows, we must regularly add new customers. If we are unable to generate sufficient leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase revenue and our operating results would be adversely affected.

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

Post this Issue, our Promoter and Promoter Group will collectively own majority of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**34. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.**

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

Average Cost of Acquisition:

Sr. No.	Name of Promoters	Number of Equity Shares held	Average cost of Acquisition per Equity Shares (In Rs.)
1	Mr. Kuldip Bhargava	6,22,800	9.08
2	Mr. Tejasvi Bhargava	1,23,600	22.63

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

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

**36. There are several restrictive covenants in the loan agreements, which could influence our ability to expand, in turn affecting our business and results of operations.**

We have availed credit facilities from various banks exclusively. We have entered into agreements for term loans and financial facilities with our bankers and the covenants in borrowings from bank, among other things require us to obtain permissions in writing in respect of, including, but not limited to effecting any change in the management/Board of the Company, transfer of controlling interest, capital structure of the Company; undertake any new project, implement any scheme of expansion or acquire fixed assets/machinery, enter into borrowing arrangement either secured or unsecured with any other bank/financial institution/Company or otherwise; except which are approved by Bank/lenders, formulate any scheme of amalgamation, acquisition, merger, or reconstruction etc. We have received the No Objection Certificates from Axis Bank Limited dated January 12, 2023, from ICICI Bank Limited dated January 04, 2023 and from Kotak Mahindra Bank Limited dated January 19, 2023.

**37. Our inability to manage growth could disrupt our business and reduce profitability.**

A principal component of our strategy is to continuously grow by expanding the capacity, size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**38. Our future funds requirements, in the form of fresh 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 fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

Neither Lead Manager nor we have independently verified the data obtained from the official and industry publications and other sources referred in this Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

- 40. We have not commissioned an industry report for the disclosures made in the section titled ‘Industry Overview’ and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.**

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled “Industry Overview” beginning on page 95 of this Prospectus. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. Further, the industry data mentioned in this Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Prospectus in this context.

- 41. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Promoters and Directors are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.**

Our Promoters, Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Promoters and Directors may also be interested to the extent of their shareholding and dividend entitlement in our Company.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

- 43. 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.**

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only if Issue size exceeds Rs. 10,000.00 Lakhs. 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.

**44. There have been some instances of delayed filing of records and returns required to be filed by the Company with various regulatory authorities with additional fees.**

There have been some instances of delayed filing with additional fees by the Company in respect of the filings required to be made with regulatory authorities, including filings under Companies Act. Till date, the Company has not received any notices from any authorities, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.



**45. As on the date of this Prospectus, we are using  as our logo.**

We do have many registered trademarks, for further information kindly refer chapter titled “Government and Other Statutory Approvals” beginning on page 194 but currently we are using  as one of our trademarks. This Logo is not owned by us and same has been using vide No Objection Certificate dated January 07, 2022 given by Quality Stainless Private Limited, a promoter group Company.

Any termination of such NOC whether due to any breach or otherwise, can adversely affect the business. For further details regarding our Trademarks, please refer to chapter titled ‘Business Overview’ beginning on page 105.

**46. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.**

Our operations may be subject to incidents of theft or damage to inventory in transit and prior to or during godown stocking. While we have not experienced any instance of theft, fraud, employee negligence and resultant loss in the past, the business may encounter some inventory loss on account of employee theft, vendor fraud and general administrative error, in the future.

There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, theft of confidential information such as manufacturing processes, customers and product formulations, could adversely affect our results of operations and financial condition.

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

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

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

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

**49. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.**

As a listed Indian entity, there are provisions in Indian law that may delay or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions require certain compliances, such as undertaking an open offer, which may prevent a potential acquirer from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, it is possible that such a takeover would not be attempted or consummated.

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

The Equity Shares will be listed on the Emerge platform of National Stock Exchange of India Limited ("NSE Emerge" or "Exchange"). Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. After the Basis of Allotment is approved by the Designated Stock Exchange, the Company undertakes the Allotment and the demat account of the Allottees with depository participants in India are credited with the Equity Shares. The Allotment of Equity Shares in this issue, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to complete within six working days of the Bid Closing Date (or such other period as prescribed under applicable laws). There could be a failure or delay in listing of the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods as specified herein. We could also be required to pay interest at the applicable rates if allotment is not made, unblocking intimation/ refund intimation, as applicable are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

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

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

**52. After the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.**

An active trading market on the Stock Exchange may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares shall be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

## EXTERNAL RISK FACTORS

**53. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.**

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and manmade disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control caused by matters such as acts of God, strikes, civil commotion, riots, war, revolution, acts of governments, lack of adequate production capacity, failure or delay in plant start up, breakdown of machinery, shortage of raw materials, equipment, fuel, transportation, or containers, or any other cause whether similar or dissimilar to those enumerated that are reasonably beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or states to who we sell our products could have a negative effect on us. Further, the ongoing Russia-Ukraine conflict may also have adverse impact on our supply chain. However, the long term risks associated with the conflict

is not clear as of the date of this Prospectus. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

**54. Any change in environmental laws and other applicable regulations, may adversely affect Our Company's results of operations and its financial condition.**

End users of our services are majorly Central Government, State Government, Government Authorities, builders, constructors or real estate players. National Green Tribunal (NGT) has taken some strict decisions in respect to environment cases, if business of any of our client is affected due to these changes then it may adversely affect our business operations and revenue. Any Change in the Political environment in the Country may also lead to major change in our services.

**55. 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.

**56. Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving may adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may negatively affect the markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares. Further, we cannot predict the effects on our business of heightened security measures, threatened terrorist attacks, efforts to combat terrorism, military action against a foreign state or other similar events. Any of these events could also negatively affect the economy and consumer confidence, which could cause a downturn in the service industry. In addition, any deterioration in the relations between India and its neighboring countries might result in investor concern about stability in the region, which could materially and adversely affect the price of our Equity Shares.

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

Our Company is subject to various regulations and policies. 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.

**58. 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.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**60. Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.**

Our Company currently prepares its annual financial statements under Indian GAAP. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (Ind AS) and the timelines for their implementation. In accordance with such notification, our Company is required to prepare its financial statements in accordance with Ind AS. Ind AS is different in many aspects from Indian GAAP under which our financial statements are currently prepared. Accordingly, the degree to which the financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

**61. 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.

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

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

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

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

**64. 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.

**65. There may be less information available in the Indian securities markets than in more developed securities markets in other countries.**

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

**66. There is no public market for the Equity Shares or Equity Shares outside India.**

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India, we cannot assure you that the face value of the Equity Shares will correspond to the price at which the Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Equity Shares and Equity Shares and restrict your ability to sell them.

**67. Any trading closures at the Stock Exchanges may adversely affect the trading prices of our Equity Shares.**

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted,

which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

## PROMINENT NOTES

- a) The Public Issue of 7,54,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 60/- per Equity Share aggregating Rs. 452.40 Lakhs (“the Issue”). Issue of Equity Shares will constitute 26.42 % of the fully diluted Post-Issue paid up capital of our Company.

For more information, please refer to chapter titled “The Issue” on page 47.

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

(In Lakhs)

Particulars	Financial Statement	As on September 30, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Net Worth	Standalone	2,237.26	2,031.27	1,869.39	1,773.53
Book Value (Pre-Split & Bonus) (In Rs.)		1,598.04	1,450.91	1,335.28	1,266.81
Book Value (Post-Split & Bonus) (In Rs.)		106.54	96.73	89.02	84.45

For more information, please refer to section titled “Financial Statements” beginning on page 168.

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (In Rs.)
Mr. Kuldip Bhargava	6,22,800	9.08
Mr. Tejasvi Bhargava	1,23,600	22.63

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 168.
- e) Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 64, 153 and 138 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- f) Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 64 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 53.
- h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 89.
- i) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.
- k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 159 and chapter titled “*Related Party Transactions*” beginning on page 168, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 214.

## SECTION IV – INTRODUCTION

### THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	Up to 7,54,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 60/- per Equity Share aggregating to Rs. 452.40 lakhs.
<b>Fresh Issue Consisting of</b>	
Issue Reserved for Market Maker	38,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 60/- per Equity Share aggregating Rs. 22.80 Lakhs.
Net Issue to the Public	7,16,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 60/- per Equity Share aggregating Rs. 429.60 lakhs.
	of which:
	3,58,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 60/- per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs
	3,58,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 60/- per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs
<b>Pre Issue &amp; Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	21,00,000 Equity Shares
Equity Shares outstanding after the Issue	28,54,000 Equity Shares
Objects of the Issue	See the chapter titled “ <i>Objects of the Issue</i> ” on page 81.

Notes:

(1) This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please see the chapter titled “Issue Structure” beginning on page 214.

(2) The present Issue has been authorized pursuant to a resolution of our Board dated November 26, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on December 19, 2022.

(3) Since present offer is a Fixed Price Offer, the allocation in the Net Offer to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:

- 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;

- 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 per cent. of the offer size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

For details, including in relation to grounds for rejection of Applications, refer to “*Issue Structure*” and “*Issue Procedure*” beginning on page 214 and 216 respectively. For details of the terms of the Issue, see “*Terms of the Issue*” beginning on page 208.

## SUMMARY OF FINANCIAL STATEMENTS

### Restated Standalone Statement of Assets and Liabilities

(Amount in Lakhs)

Particulars	Note No.	As At 30 <sup>th</sup> September, 2022	As At 31st March		
			2022	2021	2020
<b>EQUITY AND LIABILITIES:</b>					
<b>SHAREHOLDERS' FUNDS:</b>					
Share Capital	I.1	140.00	140.00	140.00	140.00
Reserves and Surplus	I.2	2,097.26	1,891.27	1,729.39	1,633.53
<b>Total Shareholders' Funds</b>		<b>2,237.26</b>	<b>2,031.27</b>	<b>1,869.39</b>	<b>1,773.53</b>
<b>LIABILITIES:</b>					
<b>Non-current liabilities</b>					
Long Term Borrowings	I.3	1,358.09	1,608.25	1,382.43	1,366.28
Deferred Tax Liabilities (Net)		194.33	166.28	163.74	159.28
Long Term Provisions	I.4	233.04	226.18	213.72	207.74
<b>Total Non-current liabilities</b>		<b>1,785.45</b>	<b>2,000.71</b>	<b>1,759.89</b>	<b>1,733.31</b>
<b>Current Liabilities:</b>					
Short Term Borrowings	I.5	2,677.59	3,199.24	2,745.53	2,748.06
Trade Payables	I.6	261.82	380.92	9.49	251.15
i) Due to Micro and Small Enterprises					
ii) Due to Others					
Other Current Liabilities	I.7	173.09	222.41	152.23	100.49
<b>Total Current Liabilities</b>		<b>3,112.50</b>	<b>3,802.57</b>	<b>2,907.25</b>	<b>3,099.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,135.21</b>	<b>7,834.55</b>	<b>6,536.53</b>	<b>6,606.53</b>
<b>ASSETS:</b>					
<b>Non-current Assets:</b>					
Property, Plant and Equipment's	I.8	1,987.19	2,031.99	1,946.42	2,037.64
Capital work in progress		-	-	-	31.60
Non-current Investments	I.9	40.05	68.01	68.01	68.01
Long Term Loans and Advances	I.10	52.04	-	-	-
Other Non-current Assets	I.11	57.10	57.10	57.10	57.10
<b>Total Non-current Assets</b>		<b>2,136.37</b>	<b>2,157.10</b>	<b>2,071.53</b>	<b>2,194.36</b>
<b>Current Assets:</b>					
Inventories	I.12	1,339.72	1,922.37	1,303.31	1,513.83
Trade Receivables	I.13	3,297.74	3,356.75	2,785.72	2,553.77
Cash and Bank Balances	I.14	154.91	163.14	206.17	129.25
Short-term Loans and Advances	I.15	6.53	20.88	53.78	14.07
Other Current Assets	I.16	199.95	214.31	116.02	201.27
<b>Total Current Assets</b>		<b>4,998.84</b>	<b>5,677.45</b>	<b>4,465.01</b>	<b>4,412.18</b>
<b>TOTAL ASSETS</b>		<b>7,135.21</b>	<b>7,834.55</b>	<b>6,536.53</b>	<b>6,606.53</b>

**Restated Standalone Statement of Profit and Loss**

(Amount in Lakhs)

Particulars	Note	For the Period ended September, 2022	For the Year Ended 31st March		
			2022	2021	2020
<b>INCOME:</b>					
Revenue from Operations	I.17	10,445.27	17,978.58	12,398.37	15,146.59
Other Income	I.18	26.31	52.05	38.30	64.18
<b>Total Income</b>		<b>10,471.59</b>	<b>18,030.63</b>	<b>12,436.67</b>	<b>15,210.77</b>
<b>EXPENSES:</b>					
Cost of Material Consumed	I.19	8,561.46	15,780.44	10,020.79	12,933.27
Changes in Inventories of Finished goods and Work-in-process	I.20	406.14	(550.92)	338.59	(150.27)
Employee Benefits Expense	I.21	272.81	551.84	491.43	541.89
Finance Cost	I.22	190.75	325.60	332.74	403.35
Depreciation		74.78	148.33	147.33	148.09
Other Expenses	I.23	820.71	1,553.69	973.30	1,202.84
<b>Total Expenses</b>		<b>10,326.64</b>	<b>17,808.98</b>	<b>12,304.18</b>	<b>15,079.18</b>
<b>Profit Before Extraordinary Items and Tax</b>		<b>144.94</b>	<b>221.65</b>	<b>132.49</b>	<b>131.59</b>
<b>Extraordinary Items</b>					
Profit on sale of Fixed Assets		195.18	-	-	-
Loss on sale of long-term investments		(27.75)	-	-	-
<b>Profit Before Tax</b>		<b>312.37</b>	<b>221.65</b>	<b>132.49</b>	<b>131.59</b>
Tax Expense					
Income tax on extra ordinary items		35.42	-	-	-
Current Tax		42.89	57.24	31.75	30.17
Deferred Tax		28.06	2.52	4.46	(6.44)
Previous years' tax adjustment		-	-	0.42	-
<b>Profit for the Period</b>		<b>205.99</b>	<b>161.88</b>	<b>95.86</b>	<b>107.87</b>
Earnings per equity share of face value of Rs. 10/- each					
<b>Basic and Diluted (in Rs.)</b>					
On Ordinary items		5.29	11.56	6.85	7.70
On Ordinary & extraordinary items		14.71	11.56	6.85	7.70

## Restated Standalone Statement of Cash Flows

(Amount in Lakhs)

Particulars	For the Period ended September 30, 2022	For the year ended March 31,			
		2022	2021	2020	2019
<b>A. Cash Inflow/(Outflow) from Operating Activities</b>					
Net Profit Before Tax & Extraordinary Items	144.94	221.65	132.49		131.59
Adjustment for:					
Depreciation	74.78	148.33	147.33		148.09
Interest Income	(26.10)	(40.57)	(33.71)		
Dividend Income	(0.17)	(0.17)	(0.09)		(0.09)
Foreign Currency Fluctuation	-	(7.27)	0.91		(0.95)
Liabilities written back	-	(1.86)	-		
Profit on Sale of Fixed assets	-	(1.01)	(3.39)		(1.22)
Miscellaneous Income	(0.04)	(1.17)	(0.76)		(0.72)
Profit on Sale of Investments	-	-	-		-
Finance Cost	190.75	325.60	332.74		350.56
Operating Profit before working Capital Changes	384.16	643.53	575.52		627.26
Adjustment for:					
(Increase)/Decrease in Inventories	582.66	(619.06)	210.52		8.33
(Increase)/Decrease in Sundry Debtors	59.01	(571.04)	(231.95)		531.10
(Increase)/Decrease in other current assets	(6.60)	(64.96)	27.71		150.88
Increase/(Decrease) in Liabilities and provisions	(126.26)	441.61	(189.92)		(672.73)
Cash Inflow from Operating Activities	892.98	(169.92)	391.89		644.85
Interest Income	26.10	40.57	33.71		
Liabilities written back	-	1.86	-		
Miscellaneous Income	0.04	1.17	0.76		0.72

	Foreign Currency Fluctuation		-		7.27		(0.91)		0.95
	Income Tax Paid		(78.32)		(57.67)		(31.75)		(28.36)
	Cash Inflow Before Extra-Ordinary items		840.80		(176.72)		393.69		618.16
	Extra ordinary items		-		-		-		-
	<b>Net Cash inflow from operating activities.</b>		<b>840.80</b>		<b>(176.72)</b>		<b>393.69</b>		<b>618.16</b>
<b>B.</b>	<b>Cash Inflow/(Outflow) from Investing Activities</b>								
	Purchase of Capital Goods/Fixed Assets	(34.81)		(239.36)		(28.01)		(105.62)	
	Sale of Capital goods/Fixed Assets	200.00		6.48		6.89		3.13	
	(Increase)/Decrease in other non-current assets	(52.04)		-		17.40		(33.49)	
	Increase/(Decrease) in non-current Liabilities/provisions	-		12.46		5.98		32.96	
	Dividend Income	0.17		0.17		0.09		0.09	
	Sale/(Purchase) of Investments	0.22		-		-		-	
	<b>Net Cash from investing activities</b>		<b>113.54</b>		<b>(220.25)</b>		<b>2.34</b>		<b>(102.93)</b>
<b>C.</b>	<b>Cash Inflow/(Outflow) from Financing Activities</b>								
	Proceeds from issue of share capital	-		-		-		-	
	Proceeds from long term borrowings	-		459.70		300.00		-	
	Proceeds from short term borrowings	(521.65)		551.97		(80.66)		75.55	
	Repayment of long-term borrowings	(250.16)		(332.14)		(205.72)		(260.91)	
	Interest Paid	(190.75)		(325.60)		(332.74)		(350.56)	
	<b>Net cash from Financing activities</b>		<b>(962.57)</b>		<b>353.93</b>		<b>(319.12)</b>		<b>(535.92)</b>
	<b>Net Changes in Cash &amp; Cash Equivalents</b>		<b>(8.23)</b>		<b>(43.04)</b>		<b>76.92</b>		<b>(20.68)</b>
	<b>Cash &amp; Cash Equivalents (Opening balance)</b>		<b>163.13</b>		<b>206.17</b>		<b>129.25</b>		<b>149.93</b>
	<b>Cash &amp; cash Equivalents (Closing balance)</b>		<b>154.91</b>		<b>163.13</b>		<b>206.17</b>		<b>129.25</b>

## GENERAL INFORMATION

The Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) in the name and style of “Quality Foils” pursuant to Partnership deed dated October 03, 1989. Quality Foils was thereafter converted from Partnership Firm to a Private Company under the provisions of Companies Act, 1956 with the name and style of “Quality Foils (India) Private Limited” and received a certificate of incorporation dated May 08, 1990 from the Registrar of Companies, NCT of Delhi & Haryana.

Further, the word “Private” has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to “Quality Foils (India) Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.

Afterthought, the word “Private” has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to “Quality Foils (India) Private Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.

Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Quality Foils (India) Limited” vide shareholder’s approval on November 12, 2022 and fresh certificate of incorporation dated November 25, 2022.

For further details, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 133.

### REGISTERED OFFICE

#### QUALITY FOILS (INDIA) LIMITED

3, Industrial Development Colony,

Hisar, Haryana-125005, India.

**Tel. No.:** 91-1662-220327, 28

**E-mail:** [contactus@qualityfoils.com](mailto:contactus@qualityfoils.com)

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

**Registration Number:** 030929

**Corporate Identification Number:** U27107HR1990PLC030929

### REGISTRAR OF COMPANIES

#### REGISTRAR OF COMPANIES, DELHI

4<sup>th</sup> Floor, IFCI Tower, 61,

Nehru Place, New Delhi – 110019, India

**Tel. No.:** 011-26235703

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

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

## FACTORY

### QUALITY FOILS (INDIA) LIMITED

3, Industrial Development Colony,

Hisar, Haryana-125005, India.

**Contact Person:** Mr. Gagan Mehta

**Tel. No.:** 91-1662-220327, 28

**E-mail:** [contactus@qualityfoils.com](mailto:contactus@qualityfoils.com)

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

**Registration Number:** 030929

**Corporate Identification Number:** U27107HR1990PLC030929

## DESIGNATED STOCK EXCHANGE

### NATIONAL STOCK EXCHANGE OF INDIA LIMITED (EMERGE PLATFORM)

Exchange Plaza, Plot No. C/1, G Block,

Bandra - Kurla Complex, Bandra (E),

Mumbai-400051, India

For details in relation to the changes to the name of our Company, please refer to the chapter titled, “*Our History and Certain Other Corporate Matters*” beginning on page 133.

## BOARD OF DIRECTORS

Sr. No.	Name	Age	DIN	Address	Designation
1.	Mr. Kuldip Bhargava	69	00011103	Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India	Chairman & Executive Director
2.	Mr. Tejasvi Bhargava	43	00011205	Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India	Managing Director
3.	Mr. Yashvir Singh	52	01166596	Quality Foils (India) Private Limited, Hisar, Haryana-125001, India	Executive Director
4.	Mr. Sumant Bhatnagar	71	00341026	R-617, Jal Vayu Vihar, Near Park Centra Building, Sector-30, Gurgaon-122001, Haryana, India	Independent Director
5.	Mr. Rajinder Kedia	62	06972312	12, Urban Estate-2, Hisar-125001, Haryana, India	Independent Director
6.	Ms. Uma	34	08473881	1502, Sector-13, Hisar-125001, Haryana, India	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 138.

## CHIEF FINANCIAL OFFICER

**MR. BIRDHI CHAND JAIN**

**QUALITY FOILS (INDIA) LIMITED**

3, Industrial Development Colony,  
Hisar, Haryana-125005, India.

**Tel. No.:** +91-8396010330

**E-mail:** [cfo@qualityfoils.com](mailto:cfo@qualityfoils.com)

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

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**MS. MEENAKSHI**

**QUALITY FOILS (INDIA) LIMITED**

3, Industrial Development Colony,  
Hisar, Haryana-125005, India.

**Tel. No.:** 01662-220327, 28

**E-mail:** [cs@qualityfoils.com](mailto:cs@qualityfoils.com)

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

## INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Lead Manager in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

## LEAD MANAGER TO THE ISSUE

**KHAMBATTA SECURITIES LIMITED**

C-42, South Extension Part II,  
New Delhi-110049

**Tel:** (011) 41645051

**Contact Person:** Mr. Chandan Mishra  
Mr. Vipin Aggarwal

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

**SEBI Registration No.:** INM000011914

#1, Ground Floor, 7/10 Botawala Building,

9, Bank street, Horniman Circle, Mumbai-400001.

**Tel:** (022) 66413300/ 40273300

**Fax:** (022) 66413377/ 22654652

**Contact Person:** Mr. Ronak Jhaveri

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

**SEBI Registration No.:** INM000011914

## REGISTRAR TO THE ISSUE

### **BIGSHARE SERVICES PRIVATE LIMITED**

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai-400059, India.

**Tel:** +91 22 62638200

**Fax:** +91 22 62638299

**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

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

**Contact Person:** Mr. Babu Rapheal C

**SEBI Registration No.:** INR000001385

## LEGAL ADVISOR TO THE ISSUE

### **MR. SANJAY KUMAR ATTRI**

Advocates & Solicitors

Chamber No. 569, District Court Complex,  
Hisar-125001, Haryana, India.

**Tel:** 09468489998

**E-mail:** [advocate.attri@gmail.com](mailto:advocate.attri@gmail.com)

**Contact Person:** Mr. Sanjay Kumar Attri

## BANKER TO THE COMPANY

### **AXIS BANK LIMITED**

SCO No. 177, Commercial Urban Estate No. 1  
Hisar-125001, Haryana, India.

**Tel:** +91-9812367317

**Contact Person:** Ms. Shalu Rana

**Email Id:** [Shalu.Rana@axisbank.com](mailto:Shalu.Rana@axisbank.com)

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

### **ICICI BANK LIMITED**

Plot No. 57-60, Kamla Palace Road,  
Red Square Market, Hisar-125001, Haryana, India

**Tel:** +91-9991122005

**Contact Person:** Mr. Aman Kumar

**Email Id:** [aman.kumar21@icicibank.com](mailto:aman.kumar21@icicibank.com)

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

### **STATE BANK OF INDIA**

JSL Complex, Delhi Road,  
Hisar-125005, Haryana, India.

**Tel:** 01662-220618

**Contact Person:** Mr. Inder

**Email Id:** [sbi.04048@sbi.co.in](mailto:sbi.04048@sbi.co.in)

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

## BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK

### AXIS BANK LIMITED

Shop No. 4, Grotto Heritage CHS,

Near Orlem Church, Malad West,

Mumbai-400064, India

**Tel:** +91 9819430241

**Contact Person:** Mr. Srinivas Yennam

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

**Email Id:** [Orlem.branchhead@axisbank.com](mailto:Orlem.branchhead@axisbank.com)

## STATUTORY AUDITORS CUM PEER REVIEWED AUDITORS

### V S JAIN & ASSOCIATES

Chartered Accountants

6, Green Park, Hisar,

Haryana-125001, India

**Tel:** 9560710099, 9466556552

**E-mail:** [vsjainandassociates@gmail.com](mailto:vsjainandassociates@gmail.com)

**Contact Person:** Mr. Sandeep Kumar Jain

**Firm Registration No.:** 003533N

**Membership No.:** 511237

**Peer Review Certificate No:** 014664

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

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

## DESIGNATED INTERMEDIARIES:

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

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

### Syndicate SCSB Branches

In relation to ASBA Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

### **Registered Brokers**

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

### **Registrar and Share Transfer Agents**

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

### **Collecting Depository Participants**

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

### **CREDIT RATING**

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

### **IPO GRADING**

Our Company has not obtained any IPO grading for this issue from any credit rating agency.

### **DEBENTURE TRUSTEES**

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

### **MONITORING AGENCY**

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

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

The Prospectus shall be filed on NSE Emerge.

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

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 and Section 28 of the Companies Act, 2013 will be delivered to the Registrar of Companies, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019, India at least (3) three working days prior from the date of opening of the Issue.

#### APPRAISING ENTITY

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

#### TYPE OF ISSUE

The present Issue is considered to be 100% Fixed Price Issue.

#### GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) 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 from SME Platform of National Stock Exchange (EMERGE), 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 Draft Prospectus.

#### EXPERT OPINION

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

Our Company has received written consent from the Statutory & Peer Reviewed Auditor namely, **V S Jain & Associates** , Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated November 26, 2022 and the Statement of Special Tax Benefits dated December 22, 2022 issued by them and included in this Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Prospectus.

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

#### CHANGES IN AUDITORS

There has been no change in the Auditors of the Company in the last three Financial Years.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten by Khambatta Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated December 21, 2022 the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. in Lakhs)	% of the Total Issue Size Underwritten
<b>KHAMBATTA SECURITIES LIMITED</b> #1, Ground Floor, 7/10 Botawala Building, 9, Bank street, Horniman Circle, Mumbai-400001. <b>Tel:</b> (022) 66413300/ 40273300 <b>Fax:</b> (022) 66413377/ 22654652 <b>Contact Person:</b> Mr. Vipin Aggarwal <b>Email:</b> <a href="mailto:ipo@khambattasecurities.com">ipo@khambattasecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:mbcomplaints@khambattasecurities.com">mbcomplaints@khambattasecurities.com</a> <b>Website:</b> <a href="http://www.khambattasecurities.com">www.khambattasecurities.com</a> <b>SEBI Registration No.:</b> INM000011914	7,54,000*	452.40*	100.00*
<b>Total</b>	<b>7,54,000</b>	<b>452.40</b>	<b>100.00</b>

\*Includes up to 38,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Issue has been 100% underwritten and shall not restrict to the minimum subscription level. As per Regulation 260 of SEBI ICDR Regulations the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue (Including the Market Maker Reservation portion) out of its own account and the remaining shall be underwritten by Lead Manager.

## MARKET MAKER

Our Company and the Lead Manager have entered into a tripartite agreement dated December 21, 2020 with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making:

### **KHAMBATTA SECURITIES LIMITED**

#1, Ground Floor, 7/10 Botawala Building,  
 9, Bank street, Horniman Circle, Mumbai-400001.

**Tel:** (022) 66413300/ 40273300

**Fax:** (022) 66413377/ 22654652

**Contact Person:** Mr. Ronak Jhaveri

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

**SEBI Registration No.:** INM000011914

## DETAILS OF THE MARKET MAKING AGREEMENT

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 December 21, 2022 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

Khambatta Securities Limited, registered with NSE Emerge 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:

- ❖ 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. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- ❖ The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
- ❖ The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs. 60/- per share the minimum lot size is 2,000 Equity Shares thus minimum depth of the quote shall be 2,000 until the same, would be revised by NSE.
- ❖ After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- ❖ There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- ❖ On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
- ❖ 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.

- ❖ The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
- ❖ Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- ❖ There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- ❖ The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- ❖ 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.
- ❖ 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.
- ❖ The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
- ❖ In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company 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 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.
- ❖ Risk containment measures and monitoring for Market Maker: NSE Emerge Platform will have all margins which are applicable on the 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.
- ❖ Punitive Action in case of default by Market Maker: NSE Emerge 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.

- ❖ Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs.250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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

- ❖ The following spread will be applicable on the NSE Emerge:

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

- ❖ Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Maker during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (Including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

- ❖ The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE from time to time.
- ❖ 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.
- ❖ On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to this Offer, is set forth below:

(Rs. In lakhs except share data)

Sr. No	Particulars	Aggregate Value	
		Face Value	Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	40,00,000 Equity Shares of face value of Rs. 10/- each	400.00	-
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	21,00,000 fully paid up Equity Shares of face value of Rs. 10/- each	210.00	-
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF PROSPECTUS*</b>		
	7,54,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 50/- per Equity Share	75.40	452.40
	<i>Which Comprises:</i>		
	38,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 50/- per Equity Share reserved as Market Maker portion.	3.80	22.80
	Net Issue to Public of 7,16,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 50/- per Equity Share to the Public	71.60	429.60
	<i>Of which:</i>		
	3,58,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 50/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs.	35.80	214.80
	3,58,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 50 /- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs.	35.80	214.80
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	28,54,000 Equity Shares of face value of Rs. 10/- each	285.40	

<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>	
	Before the Issue	251.00
	After the Issue	628.00

*\*The Issue has been authorized pursuant to a resolution of our Board dated November 26, 2022 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on December 19, 2022.*

### **Class of Shares**

The Company has single classes of share capital i.e. Equity Shares of face value of Rs. 10/- each. All Equity Shares issued are fully paid-up. Our Company does not have any outstanding convertible instruments as on the date of this Prospectus.

### **NOTES TO THE CAPITAL STRUCTURE:**

#### **1. Changes in Authorized Share Capital**

Since incorporation, the capital structure of our Company has been altered in the following manner:

- a) The authorized share capital of our Company on incorporation was Rs.12,00,000 /- divided into 12,000 Equity Shares of Rs. 100/- each.
- b) The Authorized Capital was further increased from Rs. 12,00,000/- divided into 12,000 Equity Shares of Rs. 100/- each to Rs. 50,00,000 /- divided into 50,000 Equity Shares of Rs. 100/- vide shareholders' resolution dated April 23, 1991.
- c) The Authorized Capital was further increased from Rs. 50,00,000 /- divided into 50,000 Equity Shares of Rs. 100/- each to Rs. 95,00,000/- divided into 95,000 Equity Shares of Rs. 100/- vide shareholders' resolution dated April 21, 1993.
- d) The Authorized Capital was further increased from Rs. 95,00,000 /- divided into 95,000 Equity Shares of Rs. 100/- each to Rs. 2,00,00,000 /- divided into 2,00,000 Equity Shares of Rs. 100/- vide shareholders' resolution dated January 21, 2003.
- e) The authorized share capital was further split/sub-divided the face value of its equity shares from Rs. 100/- to Rs. 10/- each vide Shareholders' Resolution dated September 30, 2022.
- f) The Authorized Capital was further increased from Rs. 2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 4,00,00,000 /- divided into 40,00,000 Equity Shares of Rs. 10/- vide shareholders' resolution dated November 12, 2022.

#### **2. Equity Share Capital History:**

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

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital
Upon Incorporation <sup>#</sup>	12,000	100	100	Subscription to MOA <sup>(1)</sup>	Cash	12,000	12,00,000
June 30, 1991	13,140	100	100	Further Issue <sup>(2)</sup>	Cash	25,140	25,14,000

November 22, 1991	5,330	100	100	Further Issue <sup>(3)</sup>	Cash	30,470	30,47,000
January 25, 1992	4,530	100	100	Further Issue <sup>(4)</sup>	Cash	35,000	35,00,000
March 18, 1992	5,000	100	100	Further Issue <sup>(5)</sup>	Cash	40,000	40,00,000
January 29, 1993	10,000	100	100	Further Issue <sup>(6)</sup>	Cash	50,000	50,00,000
February 22, 1994	10,000	100	100	Further Issue <sup>(7)</sup>	Cash	60,000	60,00,000
March 22, 1995	10,000	100	100	Further Issue <sup>(8)</sup>	Cash	70,000	70,00,000
March 06, 1999	25000	100	100	Further Issue <sup>(9)</sup>	Cash	95,000	95,00,000
January 14, 2006	4,000	100	600	Further Issue <sup>(10)</sup>	Cash	99,000	99,00,000
July 17, 2006	19,500	100	600	Further Issue <sup>(11)</sup>	Cash	1,18,500	1,18,50,000
September 24, 2008	17,500	100	600	Further Issue <sup>(12)</sup>	Cash	1,36,000	1,36,00,000
February 28, 2012	4,000	100	1150	Further Issue <sup>(13)</sup>	Cash	1,40,000	1,40,00,000
-	14,00,00*	10	-	Split of 1 Equity Share of Rs.100 each into 10 Equity Shares of Rs.10 Each	-	14,00,000	1,40,00,000
October 20, 2022	7,00,000 <sup>§</sup>	10	-	Bonus Issue <sup>(14)</sup>	Consideration other than cash	21,00,000	2,10,00,000

<sup>#</sup>Shares was subscribed to Initial Subscriber to Memorandum of Association on incorporation.

<sup>\*</sup>Our company has split the face value of equity shares from Rs. 100 per share to Rs. 10 per share vide special resolution passed in Annual Ordinary General Meeting held on September 30, 2022.

<sup>§</sup>As on October 20, 2022, the Company has issued bonus shares to the existing shareholders of the Company in the ratio of 1:2.

All the above-mentioned shares are fully paid up since the date of allotment.

- 1) Initial Subscribers to Memorandum of Association hold 12,000 Equity Shares each of face value of Rs. 100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Kuldip Bhargava	3,000
2.	Jagdeep Bhargava	1,800
3.	Om Prakash Kalia	2,400
4.	Anubha Tayal	2,400
5.	Krishna Bhargava	600
6.	Anshu Bhargava	960
7.	Anuradha Bhargava	840
	<b>Total</b>	<b>12,000</b>

- 2) Further Issue of 13,140 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Manjula Vasudeva	450
2.	Kapil Kalia & Sons	900
3.	Anita Kalia	540
4.	Kapil Kalia	900
5.	Raksha Rani Kala	500
6.	Seema Saran	800
7.	R K Bhargava HUF	3,500
8.	Rajni Bhargava	800
9.	Kalu Ram	850
10.	S K Bhat	600
11.	J.C Mehta	800
12.	Shashi	500
13.	Dharam Pal	2,000
	<b>Total</b>	<b>13,140</b>

- 3) Further Issue of 5,330 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	R K Bhargava	3,480
2.	Tej Kumar	600
3.	Rajni Bhargava	250
4.	Sobha Jain	1,000
	<b>Total</b>	<b>5,330</b>

- 4) Further Issue of 4,530 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Phool Singh	1,000
2.	Rajni Bhargava	600
3.	Sushila Jindal	500
4.	Neeraj Jindal	300
5.	Pooja Jindal	1000
6.	Ravinder Kumar Jindal	1,130
	<b>Total</b>	<b>4,530</b>

- 5) Further Issue of 5,000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Kuldip Bhargava	1,550
2.	Jagdeep Bhargava	1,200
3.	Anshu Bhargava	900
4.	Anuradha Bhargava	800
5.	Krishna Bhargava	550
	<b>Total</b>	<b>5,000</b>

- 6) Further Issue of 10,000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Kalu Ram	800
2.	R. K. Bhargava	1,640
3.	Rajni Bhargava	600
4.	Sobha Jain	950
5.	Dharam Pal	1,900
6.	S. K. Bhat	550
7.	Phool Singh	950
8.	J.C. Mehta	750
9.	Seema Saran	860
10.	R. C. Vasudeva	1,000
	<b>Total</b>	<b>10,000</b>

- 7) Further Issue of 10,000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Jagdeep Bhargava	1,900
2.	Anshu Bhargava	1,000
3.	Neeraj Jindal	2,000
4.	Narender Kumar Jindal	3,000
5.	Narender Kumar Jindal HUF	400
6.	Ravinder Kumar Jindal	1,000
7.	Sashee Bhargava	100
8.	Manjula Vasudeva	350
9.	Seema Saran	250
	<b>Total</b>	<b>10,000</b>

- 8) Further Issue of 10,000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Tejasvi Investments Pvt. Ltd.	9,950
2.	Pankaj Som Chand Shah	50
	<b>Total</b>	<b>10,000</b>

- 9) Further Issue of 25000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Krishna Bhargava	300
2.	Anshu Bhargava	320
3.	Anuradha Bhargava	180
4.	Tejasvi Bhargava	1,200
5.	A.P. Bhargava HUF	2,610
6.	Kuldip Bhargava HUF	3,760
7.	Jagdeep Bhargava HUF	1,210

Sr. No	Name of Person	No. of Shares Allotted
8.	Tejasvi Investments Pvt. Ltd.	1,420
9.	Quality Finlease Pvt. Ltd.	14,000
	<b>Total</b>	<b>25,000</b>

10) Further Issue of 4,000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Kuldip Bhargava	2,000
2.	Tejasvi Bhargava	2,000
	<b>Total</b>	<b>4,000</b>

11) Further Issue of 19,500 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	BPM Industries Limited	17,000
2.	Shining Steels Private Limited	2,500
	<b>Total</b>	<b>19,500</b>

12) Further Issue of 17,500 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	BPM Industries Limited	17,500
	<b>Total</b>	<b>17,500</b>

13) Further Issue of 4,000 Equity Shares each of face value of Rs.100/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Sprint Vanijya Private Limited	4,000
	<b>Total</b>	<b>4,000</b>

14) Allotment of Bonus Equity Shares of face value of Rs. 10/- fully paid up in the ratio 1:2.

Sr. No	Name of Person	No. of Shares Allotted
1.	Kuldip Bhargava	2,07,600
2.	Satellite Developers Private Limited	1,72,750
3.	Quality Bio Green Private Limited	76,850
4.	Quality Stainless Private Limited	61,400
5.	Kuldip Bhargava HUF	43,350
6.	Tejasvi Bhargava	41,200
7.	Anshu Bhargava	38,400
8.	Tapasvi Bhargava	27,300
9.	Manjula Vasudeva	9,000
10.	Seema Saran	6,750
11.	Jagdeep Bhargava	4,500
12.	Kapil Kalia & Sons HUF	4,500
13.	Durga devi	2,650

Sr. No	Name of Person	No. of Shares Allotted
14.	Ranjit Malik	2,500
15.	Yashvir Singh	250
16.	Bhaktawar Real Estate Services	250
17.	Kiran P. Amin	250
18.	Mahabir Prashad	250
19.	Sidharth Sekhri	250
	<b>Total</b>	<b>7,00,000</b>

Note: As on October 20, 2022, the Company has issued bonus shares to the existing shareholders of the Company in the ratio of 1:2.

3. Except as disclosed below, we have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation:

<b>Date of Allotment</b>	October 20, 2022	
<b>Type of Allotment</b>	Bonus Shares	
<b>Number of Equity Shares</b>	7,00,000	
<b>Face Value (In Rs.)</b>	10.00	
<b>Issue Price (In Rs.)</b>	-	
<b>Reason of Allotment</b>	Other than Cash- Bonus Issue	
<b>Benefits accrued to Company</b>	Capitalisation of Reserves	
<b>Allottees</b>	<b>Name of Allottees</b>	<b>Number of Equity Shares</b>
	Kuldip Bhargava	2,07,600
	Satellite Developers Private Limited	1,72,750
	Quality Bio Green Private Limited	76,850
	Quality Stainless Private Limited	61,400
	Kuldip Bhargava HUF	43,350
	Tejasvi Bhargava	41,200
	Anshu Bhargava	38,400
	Tapasvi Bhargava	27,300
	Manjula Vasudeva	9,000
	Seema Saran	6,750
	Jagdeep Bhargava	4,500
	Kapil Kalia & Sons HUF	4,500
	Durga devi	2,650
	Ranjit Malik	2,500
	Yashvir Singh	250
	Bhaktawar Real Estate Services	250
	Kiran P. Amin	250
	Mahabir Prashad	250
	Sidharth Sekhri	250
	<b>Total</b>	<b>7,00,000</b>

4. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or under section 230-234 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.

7. Except as disclosed below, we have not issued any equity shares in last one year at price below Issue Price:

<b>Date of Allotment</b>	October 20, 2022	
<b>Type of Allotment</b>	Bonus Shares	
<b>Number of Equity Shares</b>	7,00,000	
<b>Face Value (In Rs.)</b>	10.00	
<b>Issue Price (In Rs.)</b>	-	
<b>Reason of Allotment</b>	Other than Cash- Bonus Issue	
<b>Benefits accrued to Company</b>	Capitalisation of Reserves	
<b>Allottees</b>	<b>Name of Allottees</b>	<b>Number of Equity Shares</b>
	Kuldip Bhargava	2,07,600
	Satellite Developers Private Limited	1,72,750
	Quality Bio Green Private Limited	76,850
	Quality Stainless Private Limited	61,400
	Kuldip Bhargava HUF	43,350
	Tejasvi Bhargava	41,200
	Anshu Bhargava	38,400
	Tapasvi Bhargava	27,300
	Manjula Vasudeva	9,000
	Seema Saran	6,750
	Jagdeep Bhargava	4,500
	Kapil Kalia & Sons HUF	4,500
	Durga devi	2,650
	Ranjit Malik	2,500
	Yashvir Singh	250
	Bhaktawar Real Estate Services	250
	Kiran P. Amin	250
	Mahabir Prashad	250
Sidharth Sekhri	250	
<b>Total</b>	<b>7,00,000</b>	

8. Details of shareholding of promoters.

- Kuldip Bhargava**

<b>Date of Allotment/ Transfer</b>	<b>No. of Equity Shares</b>	<b>Face value per Share (Rs.)</b>	<b>Issue / Acquisition / Transfer price (Rs.)</b>	<b>Nature of Transactions</b>	<b>Pre-issue shareholding %*</b>	<b>Post- issue shareholding %*</b>	<b>No. of Shares Pledged</b>	<b>% of Shares Pledged</b>
Incorporation	3,000	100	100	Subscription to MOA	0.14%	0.11%	-	-
March 18, 1992	1,550	100	100	Allotment	0.07%	0.05%	-	-
March 18, 1992	(1,550)	100	100	Transfer	(0.07%)	(0.05%)	-	-
July 12, 1993	(1,500)	100	100	Transfer	(0.07%)	(0.05%)	-	-
June 24, 1994	1,440	100	100	Transfer	0.07%	0.05%	-	-
February 17, 1996	1,000	100	100	Transfer	0.05%	0.04%	-	-
November 24, 2003	4,940	100	100	Transfer	0.24%	0.17%	-	-
January 07, 2005	16,400	100	100	Transfer	0.78%	0.57%	-	-
January 14, 2006	2,000	100	600	Allotment	0.10%	0.07%	-	-

June 30, 2011	(100)	100	200	Transfer	Negligible	Negligible	-	-
November 01, 2013	(50)	100	100	Transfer	Negligible	Negligible	-	-
March 02, 2015	2,000	100	977	Transfer	0.10%	0.07%	-	-
November 09, 2021	4,900	100	-	Gift Transfer	0.23%	0.17%	-	-
August 30, 2022	7,490	100	-	Gift Transfer	0.36%	0.26%	-	-
<b>Total Pre-Split</b>	<b>41,520</b>	<b>100</b>	-	-	<b>19.77%</b>	<b>14.55%</b>	-	-
September 30, 2022	4,15,200	10	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 Each <sup>§</sup>		19.77%	14.55%	-	-
October 20, 2022	2,07,600	10	Other than Cash	Bonus Issue in the ratio of 1:2 <sup>@</sup>	9.89%	7.27%	-	-
<b>Total</b>	<b>6,22,800</b>				<b>29.66%</b>	<b>21.82%</b>	-	-

<sup>§</sup> Our company has split the face value of equity shares from Rs. 100 per share to Rs. 10 per share vide special resolution passed in Extra Ordinary General Meeting held on September 30, 2022.

\*The total number of shares have been computed on post-split basis.

<sup>@</sup> As on October 20, 2022, the Company has issued bonus shares to the existing shareholders of the Company in the ratio of 1:2.

- **Tejasvi Bhargava**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding % <sup>*</sup>	Post-issue shareholding % <sup>*</sup>	No. of Shares Pledged	% of Shares Pledged
October 28, 1991	4,600	100	100	Transfer	0.22%	0.16%	-	-
March 05, 1992	1,160	100	100	Transfer	0.06%	0.04%	-	-
June 17, 1995	230	100	100	Transfer	0.01%	0.01%	-	-
March 06, 1999	1,200	100	100	Allotment	0.06%	0.04%	-	-
August 23, 2001	(2,200)	100	100	Transfer	(0.10%)	(0.08%)	-	-
January 14, 2006	2,000	100	600	Allotment	0.10%	0.07%	-	-
August 19, 2009	50	100	100	Transfer	Negligible	Negligible	-	-
March 02, 2015	1,000	100	977	Transfer	0.05%	0.04%	-	-
June 30, 2017	(50)	100	1000	Transfer	Negligible	Negligible	-	-
August 17, 2020	150	100	1,111	Transfer	0.01%	0.01%	-	-
September 30, 2022	100	100	-	Gift Transfer	Negligible	Negligible	-	-
<b>Total Pre-Split</b>	<b>8,240</b>	<b>100</b>	-	-	<b>3.92%</b>	<b>2.89%</b>	-	-
September 30, 2022	82,400	10	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 each		3.92%	2.89%	-	-
October 20, 2022	41,200	10	Other than cash	Bonus Issue in the ratio of 1:2	1.96%	1.44%	-	-
	<b>1,23,600</b>				<b>5.89%</b>	<b>4.33%</b>	-	-

<sup>§</sup> Our company has split the face value of equity shares from Rs. 100 per share to Rs. 10 per share vide special resolution passed in Extra Ordinary General Meeting held on September 30, 2022.

\*The total number of shares have been computed on post-split basis.

<sup>@</sup> As on October 20, 2022, the Company has issued bonus shares to the existing shareholders of the Company in the ratio of 1:2.

9. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months except as follows:

Sr. No.	Name of Transferor	Name of Transferee	No. of Equity Shares	Face Value (In Rs.)	Nature of Transaction
1.	M/s A. P. Bhargava HUF	Mr. Kuldip Bhargava	74,900	10.00	Gift
2.	Nandita Dikshit	Mr. Tejasvi Bhargava	1,000	10.00	Gift

10. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.

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

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20.00% of the post issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this issue. As on date of this Prospectus, our Promoters holds 7,46,400 Equity Shares constituting 29.15% of the Post issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

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

Date of Allotment/Transfer	No. of Equity Shares Locked-in	Face Value	Issue/ Acquisition Price	Nature of Allotment	% of Pre-Issue Capital	% of Post Issue Capital
<b>Mr. Kuldip Bhargava (A)</b>						
November 24, 2003	46,850	10	10	Transfer	2.23	1.64
January 07, 2005	1,64,000	10	10	Transfer	7.81	5.75
March 02, 2015	20,000	10	97.70	Transfer	0.95	0.70
November 09, 2021	49,000	10	-	Gift Transfer	2.33	1.72
October 20, 2022	1,70,150	10	-	Bonus Share	8.10	5.96
<b>Total (A)</b>	<b>4,50,000</b>				<b>21.42</b>	<b>15.77</b>

<b>Mr. Tejasvi Bhargava (B)</b>						
October 28, 1991	36,800	10	10	Transfer	1.75	1.29
March 06, 1999	12,000	10	10	Allotment	0.57	0.42
January 14, 2006	20,000	10	60	Allotment	0.95	0.70
March 02, 2015	10,000	10	97.70	Transfer	0.48	0.35
August 17,2020	1,500	10	111.10	Transfer	0.07	0.05
October 20, 2022	40,700	10	-	Bonus Share	1.94	1.43
<b>Total (B)</b>	<b>1,21,000</b>				<b>5.76</b>	<b>4.24</b>
<b>Total (A+B)</b>	<b>5,71,000</b>				<b>27.18</b>	<b>20.01</b>

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 locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.
- The Equity Shares acquired during the year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this offer is not part of the minimum promoter's contribution.
- The Equity Shares allotted to the promoters during the preceding one year at a price less than the offer price, against funds brought in by them during that period, upon conversion of erstwhile partnership firm where the partners of the erstwhile partnership firm are the promoters & promoters' group of our company and there is no change in the management.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.

Specific written consent has been obtained from the Promoters for inclusion of 5,71,000 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.01% of post offer Paid-up Equity Share Capital from the date of allotment in the public Offer.

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

We further confirm that our Promoters' Contribution of minimum 20.00% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

***Equity Shares locked-in for one year other than Minimum Promoter's Contribution***

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-issue 1,75,400 Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Offer.

### ***Inscription or recording of non-transferability***

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

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

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

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

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

### ***Transferability of Locked in Equity Shares***

- a. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
- b. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.

Shareholding Pattern of our Company:

A. The table below represents the current shareholding pattern of our Company:

1. Summary of Shareholding Pattern

Category Code	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form	
								No. of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)		
								Class - (Equity)	Class - (Preference)									Total
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII		XIV	
(A)	Promoters and Promoter Group	09	15,28,800	-	-	15,28,800	72.80%	15,28,800	-	15,28,800	72.80%	-	100.00	15,28,800	100.00	-	-	15,28,800

(B)	Public	10	5,71,200	-	-	5,71,200	27.20%	5,71,200	-	5,71,200	27.20%	-	100.00	5,71,200	100.00	-	-	5,63,700
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>19</b>	<b>21,00,000</b>	<b>-</b>	<b>-</b>	<b>21,00,000</b>	<b>100.00</b>	<b>21,00,000</b>	<b>-</b>	<b>21,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>21,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>20,92,500</b>

\*As on the date of this Prospectus 1 Equity Share holds 1 vote. There is no voting right on the preference shares issued by our company.

\*\*Shall be locked-in on or before allotment in IPO.

## B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals).

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
<b>Promoters</b>					
1	Kuldip Bhargava	6,22,800	29.66%	6,22,800	21.82%
2	Tejasvi Bhargava	1,23,600	5.89%	1,23,600	4.33%
<b>Promoters Group</b>					
1	Kuldip Bhargava HUF	1,30,050	6.19%	1,30,050	4.56%
2	Anshu Bhargava	1,15,200	5.49%	1,15,200	4.04%
3	Tapasvi Bhargava	81,900	3.90%	81,900	2.87%
4	Jagdeep Bhargava	13,500	0.64%	13,500	0.47%
5	Manjula Vasudeva	27,000	1.29%	27,000	0.95%
6	Quality Bio Green Private Limited	2,30,550	10.98%	2,30,550	8.08%
7	Quality Stainless Private Limited	1,84,200	8.77%	1,84,200	6.45%
	<b>Total</b>	<b>15,28,800</b>	<b>72.80%</b>	<b>15,28,800</b>	<b>53.57%</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Kuldip Bhargava	6,22,800	9.08
Tejasvi Bhargava	1,23,600	22.63

11. The List of the Shareholders of the Company holding 1.00% or more of the paid-up share capital.

- As on the date of this prospectus**

Sr. No	Name of Shareholders	No of Equity Shares (FV of Rs. 10.00/- each)	% of Pre-Issued Capital
1.	Kuldip Bhargava	6,22,800	29.66%
2.	Satellite Developers Private Limited	5,18,250	24.68%
3.	Quality Bio Green Pvt. Ltd.	2,30,550	10.98%
4.	Quality Stainless Pvt. Ltd.	1,84,200	8.77%
5.	Kuldip Bhargava HUF	1,30,050	6.19%
6.	Tejasvi Bhargava	1,23,600	5.89%
7.	Anshu Bhargava	1,15,200	5.49%
8.	Tapasvi Bhargava	81,900	3.90%
9.	Manjula Vasudeva	27,000	1.29%
	<b>TOTAL</b>	<b>20,33,550</b>	<b>96.85%</b>

- Ten days prior to the date of this prospectus.**

Sr. No	Name of Shareholders	No of Equity Shares (FV of Rs. 10.00/- each)	% of Pre-Issued Capital
1.	Kuldip Bhargava	6,22,800	29.66%
2.	Satellite Developers Private Limited	5,18,250	24.68%
3.	Quality Bio Green Pvt. Ltd.	2,30,550	10.98%

4.	Quality Stainless Pvt. Ltd.	1,84,200	8.77%
5.	Kuldip Bhargava HUF	1,30,050	6.19%
6.	Tejasvi Bhargava	1,23,600	5.89%
7.	Anshu Bhargava	1,15,200	5.49%
8.	Tapasvi Bhargava	81,900	3.90%
9.	Manjula Vasudeva	27,000	1.29%
<b>TOTAL</b>		<b>20,33,550</b>	<b>96.85%</b>

- **One Year prior to the date of this prospectus.**

Sr. No	Name of Shareholders	No of Equity Shares (FV of Rs. 100.00/- each)	% of Pre-Issued Capital
1.	Satellite Developers Private Limited	34,550	24.68%
2.	Kuldip Bhargava	34,030	24.31%
3.	Quality Bio Green Pvt. Ltd.	15,370	10.98%
4.	Quality Stainless Pvt. Ltd.	12,280	8.77%
5.	Kuldip Bhargava HUF	8,670	6.19%
6.	Tejasvi Bhargava	8,140	5.81%
7.	Anshu Bhargava	7,680	5.49%
8.	A. P Bhargava HUF	7,490	5.35%
9.	Tapasvi Bhargava	5,460	3.90%
10.	Manjula Vasudeva	1,800	1.29%
<b>TOTAL</b>		<b>1,35,470</b>	<b>96.76%</b>

- **Two Years prior to the date of this prospectus.**

Sr. No	Name of Shareholders	No of Equity Shares (FV of Rs. 100.00/- each)	% of Pre-Issued Capital
1.	Satellite Developers Private Limited	34,550	24.68%
2.	Kuldip Bhargava	29,130	20.81%
3.	Quality Bio Green Pvt. Ltd.	15,370	10.98%
4.	Quality Stainless Pvt. Ltd.	12,280	8.77%
5.	Kuldip Bhargava HUF	8,670	6.19%
6.	Tejasvi Bhargava	8,140	5.81%
7.	Anshu Bhargava	7,680	5.49%
8.	A. P Bhargava HUF	7,490	5.35%
9.	Tapasvi Bhargava	5,460	3.90%
10.	Krishna Bhargava	4,900	3.50%
11.	Manjula Vasudeva	1,800	1.29%
<b>TOTAL</b>		<b>1,35,470</b>	<b>96.76%</b>

13. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Prospectus.
14. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
15. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 81, we have not raised any bridge loans against the proceeds of the Issue.
16. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 222.
17. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.

18. Except issue of bonus shares, our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus.
19. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
20. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and National Stock Exchange of India Limited.
21. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10.00% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10.00% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20.00% of the post issue paid-up capital is locked-in.
22. The Issue is being made through Fixed Price Method.
23. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
24. On the date of filing this Prospectus with Stock Exchange, 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.
25. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
26. Lead Manager to the Issue viz. Khambatta Securities Limited and its associates do not hold any Equity Shares of our company.
27. Our Company has not revalued its assets since incorporation.
28. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
29. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
30. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
31. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
32. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

## OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 7,54,000 Equity Shares of our Company at an Issue Price of Rs. 60 per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Funding capital expenditure requirements towards purchase of machinery
2. To meet the working capital requirements of the Company;
3. General Corporate Purpose; and
4. To meet the Issue Expenses

*(Collectively referred as the “Objects”)*

Our Company believes that listing will enhance our Company’s corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum of Association enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object’s clause of our Memorandum.

### NET PROCEEDS

The details of the Net Proceeds are set forth below:

Sr. No.	Particulars	Amount in Lakhs
1	Gross Proceeds of the Issue	452.40
2	Issue related expenses	40.00
	<b>Net Proceeds</b>	<b>412.40</b>

### FUND REQUIREMENTS

The fund requirement and deployment are based on internal management estimates of our Company and have not been verified by the Lead Manager or appraised by any bank or financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

*(Rs. In lakhs)*

Sr. No.	Particulars	Amount
1	Funding capital expenditure requirements towards purchase of machinery	151.21
2	Working Capital Requirement including margin money	225.00
3	General Corporate Purpose	36.19
4	Issue Expenses	40.00
	<b>Total</b>	<b>452.40</b>

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

**The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.**

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “*Risk Factors*” beginning on page 22.

## DETAILS OF UTILIZATION OF ISSUE PROCEEDS

### **1. Funding capital expenditure requirements towards purchase of machinery**

As a part of our strategy to enhance market visibility with focus on operational efficiency to improve returns, we intend to increase our capacities in one of our segments of stainless-steel cold rolled coils/strips & flexible corrugated Hoses i.e. specialised components segment, for further details of the aforesaid strategies, see, “Our Business – Our Strategies” beginning on page 105.

Accordingly, in furtherance of the aforesaid, we intend to utilize up to Rs. 151.21 Lakhs out of the Net Proceeds towards purchase of machinery for our existing production facilities in Hisar, Haryana, India in order to increase the automated processes available at such facilities, for capacity expansion and storage facility improvisations.

While we propose to utilize up to Rs. 151.21 Lakhs towards purchasing machinery for deployment at our principal production facilities at Hisar, Haryana, based on our current estimates, the specific number and nature of such machinery to be purchased by our Company, at its discretion, will depend on our business requirements at the time of such purchase.

An indicative list of such machinery that we intend to purchase for deployment at our principal production facilities at Hisar, Haryana, based on management estimates, along with details of the quotation.

Sr. No.	Type of Machinery	Description	Quantity	Cost per Unit (in USD)	Cost per Unit* (in Rs.)	Name of Vendor	Date of Offer/quotation/Invoice	Validity/Current Status
1	Stainless Steel Metal Flexible Hose Production Lines Type 50001.	Stainless Steel Metal Flexible Hose Production Lines with tools Type 50001	01	USD 1,24,100	Rs. 1,02,20,525	TDM Makina Yedek Perca San. Ve. Ltd.  <b>Country:</b> Bursa, Turkey	<b>Date of Quotation:</b> August 05, 2022 <b>Date of Proforma Invoice:</b> August 18, 2022	Company has confirmed the order & also completed first payment of 30% of total amount.
2	Stainless Steel Metal Flexible Hose Production Lines Type 25001.	Stainless Steel Metal Flexible Hose Production Lines with tools Type 50001	01	USD 91,900	Rs. 75,68,624	TDM Makina Yedek Perca San. Ve. Ltd.  <b>Country:</b> Bursa, Turkey	<b>Date of Quotation:</b> August 05, 2022 <b>Date of Proforma Invoice:</b> August 18, 2022	Company has confirmed the order & also completed first payment of 30% of total amount.
<b>(A) Gross Total</b>				<b>USD 2,16,000</b>	<b>Rs. 1,77,89,149</b>			
<b>(B) Contingency @15% of total machinery cost **</b>					<b>Rs. 26,68,373</b>			
<b>(C) Total machinery cost including contingency (A)+(B)</b>					<b>Rs. 2,04,57,521</b>			
<b>(D) Less: Advance Payment @ 30% of Gross Total</b>					<b>Rs. 53,36,745</b>			
<b>(E) Remaining Payment to be utilized through IPO proceeds (C)-(D)</b>					<b>Rs. 1,51,20,777</b>			

\*Conversion price has been taken as on January 09, 2023. 1USD is equal to INR 82.357171.

\*\*Considered to account for other miscellaneous expenditure such as, labour charges for loading/unloading, inspection charges, commissioning charges, freight, insurance, entry tax, customs duty, goods and services tax (wherever applicable), fluctuation in cost at the time of actual order and other applicable taxes as these can be determined only at the time of placing of orders.

Whilst we have included a contingency of 15% of the total machinery cost to account for other miscellaneous expenditure such as, freight, insurance, customs duty, labour charges for loading/unloading, inspection charges, commissioning charges and other applicable taxes as these can be determined only at the time of receipt of machinery. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of machinery or through internal accruals, if required.

In relation to the purchase of machinery for deployment at our principal production facilities at Hisar, Haryana, as set out above, we have not entered into any definitive agreement with the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the machinery or at the same costs.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units of machinery mentioned above is proposed to be acquired in a ready-to-use condition, post installation and commissioning requirement.

Further, the Promoters, Directors, Key Managerial Personnel and the Group Company do not have any interest in the proposed acquisition of the machinery or in the entity from whom we have obtained quotation in relation to such proposed acquisition of the machinery and our Company has confirmed that such entity do not form part of our Promoter Group or Group Company.

## 2. To meet working capital requirements including margin money

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions and unsecured loans. For further details, please refer to the chapter titled “Financial Indebtedness” beginning on page 169.

### A) Existing Working Capital:

The details of the Company’s working capital as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the source of funding, derived from the restated standalone audited financial statements of our Company, on the basis of Certificate dated January 10, 2023 issued by our Statutory Auditor M/s V S Jain & Associates, Chartered Accountants, are provided in the table below:

(Rs. In Lakhs)

Particulars	September 30, 2022 (Actual)	No. of Days	Fiscal 2022 (Actual)	No. of Days	Fiscal 2021 (Actual)	No. of Days	Fiscal 2020 (Actual)	No. of Days
<b>Current Assets</b>								
Inventories	1,339.72	57.12	1,922.37	44.46	1,303.31	47.47	1,513.83	42.72
Trade Receivables	3,297.74	115.24	3,356.75	68.15	2,785.72	82.01	2,553.77	61.54
Short-term Loans and Advances	6.53		20.88		53.78		14.07	
Other Current Assets	199.95		214.31		116.02		201.27	
<b>Total Current Assets (A)</b>	<b>4,843.94</b>		<b>5,514.31</b>		<b>4,258.83</b>		<b>4,282.94</b>	
<b>Current Liabilities</b>								
Trade Payables	261.82	11.162	380.92	8.81	9.49	0.35	251.15	7.09
Other Current Liabilities	173.09		222.41		152.23		100.49	
<b>Total Current Liabilities (B)</b>	<b>434.91</b>		<b>603.33</b>		<b>161.72</b>		<b>351.64</b>	
<b>Total Working Capital Requirements (A-B)</b>	<b>4,409.03</b>		<b>4,910.98</b>		<b>4,097.11</b>		<b>3,931.30</b>	
<b>Funding Pattern</b>								
<b>Working Capital Funding from Banks and Financial Institutions</b>	2,677.59		3,199.24		2,745.53		2,748.06	
<b>Internal Accruals and Unsecured/Term Loans</b>	1,731.44		1,711.74		1,351.58		1,183.24	

## B) Estimated Working Capital Requirements

Our Company proposes to utilize Rs. 225.00 lakhs of the Net Proceeds for our estimated working capital requirements. Out of this Rs. 25.00 lakh will be utilized during in Fiscal 2023 and Rs. 200.00 lakhs in Fiscal 2024. The balance portion of our Company working capital requirement, if any, shall be met from the working capital facilities availed/ to be availed and internal accruals. The estimated working capital requirements, as approved by the Board pursuant to a resolution dated December 23, 2022, and key assumptions with respect to the determination of the same are mentioned below. Our Company's estimated working capital requirements for Fiscal 2023 and Fiscal 2024 and the proposed funding of such working capital requirements are as set out in the table below:

(Rs. in Lakhs)

Particulars	Fiscal 2023 (Projected)	No. of Days	Fiscal 2024 (Projected)	No. of Days
<b>Current Assets</b>				
Inventories	1,760.00	40.02	1,850.00	39.37
Trade Receivables	3,600.00	68.44	3,650.00	65.63
Short-term Loans and Advances	80.00		80.00	
Other Current Assets	422.42		433.23	
<b>Total Current Assets (A)</b>	<b>5,862.42</b>		<b>6,013.23</b>	
<b>Current Liabilities</b>				
Trade Payables	400.00	9.10	400.00	8.51
Other Current Liabilities	508.00		451.00	
<b>Total Current Liabilities (B)</b>	<b>908.00</b>		<b>851.00</b>	
<b>Total Working Capital Requirements (A-B)</b>	<b>4,954.42</b>		<b>5,162.23</b>	
<b>Funding Pattern</b>				
<b>Working Capital Funding from Banks and Financial Institutions</b>	3,170.00		3,113.00	
<b>Proposed Working Capital to be funded from IPO</b>	25.00		200.00	
<b>Internal Accruals and Unsecured/Term Loans</b>	1,759.42		1,849.23	

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
<b>Current Assets</b>		
1	Inventories	We maintain inventories at levels to achieve cost competitiveness and shorter lead times. We need to maintain inventory at efficient levels. As of September 30, 2022, & in Fiscal 2022, Fiscal 2021 and Fiscal 2020 our inventory days were 57 days, 46 days, 47 days and 43 days respectively. We have estimated 40 days of inventory for the Fiscal ended March 31, 2023 and 39 days of inventory for the Fiscal ended March 31, 2024, to ensure adequate availability of the raw material at a more competitive price. Furthermore, estimated commercial productions & revenue are inline with the past productions & revenue. Hence, the inventory levels have also increased in absolute terms.
2	Trade Receivables	As of September 30, 2022, & in Fiscal 2022, 2021 and 2020 our receivable days were 115 days, 68 days, 82 days and 62 days respectively. Due to business growth and the need for increasing the sales volume we estimate the receivable levels at 68 days for Fiscal 2023 and 66 days for Fiscal 2024. We don't expect much increase in receivable levels due to the long-term relationships with our customers and already existing business with them.
3	Short-term Loans and Advances	The key items under this head are other advances and advance to suppliers etc.

4	Other Current Assets	This mainly include Miscellaneous Expenditure i.e. balance with revenue authorities, prepaid expense & other expense.
<b>Current Liabilities</b>		
5	Trade Payables	Our trade payables have been for 11 days, 9 days, less then a day and 7 days for September 30, 2022 & fiscal 2022, 2021 and 2020 respectively. However, going forward we estimate to maintain payables at 9 days for Fiscal 2023 & 9 days for Fiscal 2024 to avail best pricing and buy from large suppliers.
6	Other current liabilities	Other current liabilities include statutory dues, advance from customers and other liabilities etc

### 3. 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 Rs. 36.19 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:

1. Strategic initiatives;
2. Brand building and strengthening of marketing activities and Products of the Our Company; and
3. 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.

### 4. Issue Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, statutory advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 40.00 Lakhs.

(Rs. in Lakhs)

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing and payment to other intermediaries such as Registrar, Market Maker, etc.	35.00	87.50	7.74
Statutory Expenses	3.00	7.50	0.66
Others, if any	2.00	5.00	0.44
<b>Total estimated Issue expenses</b>	<b>40.00</b>	<b>100.00</b>	<b>8.84</b>

## DEPLOYMENT OF FUNDS

As estimated by our management, the entire proceeds from the Issue shall be utilized as follows:

(Rs. in Lakhs)

Particulars	Total Deployment	Amount incurred till March 01, 2023	Balance deployment during FY 2022-23**
Funding capital expenditure requirements towards purchase of machinery	151.21	-	151.21
Working capital requirements including margin money	225.00	-	225.00
General Corporate Purpose	36.19	-	36.19
Issue Expenses*	40.00	11.01	35.74
<b>Total</b>	<b>452.40</b>	<b>11.01</b>	<b>448.14</b>

\*As on March 01, 2023, our Company has incurred a sum of Rs. 11,01,417/- towards issue expenses.

\*\*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 general business exigencies, the use of issue proceeds may be interchangeable. However, the use of issue proceeds for general corporate purpose shall not exceed 25% at any point of time.

## INTERIM USE OF PROCEEDS

Pending utilization for the purposes described above, we intend to deposit the funds with 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 it shall not use the Net Proceeds for any investment in the equity markets. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertakes that full recovery of the said deposit shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the issue.

## BRIDGE FINANCING FACILITIES

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

## MONITORING UTILIZATION OF FUNDS

Since the proceeds from the Fresh Issue do not exceed Rs. 10,000.00 Lakhs, in terms of Regulation 262 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

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

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

## VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify

the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

#### **APPRAISAL BY APPRAISING AGENCY**

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

#### **OTHER CONFIRMATIONS**

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

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 60/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10.00/- per Equity Share and Issue Price is Rs. 60/- per Equity Share. The Issue Price is 6 times the face value.

For the purpose of making an informed investment decision, the investors should also refer “*Risk Factors*”, “*Our Business*” and “*Restated Financial Statement*” beginning on page 22, 105 and 168 respectively. The trading price of the equity shares of our company could decline due to risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

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

- ✓ Experienced management and efficient workforce.
- ✓ Comprehensive solution provider offering diversified suite of precision products across geographies and end-user industries.
- ✓ Scalable business.
- ✓ A strong regional presence.
- ✓ Consistent track record of growth and financial performance
- ✓ Strong long-standing relationships with clients & suppliers within the industry
- ✓ Strong, experienced and dedicated senior management team and qualified workforce

For further details, refer to the chapter titled “*Our Business*” on page 105.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Statements of the Company for the financial period ended September 30, 2022 and financial year ended on March 31, 2022, 2021, and 2020 prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations. For details, refer Chapter titled “*Restated Financial Statements*” beginning on page 168. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic and Diluted Earnings per share (EPS) as per Accounting Standard 20:

##### *As per Restated Financial Statements- Pre-Bonus & Post-Split*

Year Ended	Basic EPS (Rs.)	Weights
March 31, 2020	7.70	1
March 31, 2021	6.85	2
March 31, 2022	11.56	3
<b>Weighted Average</b>	9.35	
September 30, 2022 <sup>#</sup>	14.71	

<sup>#</sup>Not Annualized

##### *As per Restated Financial Statements- Post-Bonus & Post-Split*

Year Ended	Basic & Diluted EPS (Rs.)	Weights
March 31, 2020	5.14	1
March 31, 2021	4.56	2
March 31, 2022	7.71	3
<b>Weighted Average</b>	6.23	
September 30, 2022 <sup>#</sup>	9.81	

<sup>#</sup>Not Annualized

**Note:** The earnings per share have been calculated by dividing the net profit as restated, attributable to equity shareholders by restated weighted average number of Equity Shares outstanding during the period. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

## 2. Price to Earnings (P/E) ratio in relation to Price of Rs. 60 per Equity Share of Rs. 10/- each fully paid up-Post Bonus & Split-

### Based on Restated Financial Statements

Particulars	P/E ratio
P/E ratio based on Basic and diluted EPS as at March 31, 2022 (Post Split & Bonus)	7.78
P/E ratio based on Weighted Average Basic and diluted EPS (Post Split & Bonus)	9.63
P/E ratio based on Basic and diluted EPS as at September 30, 2022 (Post Split & Bonus) ( <i>Not Annualized</i> )	6.17
<b>Industry PE*</b>	
<b>Highest</b>	NA
<b>Lowest</b>	NA
<b>Average</b>	NA

\*There are no listed companies in India that engage in a business similar to that of our Company i.e. only the manufacturing of C R Coils/Strips & SS Hose Pipes.

## 3. Return on Net Worth (RoNW):

Return on Net Worth as per Restated Financial Statements is as under:

Year Ended	RoNW (%)	Weight
March 31, 2020	6.08	1
March 31, 2021	5.13	2
March 31, 2022	7.97	3
<b>Weighted Average</b>		6.71
For the Period from April 01, 2022 to September 30, 2022 (Not annualized)		9.21

Notes:

- The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated by net worth (excluding revaluation reserve, if any) as restated as at year end.
- Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [Summation of (RoNW x Weight) for each fiscal year] / [Total of weights].

## 4. Net Asset Value (NAV):

### As per Restated Financial Statement-Pre-Bonus & Split

Particulars	Amount in Rs.
Net Asset Value per Equity Share as of March 31, 2020	1,266.81
Net Asset Value per Equity Share as of March 31, 2021	1,335.28
Net Asset Value per Equity Share as of March 31, 2022	1450.91
For the Period from April 01, 2022 to September 30, 2022 (Not annualized)	1,598.04
Issue Price	60.00

**As per Restated Financial Statement-Post-Bonus & Split**

Particulars	Amount in Rs.
Net Asset Value per Equity Share as of March 31, 2020	84.45
Net Asset Value per Equity Share as of March 31, 2021	89.02
Net Asset Value per Equity Share as of March 31, 2022	95.73
For the Period from April 01, 2022 to September 30, 2022 (Not annualized)	106.54
Net Asset Value per Equity Share after Issue	94.24
Issue Price	60.00

**Notes:**

- Net Asset Value per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year / Number of equity shares outstanding as at the end of year.
- Net worth is aggregate value of the paid-up share capital of the Company and Reserve and Surplus (excluding revaluation reserves, if any) and attributable to equity holders of the Company, if any, as per Restated Financial Information.

**5. Comparison of Accounting Ratios with Listed Industry Peers:**

In listed markets, we do not have any competitors as we involved in only 2 segments i.e. C R Coils/Strips & Hose Pipes. Some of the listed Companies like Hisar Metal Industries Limited, Jindal Stainless Limited are few of the major players in Indian Cold Rolled Coils/Strips market, all these companies have a wide product portfolio, offering SAW, welded, seamless and stainless-steel pipes and tubes., so we cannot compare our business model/size of business/area of business with those major players.

Accordingly, it is not possible to provide an industry P/E ratio.

For further details refer section titled “*Risk Factors*” beginning on page 22 of this Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements as Restated*” beginning on page 168 of this Prospectus for a more informed view.

**6. The Issue Price is 6 times of the face value of the Equity Shares.**

The Issue Price of Rs. 60 per equity share has been determined by the Company in consultation with the lead manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Restated Financial Statements*” beginning on pages 22, 105, 175 and 168 respectively, to have a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**The Board of Directors**  
**Quality Foils (India) Limited**  
**Formerly known as Quality Foils (India) Private Limited.**  
3 Industrial Development Colony,  
Hisar, Haryana-125005, India

Dear Sir,

**Subject - Statement of Possible Tax Benefits (“the statement”) available to Quality Foils (India) 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 Quality Foils (India) Limited**

We hereby confirm that the enclosed Annexure, prepared Quality Foils (India) Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax 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.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that; this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares (“the Issue”) by the Company.

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

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

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

### **Limitations:**

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any

events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

This statement has been prepared solely in connection with the Proposed Offer by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

**For V S JAIN & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 003533N**

Sd/-  
**Sandeep Kumar Jain**  
**Partner**  
**M. No.: 511237**

**UDIN: 22511237BGIQNO1498**

**Place: Hisar, Haryana**  
**Date: December 22, 2022**

## ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act 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 fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

### **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 Income Tax Act, 1961 and GST Act.

#### **B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS:**

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

#### **Note:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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

**For V S JAIN & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 003533N**

Sd/-  
**Sandeep Kumar Jain**  
**Partner**  
**M. No.: 511237**

**UDIN: 22511237BGIQNO1498**  
**Place: Hisar, Haryana**  
**Date: December 22, 2022**

## SECTION VI – ABOUT THE COMPANY OUR INDUSTRY

### GLOBAL OUTLOOK

#### **WORLD ECONOMIC OUTLOOK REPORT - OCTOBER 2022**

The global economy is traversing a number of turbulent challenges. Inflation higher than in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic, all weigh heavily on the outlook. Normalization of monetary and fiscal policies that were unprecedentedly supportive during the pandemic is cooling demand as policymakers aim to lower inflation back to the targeted range. But a growing share of economies is in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China. Global growth is forecast to slow from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic, and reflects significant slowdowns for the largest economies: the US GDP contracting in the first half of 2022, a euro-area contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property-sector crisis. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation from 4.7% in 2021 was forecast to rise to 8.8% in for 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024. Inflation surprises have been most widespread in advanced economies, with greater variability in emerging market and developing economies. Risks to the outlook are unusually large and to the downside. Monetary policy could miscalculate the right stance to reduce inflation. Policy paths in the largest economies could continue to diverge, leading to further US dollar appreciation and cross-border tensions. More energy and food-price shocks might cause inflation to persist for longer. Global tightening in financing conditions could trigger widespread emerging market debt distress. Halting gas supplies by Russia have depressed output in Europe. A resurgence of COVID-19 or new global health scares might further stunt growth. A worsening of China's property sector crisis could spill over to its banking sector and weigh heavily on its growth, with negative cross-border effects. And geopolitical fragmentation could impede trade and capital flows, further hindering climate policy cooperation. The balance of risks is tilted firmly to the downside, with about a 25% chance of one-year-ahead global growth falling below 2%—in the 10<sup>th</sup> percentile of global growth outturns since 1970. Warding off these risks starts with monetary policy staying the course to restore price stability.

Front-loaded and aggressive monetary tightening is critical to avoid inflation de-anchoring as a result of households and businesses basing their wage and price expectations on their recent inflation experience. Fiscal policy's priority is the protection of vulnerable groups through targeted near-term support to alleviate the burden of the cost-of-living crisis felt across the globe. But its overall stance should remain sufficiently tight to keep monetary policy on target. Addressing growing government debt distress caused by lower growth and higher borrowing costs requires a meaningful improvement in debt resolution frameworks. With tightening financial conditions, macro prudential policies should be on guard against systemic risks. Intensifying structural reforms to improve productivity and economic capacity would ease supply constraints and, in doing so, support monetary policy in fighting inflation. Policies to fast-track the green energy transition would yield long-term payoffs for energy security and the costs of ongoing climate change.

Phasing in the right measures in the coming eight years will keep macroeconomic costs manageable. And last, successful multilateral cooperation will prevent fragmentation that could reverse the gains in economic well-being from 30 years of economic integration.

*Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>*

#### **Inflation and Uncertainty**

The world is in a volatile period: economic, geopolitical, and ecological changes all impact the global outlook. Inflation has soared to multi-decade highs, prompting rapid monetary policy tightening and squeezing household budgets, just as COVID-19-pandemic-related fiscal support is waning. Many low-income countries are facing deep fiscal difficulties. At the same time, Russia's ongoing war in Ukraine and tensions elsewhere have raised the possibility of significant geopolitical disruption. Although the pandemic's impact has moderated in most countries, its lingering waves continue to disrupt economic activity, especially in China. And intense heat waves and droughts across Europe and central and south Asia have provided a taste of a more inhospitable future blighted

by global climate change. Amid these volatile conditions, recent data releases confirm that the global economy is in a broad-based slowdown as downside risks.

The second quarter of 2022 saw global real GDP modestly contract (declining 0.1 percentage point at a quarterly annualized rate), with negative growth in China, Russia, and the US, as well as sharp slowdowns in eastern European countries most directly affected by the war in Ukraine and international sanctions aimed at pressuring Russia to end hostilities. At the same time, some major economies did not contract euro area growth surprised on the upside in the second quarter, led by growth in tourism-dependent southern European economies.

Forward-looking indicators, including new manufacturing orders and sentiment gauges, suggest a slowdown among major economies. In some cases, however, signals conflict—with some indicators showing output weakness amid labour market strength. An important factor underpinning the slowdown in the first half of this year is the rapid removal of monetary accommodation as many central banks seek to moderate persistently high inflation. Higher interest rates and the associated rise in borrowing costs, including mortgage rates, are having their desired effect in taking the heat out of domestic demand, with the housing market showing the earliest and most evident signs of slowdown in such economies as the US. Monetary policy tightening has been generally—though not everywhere—accompanied by a scaling back of fiscal support, which had previously propped up households’ disposable incomes. Broadly speaking, nominal policy rates are now above pre-pandemic levels in both advanced and emerging market and developing economies. With high inflation, real interest rates have generally not yet reverted to pre-pandemic levels. Tightening financial conditions in most regions, with the notable exception of China, are reflected in a strong real appreciation of the US dollar.

In eastern and central Europe, the effects of the war in Ukraine have exacerbated the shifting global risk appetite. Beyond monetary policy alone, China’s COVID-19 outbreaks and mobility restrictions as part of the authorities’ zero-COVID strategy and Russia’s invasion of Ukraine have pulled down economic activity. China’s lockdowns have imposed sizable constraints domestically and gummed up already strained global supply chains. The war in Ukraine and deepening cuts to supplies of gas to Europe have amplified pre-existing stresses in global commodity markets, once more driving natural gas prices up.

<b>Latest World Economic Outlook Growth Projections</b>			
<b>Real GDP, Annual Percentage Change</b>	<b>2021</b>	<b>2022 E</b>	<b>2023 E</b>
<b>World Output</b>	<b>6.0</b>	<b>3.2</b>	<b>2.7</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>2.4</b>	<b>1.1</b>
<b>United States</b>	5.7	1.6	1.0
<b>Euro Area</b>	<b>5.2</b>	<b>3.1</b>	<b>0.5</b>
<i>Germany</i>	2.6	1.5	-0.3
<i>France</i>	6.8	2.5	0.7
<i>Italy</i>	6.7	3.2	-0.2
<i>Spain</i>	5.1	4.3	1.2
<b>Japan</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>
<b>United Kingdom</b>	<b>7.4</b>	<b>3.6</b>	<b>0.3</b>
<b>Canada</b>	<b>4.5</b>	<b>3.3</b>	<b>1.5</b>
<b>Other Advanced Economies</b>	5.3	2.8	2.3
<b>Emerging Market &amp; Developing Economies</b>	<b>6.6</b>	<b>3.7</b>	<b>3.7</b>
<b>Emerging &amp; Developed Economies</b>	<b>7.2</b>	<b>4.4</b>	<b>4.9</b>
<i>China</i>	8.1	3.2	4.4
<i>India</i>	8.7	6.8	6.1
<i>ASEAN-5</i>	3.4	5.3	4.9
<b>Emerging Market &amp; Developing Europe</b>	6.8	0.0	0.6
<i>Russia</i>	4.7	-3.4	-2.3
<b>Latin America &amp; the Caribbean</b>	6.9	3.5	1.7
<i>Brazil</i>	4.6	2.8	1.0

<i>Mexico</i>	4.8	2.1	1.2
<b>The Middle East &amp; Central Asia</b>	4.5	5.0	3.6
<i>Saudi Arabia</i>	3.2	7.6	3.7
<b>Sub-Saharan Africa</b>	4.7	3.6	3.7
<i>Nigeria</i>	3.6	3.2	3.0
<i>South Africa</i>	4.9	2.1	1.1
<b>Memorandum</b>			
<b>Emerging Market &amp; Middle-Income Economies</b>	<b>6.8</b>	<b>3.6</b>	<b>3.6</b>
<b>Low-Income Developing Countries</b>	4.1	4.8	4.9
<i>Source: IMF, World Economic Outlook, October 2022</i>			

**Note:** Real effective exchange rates are assumed to be constant at levels prevailing from July 22 to August 19, 2022.

Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted.

For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 is based on GDP at market prices with fiscal year 2011/12 as a base year.

## INDIAN ECONOMY INSIGHTS

IBEF-Update December 2022, Strong economic growth in the first quarter of FY-2023 helped India surpass the UK to become the fifth-largest economy after it recovered from repeated waves of the COVID-19 pandemic shock. Real GDP in the first quarter of FY-2023 was about 4% higher than its corresponding FY-2020, indicating a strong start to India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intense services sector will probably be the main driver of development in FY-2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitisation of tax filings. In the medium term, greater capital spending on infrastructure and asset-building projects is set to increase growth multipliers and, with the revival in the monsoon and *khari*f sowing, agriculture is picking up momentum. The contact-based services sector has largely demonstrated its promise to boost growth by unleashing pent-up demand over April-September, 2022. The sector's success is being captured by a number of HFIs (high-frequency indicators) that are doing well, indicating the beginnings of a comeback.

The economy grew 6.3% in the second quarter of FY-2023 following double-digit 13.5% growth in the first quarter. The slowdown was due to the normalisation of the base and a contraction in the manufacturing sector's output. However, both sequential improvement and good growth over the pre-pandemic level (Q2 FY-2020) signal the economy's resilience despite global growth and financial uncertainties.

Q2 FY-2023 GDP growth was only slightly higher than consensus expectation (6.2%) mainly because of higher-than-expected growth in trade, hotels, transport and communication-related sectors. Sequentially, domestic economic output expanded 3.6%, reversing the contraction in the previous quarter, with services gaining momentum. Compared to the pre-pandemic period, GDP recorded 7.6% growth, with broad-based recovery across sectors. Increasing discretionary spending and greater mobility have augured well for the services sector. The industrial sector's performance was pulled down by manufacturing, which contracted 4.3% (y-o-y).

Both private consumption and the investment rate edged up in Q2 FY-2023 compared with the corresponding quarter of the previous year and supported by greater economic activity. However, the global growth slowdown weighed on net exports. The agriculture sector grew 4.6% in Q2 FY-2023 compared with 3.2% in the corresponding quarter a year ago.

Q2 FY-2023 industrial output contracted 0.8% y-o-y, compared with 7% growth a year ago. This was mainly because of the poor performance of the manufacturing sector, marred by high input costs. We can expect the sector to fare well in coming quarters due to the festival-push and easing commodity prices. The services sector, with the highest proportion in GDP, recorded 9.3% growth in Q2 FY-2023 owing to the revival of contact-intense

sectors. Output in sectors related to trade, hotels, transport, communications and broadcasting grew in double-digits (14.7%) benefiting from pent-up demand. Compared to the pre-pandemic period, however, these sectors were only slightly better.

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

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

## Stainless Steel Industry – Global & Indian Market

### MARKET SIZE

India's FY-2022 nominal gross domestic product (GDP) at current prices is estimated at ₹ 232.15 trillion (US\$3.12 trillion). With more than 100 unicorns valued at US \$332.7 billion, India has the third-largest unicorn base in the world. Besides, the government is focusing on renewable sources to generate energy and is planning 40% of energy from non-fossil sources by FY-2030.

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

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Ahead, the contribution of merchandise exports may waver as several of India's trade partners experience an economic slowdown. According to one of the studies, Indian exports are expected at US\$1 trillion by 2030.

### RECENT DEVELOPMENTS

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

- At September 21, 2022, India's foreign exchange reserves were US \$524,520 million
- Private equity-venture capital (PE-VC) investments were US\$2 billion in September 2022
- Merchandise exports in September 2022 were US\$32.62 billion
- PMI Services were comfortably in the expansionary zone, at 56.7, during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection was Rs. 147,686 crore (US\$17.92 billion).
- Between April and June 2022, cumulative FDI equity inflows to India were US\$604,996 million.

### GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. It has been effective in developing policies and programmes that only help citizens improve their financial stability but also for the overall growth of the economy. In recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides, a number of the government's flagship programmes, including Make-in-India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, aim to create immense opportunities in India.

## ROAD AHEAD

In Q2 FY 23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) did well in July and August 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. In foreign direct investment inflows, India ranked fifth among developed and developing nations for the first quarter of 2022.

India's economic story in the H1 FY-2023 highlighted the unwavering support the government gave in the form of capital expenditure, which, in FY-2023 (until August 2022), was 46.8% higher than the corresponding period last year. The ratio of revenue expenditure to capital outlay fell from 6.4 in the previous year to 4.5 in this year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, greater profitability, and increasing economic activity contributed to rising capital spending.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August, CPI-C inflation was 7%, down from 7.8% in April. Similarly, WPI inflation fell from 15.4% in April to 12.4% in August. With a proactive set of administrative actions by the government, a flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India appear to be on the decline overall.

## Our Industry

### About Stainless Steel

Stainless steel is a generic term for the family of corrosion-resistance alloys. The metal derives its name because it does not stain, rust or corrode. Its properties are enhanced with other elements, molybdenum, nickel and nitrogen. Adding these elements produces a variety of SS grades for use in a range of industries.

One of this metal's unique features is that it can be re-used and re-cycled, making it environment friendly. Over 50% of new stainless steel is made from melted scrap making it a 'Green' metal. SS is dubbed a 'Wonder Metal' because of its distinguishing characteristics: low maintenance, weld ability, aesthetic appeal, durability, low life-cycle cost, good erosion- and corrosion-resistance. These make it an ideal material for many applications at various end-user sectors.

The basic use of stainless steel arises from its ability to resist corrosion. This results from adding chromium to iron: 10.5% added makes it corrosion resistant, on the formation of an oxide layer of chromium at the surface, which does not allow iron in the stainless steel to corrode. The formation of this layer is dynamic. If the surface is scratched or damaged, oxygen from the atmosphere re-forms the chromium oxide layer, a process known as re-passivation. Therefore stainless steel is protected all the time with this passive layer. This ability also reduces the use of corrosion-protection paints, saving costs and the environment.

Apart from corrosion resistance, other sterling properties of stainless steels make it a preferred choice to other competing materials for many industries.

## DOMESTIC STAINLESS STEEL INDUSTRY

### The India Stainless Steel Market

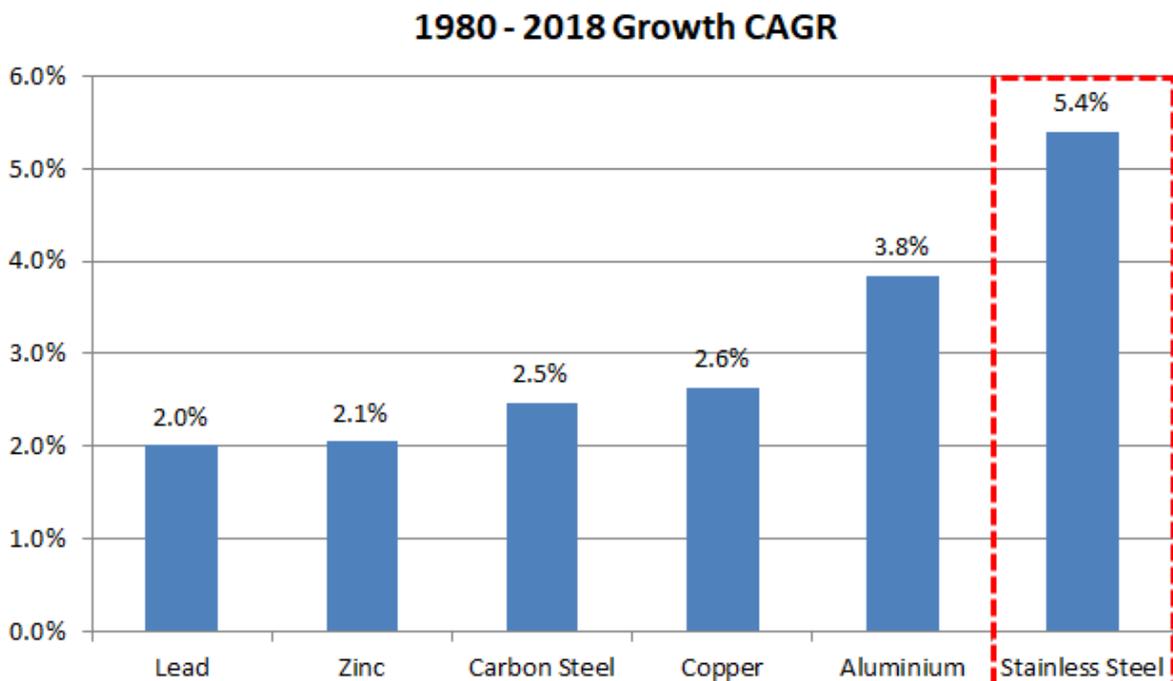
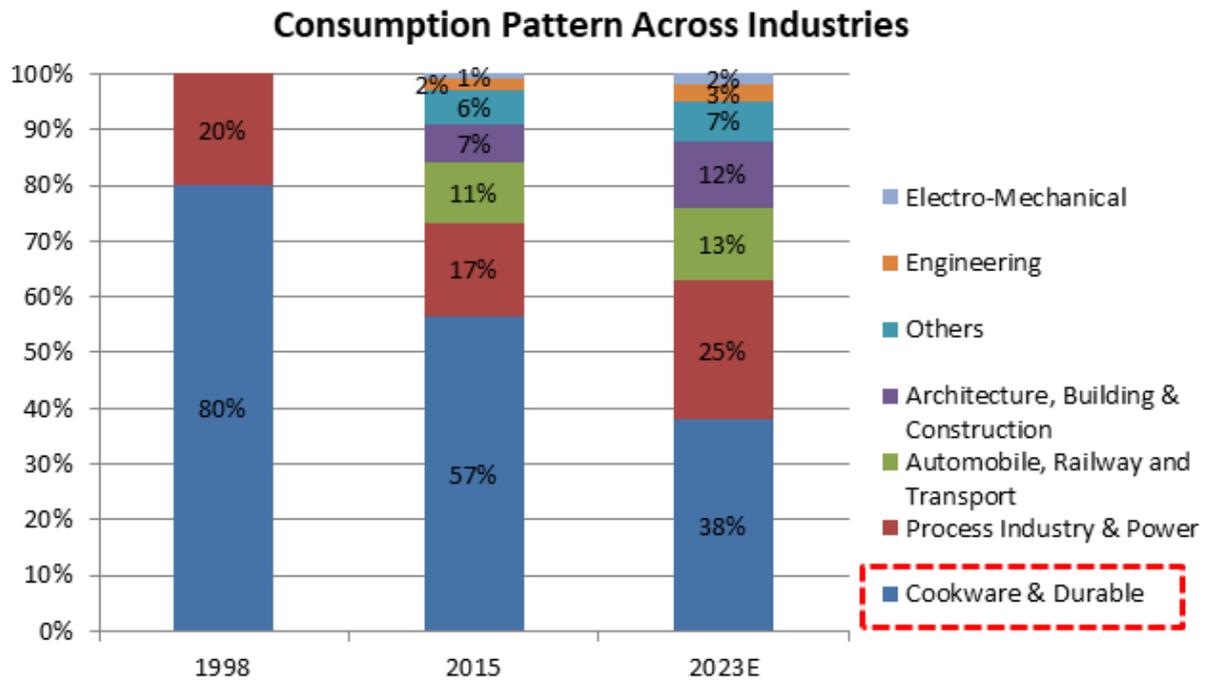
India's SS market was US\$9.67 billion in FY-2020, with an over 6.87% CAGR forecast by FY-2026, due to the metal's properties of corrosion resistance, tensile strength and durability. Rising demand for consumer goods, construction and transportation is likely to drive market growth. And properties such as toughness, ductility and low maintenance have resulted in increased utilisation in consumer goods such as cookware, showpieces, and stoves, which in turn are anticipated to push product demand in coming years.

Moreover, increasing demand for stainless steel from various end-use industries, such as chemical, oil and gas, plumbing, energy and construction is predicted to drive the demand for stainless steel during the forecast period.

Some manufacturers of SS in India are Jindal Stainless, Jindal Stainless (Hisar), Viraj Profiles, Shah Alloys, Shyam Ferro Alloys, The Steel Authority of India, Tata Steel, Ambica Steels, Visa Steel, Laxcon Steels.

Consumption of SS has changed in the last couple of decades. It has not only been increasingly consumed at end-user industries, but has begun to be used in newer industries. This is one of the major reasons the metal growing at one of the fastest rates since 1980.

<https://www.alphainvesco.com/blog/indian-stainless-steel-industry-overview-latest-updates/>



(Source: [worldstainless](http://worldstainless.com))

<https://www.metalstripsolutions.com/cold-rolled-stainless-steel-strips/>

## What Are Cold-Rolled Stainless Steel Strips?

End users' requirement of cold-rolled stainless steel strips is becoming increasingly strict in recent times. Unlike conventional hot-rolled stainless steel strips, precision cold-rolled stainless steel strips usually refer to stainless steel strips less than 0.30mm thick.

As a high-end product in stainless steel materials, precision cold-rolled stainless steel has excellent strength, precision, surface finish and other properties. It is widely used in heat exchangers, optical cables, hypodermic needles, diamond blades, and springs materials.

At present, the main production processes of cold-rolled stainless steel strips include cold rolling, bright annealing, tension straightening and finishing.

### Advantages of Using Cold-Rolled Stainless Steel Strips

Compared with hot-rolled stainless steel strips, cold-rolled stainless steel strips has higher dimensional accuracy, low surface roughness, good surface quality, smoothness and greater strength.

Therefore, thinner cold-rolled stainless steel strips can be used instead of thicker hot-rolled strips for the same purpose to save the amount of material, which is of great economic significance.

Since its first cast in 1913, Stainless Steel has come a long way. Today, the versatile metal is widely used not only by heavy industries but practically by all small and medium industries that manufacture our day-to-day utility products, be it cooking utensils or high-precision electronic gadgetry. Demand in India for stainless steel is second to demand for textiles in terms of sheer magnitude. No doubt it is called the versatile metal because of its numerous applications and extraordinary properties.

### Stainless Steel Characteristics

Stainless Steel has two main characteristics. All grades contain varying amount of chromium, possess a higher resistance to scaling at high temperatures.

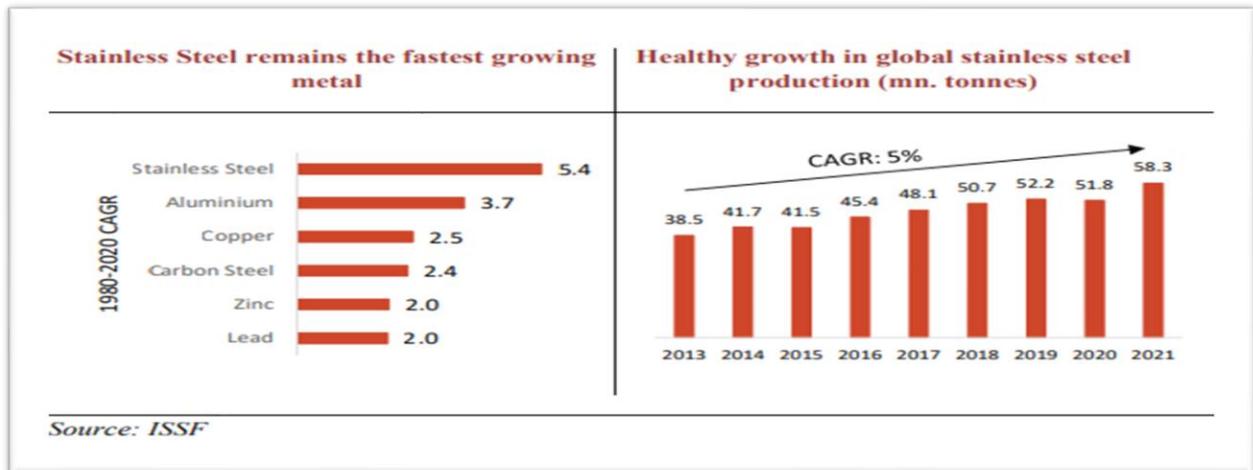
Stainless Steel is not a single material but a group of steels containing a minimum of 11% chromium with or without varying amounts of nickel, molybdenum, titanium and other elements.

*Source: Annual Report – Jindal Stainless FY 2021-22*

## IMPACT OF COVID-19 ON STAINLESS STEEL MARKET

### The Global Stainless Steel Scenario

Stainless steel has been the fastest growing metal compared to aluminium, zinc, carbon steel, etc. with a 5.8% CAGR (per the International Stainless Steel Forum, ISSF). This can be attributed to its diverse use and greater replacement demand. Following a rising trend since 2015, global stainless steel melt-shop production was 52.2 million tonnes in CY19. The Covid-19 pandemic temporarily dented global stainless steel melt-shop production by 0.8% in CY20 to 51.8 million tonnes. However, in CY21, it turned around and registered impressive 12.51% growth over the previous year to 58.3 million tonnes, according to the ISSF in its publication.



## FUTURE OUTLOOK

### The Domestic Stainless Steel Scenario

According to the Stainless Steel Vision Document 2047, published by ISSDA and CRISIL, India will be the fastest growing stainless steel market and the second largest globally for the next several years. Infrastructure, renewable energy, agriculture, industry, “smart” cities, Defence, and aerospace are some sectors with great potential for stainless steel demand. Moreover, a prioritized approach to favour building long-lasting and maintenance-free infrastructure, and focusing on low life-cycle cost and value propositions are encouraging trends for the Indian stainless steel industry.

Further, the metal is expected to support nation-building and sustainable solutions across sectors where nearly 4% of the GDP is lost to corrosion every year. Over time, diverse use of stainless steel in India has increased, along with growth in conventional use. The trend continues with more new-age applications. A significant thrust by the government on infrastructure development and increase in awareness has also boosted stainless steel consumption. The scope for further growth is huge as India’s per capita consumption of stainless steel is just 2.5kg against a global average of 5.5–6kg.

After a dip in CY20, due to the Covid-19 impact, stainless steel melt-shop production in India bounced back in CY21 to 3.96 million tonnes, registering 26% growth over the previous year. Economic recovery and greater liquidity, post-lockdown, boosted a revival in demand, both in India and other regions. Railways, infrastructure, and process industries have been seeing greater demand and are likely to do better ahead. With the government’s sharp focus on infrastructure development and introducing promising projects viz. PM Gati Shakti, the life-cycle cost evaluation for project finalisation, replacement demand and growing awareness, stainless steel demand in India is likely to be robust.

Domestic demand for stainless steel clocked a compound annual growth of about 5.2% over fiscals 2016 to 2020 to 3.7 million tonnes. However, pandemic-led disruptions led to demand contracting 14-15% year-on-year in FY21 to 3.2 million tonnes. Domestic stainless steel demand bounced back to 3.96 million tonnes in FY22 supported by a low base, a relatively stable macro-economic environment, and normalised government spending. In the medium term, CRISIL expects stainless steel demand to register a 6.5–7.5% CAGR over FY 2022-25 to 4.6–4.8 million tonnes.

Further, CRISIL estimates this demand at 12.5–12.7 million tonnes by FY-2040 and 19–20 million tonnes by FY-2047. Consequently, per capita consumption is expected at 8–9 and 11–12 kg, from 2.5 kg now. Key contributor segments like construction, infrastructure and manufacturing are expected to drive this growth. Demand from the largest end-segment, consumer goods, is expected to be strong in future. Further, work-from-home culture will support the industry’s growth, boosting stainless steel demand for consumer durables. Also, the share of regulated manufacturers of kitchenware, a key component of consumer durables, is expected to have risen.

While industrial activity was hit in the past year, demand from processing industries is expected to rise with schemes such as ‘AtmaNirbhar Bharat’, ‘Make-in-India’, Production Linked Incentive (PLI), as well as a revival in investment. The food processing and pharmaceutical sectors are expected to be major end-users of stainless steel in process industries. Consumer goods (including kitchenware) account for 45% of demand for stainless steel in India, followed by process industries at 25%, with ABC contributing around 20% and ART around 9%-10% of the total mill-product demand. Automobiles, railways and transport (ART): CRISIL estimates demand from the ART segment contributed 10-11% of stainless steel demand in India in FY21.

Stainless steel demand from ART registered an 8-9% CAGR over FY15-FY20. After a drop of about 22% in FY-2021, demand in FY-2022 is expected to have jumped back to the FY-2020 level. While CRISIL estimates a 5.5% CAGR over FY22-FY25, it expects a faster, 7-8%, CAGR over FY25-FY30, driven primarily by a long-term revival in auto plus added demand from new age applications in the Railways.

Growth would be largely driven by the automobile segment and the rising penetration of stainless steel in the Railways, electric vehicles, bus bodies, fuel tanks, etc. Within automobiles, two-wheelers and passenger vehicles accounted for the major share of stainless steel demand. Collectively, these two sub-segments accounted for 85-90% of stainless steel consumption in ART. The Indian Railways has completely switched to LHB coaches, which have stainless steel shells. This makes up a significant proportion of the country’s demand for stainless steel. Use of stainless steel in coaches ensures safety and reliability through fire- and corrosion-resistance. Increasing penetration of stainless steel wagons and coaches, rising use of the alloy in rail infrastructure, proposed station modernisation and dedicated freight corridors (DFC) are expected to drive demand for stainless steel from the Railways. The overall stainless steel demand from automobile is envisaged at at 9-10% and 7-8% CAGRs over the medium and long term, respectively. Over FY22-FY25, stainless steel demand from other transport segments is expected to register a 8.5% CAGR.

**Architecture, Building & Construction:** The ABC sector is estimated to have accounted for 19-20% of the country’s FY-2021 stainless steel demand, registering an 11-12% CAGR over FY15-FY20. Of all stainless steel end-user industries, the fall in demand from the ABC sector was the least in FY-2021, estimated at 8-9% year-on-year. Also, demand in this sector is expected to swell by the highest rate (28-30%) in FY-2022, compared to other sectors. Demand is expected to clock a 6-7% CAGR over FY22-FY25, largely driven by residential, commercial, airport infra, water supply and sanitation (WSS), MRTS and commercial complexes. Further, ABC demand is expected at a ~10% CAGR on continued investments to one million tonnes by FY-2030. Further, the government’s emphasis on infrastructure modernisation would boost stainless steel demand in applications such as lifts, escalators, modular water kiosks, water ATMs, stainless steel benches, and mass rapid-transit systems (MRTS).

**Process industry:** Process industries accounted for 22-24% of stainless steel demand in India in FY-2021. Within this, food processing and pharmaceuticals were the major end-users of stainless steel. Demand here, according to a CRISIL Research, recorded an 8-9% CAGR over FY15-FY21. However, the Covid-19 pandemic slowed FY-2021 demand by an estimated 4-5% from the previous year. CRISIL Research expects stainless steel demand from process industries to register a 7-7.5% CAGR over FY22-FY30.

**Consumer goods:** Stainless steel demand from consumer goods (kitchenware and consumer durables) makes up 45-50% of overall stainless steel demand. CRISIL Research expects such demand from kitchenware to expand at a 6-7% CAGR over FY20-FY30. Sales of consumer durables logged a 7.8% CAGR over FY15-FY20. Slowing demand following the first Covid-19 wave curtailed sales in FY-2021. CRISIL Research envisages healthy demand growth for consumer durables in the long run, in tandem with sustained economic recovery. Growth would be driven by greater affordability, shorter replacement cycles, multiple ownership and low penetration. Global manufacturers are launching cost-effective models in India to boost mid-range sales. This is expected to alter the buying pattern of consumers who are more likely to move to new technology focusing on water and power saving. Demand over FY21-FY26 is expected to expand at an 11-13% CAGR.

### **Healthy demand outlook**

Over time, stainless steel has seen many diverse applications in many industries along with consistent growth in conventional use. The Stainless Steel Vision Document 2047, released by The Indian Stainless Steel Development Association (ISSDA) in collaboration with CRISIL Research, expects India to be one of the fastest growing markets for stainless steel and maintain its second-largest consumer position in the world.

With the push for electric vehicles (EVs) and focus on fuel efficiency, more use of stainless steel can be expected in future. In the Railways, wagons, coaches and metro-rail projects are likely to drive stainless steel demand. The Indian Railways has completely switched to LHB coaches, which have stainless steel shells. Utilisation of stainless steel is expected to increase in building rail wagons and the super-structure of freight cars as more DFCs turn operational. In process industries, increased use of stainless steel is expected for containers, pipelines and tubes, heat-exchangers, food-contact equipment, storage tanks, condensers, processing and packaging machines, etc. In food processing, the hygiene factor renders stainless steel the most preferred material. In consumer durables, stainless steel is used in white goods, as it is corrosion-resistant, easily fabricated, has good mechanical properties over a wide range of temperatures, and can be given a host of exclusive finishes. Stainless steel properties, such as high degree of toughness and ductility, and low maintenance have increased its utilisation in consumer goods such as cookware, washing machines, refrigerators, delivery boxes and hard-disk covers. Many new-age applications of stainless steel across various segments are expected to arise in future. With the keen government focus on infrastructure, sustainability and increasing emphasis on health, hygiene and corrosion resistance, demand for stainless steel is likely to shoot up. In the medium term, CRISIL Research expects stainless steel demand to register a 6.5-7.5% CAGR over FY 22-25 to 4.6–4.8 million tonnes. In the long run (FY25 to FY30), CRISIL Research forecasts a 7-8% CAGR in demand to 6.6–6.8 million tonnes.

### **Government announcements influencing the stainless steel sector**

The government's vehicle-scrapage policy is likely to benefit stainless steel makers. This will help in greater availability of local scrap from domestic scrapping facilities, reduce import dependence of scrap, and curtail the import bill. It will also aid steel makers in reducing lead times and provide flexibility in supply. In the Union Budget 2022-23, the government had temporarily withdrawn import duty on imports of scrap (stainless steel and mild steel) and nickel. This augurs well for scrap-based players in India, where scrap generation is low and when we fully depend on imports for the nickel we require. Further, the significant push to infrastructure including the emphasis on developing metro-rail projects and modernising rail infrastructure in different parts of the country and ports through the PPP mode are encouraging.

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 22, 168 and 175, respectively, 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 Company’s financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for six months ended September 30, 2022 and fiscal years 2022, 2021 and 2020 included herein is derived from the Restated Financial Statements, included in this Prospectus. For further information, see “Restated Financial Statements” on page 168. Additionally, please refer to “Definitions and Abbreviations” on page 2 for certain terms used in this section.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Quality Foils (India) Limited.*

## OVERVIEW

The Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) in the name and style of “Quality Foils” pursuant to Partnership deed dated October 03, 1989. Quality Foils was thereafter converted from Partnership Firm to a Private Limited Company under the provisions of Companies Act, 1956 with the name and style of “Quality Foils (India) Private Limited” and received a certificate of incorporation dated May 08, 1990 from the Registrar of Companies, NCT of Delhi & Haryana.

Further, the word “Private” has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to “Quality Foils (India) Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.

Afterthought, the word “Private” has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to “Quality Foils (India) Private Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.

Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Quality Foils (India) Limited” vide shareholder’s approval on November 12, 2022 and fresh certificate of incorporation dated November 25, 2022.

Quality Foils (India) Limited is manufacturers and exporters of Cold Rolled Stainless Steel Strips/ Coils and Stainless Steel Flexible Hoses/pipes. Our Company use raw material of premium quality i.e. Hot Rolled Stainless Steel Coils/Strips mainly from Jindal Stainless Hissar Limited, Hissar. We sourced our more than 95% of raw material consumed from Jindal Stainless Hissar Limited in last three financial years.

We are one of the growing manufacturers and exporters of Cold Rolled Stainless Steel Strips/ Coils and Stainless Steel Flexible hose pipes in India having over thirty years of experience in the manufacturing of stainless-steel products in two broad categories:

- i. Cold Rolled Stainless Steel Coils/Strips;
- ii. Stainless Steel Flexible Hose Pipes.

Under our brand name “Quality”, we supply our Products i.e. Cold Rolled Stainless Steel Coils/Strips in for manufacture of SS Tube/Pipe, Utensils, Cutlery, Kitchen Sinks, Stainless Steel Flexible Hoses and Automobile components and Flexible Hose pipes to major applications such as high temp & medium pressure for Hydraulic Oil, Hot Water, Steam & Gas applications, chemical resistant, exhaust systems of steel, power, petrochemical, sugar, automobile and many other heavy engineering sectors.

### Manufacturing Unit/Facility

We have one manufacturing plant which is strategically located at 3, Industrial Development Colony, Hisar, Haryana-125005, having total area of 16,239 Sq. yards. (“Manufacturing Facility”) in close around 3-5 kilometers from our main source of raw material i.e. Jindal Stainless Hisar Limited, that helps us in reducing our logistic costs on procurement of raw materials. Our Manufacturing Facility has CR Coils and Hose divisions with latest product-specific equipment and machineries including tube mills, Hydraulic Corrugator, Mechanical Corrugator, Carrier Braiding Machine, Hose Joining Station, draw benches, swaging machines, pipe straightening machines, TIG/MIG welding systems, etc. As on date, our Manufacturing Facility have total installed capacity of 12,000 MT per annum for CR Stainless steel coils/strips and 2,00,000 meters per annum for SS Hose pipes. Further, we have a sufficient storage facility at our Manufacturing Facility for the purposes of holding inventories of raw material as well as finished products which ensures stability of operations.

### We have two products in our manufacturing unit:

1. **Product 1:** Cold Rolled Stainless Steel Coils/Strips.
2. **Product 2:** Stainless Steel Flexible Hose Pipes.

### Market

We sell our Products both in the domestic as well as the international markets. In the domestic market, we sell our Products to the manufacturer customers as well as to the traders and in the international market we supply our Products to the manufacturers and traders and through certain marketing representatives. We started exporting our Products in the year 2005 and as on January 09, 2023 we have exported to more than seven countries including Germany, UK, Philippines, Sri Lanka, Turkey, Poland and Bogota Colombia. The revenues from exports aggregated to Rs. 235.80 lakhs, Rs. 1,030.16 lakhs, Rs. 728.30 lakhs and Rs. 324.01 lakhs for the six-month period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively, and as a percentage of our revenue from operations, were 2.25%, 5.71%, 5.86% and 2.13%, respectively.

We are ISO 9001:2015 and ISO 45001:2018, certified by Body of TUV SUD South Asia Private Limited and Quality Research Organisation.

We have an in-house quality control team comprising of six dedicated personnel working under the overall supervision of our Board of directors. Our quality control team ensures that our raw materials as well as end products are tested on all quality parameters to ensure that we are compliance with the international product standards.

### Some of our financial details for the six-month period ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively, are set out below:

(Rs. In Lakhs)

Particulars	For the period ended September 30, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Share Capital	140.00	140.00	140.00	140.00
Reserve & Surplus	2,097.26	1,891.27	1,729.39	1,633.53
Networth	2,237.26	2,031.27	1,869.39	1,773.53
Total Income	10,471.59	18,030.63	12,436.67	15,210.77
Profit for the Period	205.99	161.88	95.86	107.87

**Product-wise Revenue Breakup:**

**For the period ended September 30, 2022 :-**

Sale of Products/others	Quantity (MT)	Amount (In Lakhs)	% of Revenue from operations
Cold Rolled Strips- SS	3,428.366	9,664.76	92.53%
Hose Pipes	69.14	480.42	4.60%
Sale of Scrap	105.767	167.37	1.60%
Job work & processing charges	-	130.30	1.25%
Duty Draw back & other export benefits	-	2.24	0.02%
Others	-	0.18	0.00%
<b>Total</b>	<b>3,603.273</b>	<b>10,445.27</b>	<b>100.00%</b>

**For the year ended March 31, 2022:-**

Sale of Products/others	Quantity (MT)	Amount (In Lakhs)	% of Revenue from operations
Cold Rolled Strips- SS	6,956.625	16,740.03	93.11%
Hose Pipes	56.795	675.05	3.75%
Sale of Scrap	226.033	310.51	1.37%
Job work & processing charges	-	167.05	0.93%
Duty Draw back & other export benefits	-	16.18	0.09%
Others	-	69.76	0.39%
<b>Total</b>	<b>7,239.453</b>	<b>17,978.58</b>	<b>100.00%</b>

**For the year ended March 31, 2021:-**

Sale of Products/others	Quantity (MT)	Amount (In Lakhs)	% of Revenue from operations
Cold Rolled Strips- SS	7,117.544	11,637.61	93.86%
Hose Pipes	46.690	423.99	3.42%
Sale of Scrap	242.290	202.64	1.63%
Job work & processing charges	-	106.74	0.86%
Duty Draw back & other export benefits	-	12.61	0.10%
Others	-	14.78	0.12%
<b>Total</b>	<b>7,406.524</b>	<b>12,398.37</b>	<b>100.00%</b>

**For the year ended March 31, 2020:-**

Sale of Products/others	Quantity (MT)	Amount (In Lakhs)	% of Revenue from operations
Cold Rolled Strips- SS	9,280.981	14,260.94	94.20%
Hose Pipes	54.690	491.26	3.24%
Sale of Scrap	309.398	242.02	1.60%
Job work & processing charges	-	114.52	0.76%
Others	-	30.46	0.20%
<b>Total</b>	<b>9,645.069</b>	<b>15,139.20</b>	<b>100.00%</b>

## OUR COMPETITIVE STRENGTHS

### International Accreditations and product approvals

We are one of the growing brands in Cold Rolled stainless steel Coils/Strips & Flexible Hose Pipes having presence in both Cold Rolled Coils and Hose Pipes segment. We follow international standard manufacturing practises and our Manufacturing Facility benefits from the quality benchmarking certifications such as (i) ISO 9001:2015, ISO 45001:2018 from TUV SUD South Asia Private Limited and Quality Research Organisation. Such practices and accreditations, coupled with our technical capabilities and know-how enable us to manufacture products for both domestic and international customers as per ASTM (US), EN (Europe), JIS (Japan) and DIN (Germany) standards, our capabilities and accreditations have enabled us to supply our Products to some of the best companies in the past across sectors, including engineering. We believe that our certifications and industrial expertise favourably position us in servicing client requirements across all segments of the C R Coils/Strip and Hose pipes market.

### Specialised production of Cold Rolled Stainless Steel Coils/Strips and Hose Pipes

We are a C R Stainless Steel Coils/Strips and Hose pipes manufacturer with the sole focus on manufacturing of C R Coils in a single metal category, i.e., stainless steel. As we have been catering to customers (both domestic and international) in only one metal segment since our inception, over the years we have built expertise in terms of production process, inventory management and marketing of products in the Cold Rolled Stainless Steel Strips and Hose Pipes segment. This gives us the benefit of segment expertise thereby placing us in a position of advantage vis-à-vis our competitors in accurately assessing and responding to customer preferences in this segment. We believe that this focus has well positioned us in attracting and retaining customers with requirements for specialised stainless steel strips and hose pipes including continued client interest from emerging sectors like engineering sector.

### Multi-fold demand of our Products

The demand for our Products in our ordinary course of business is generated from two broad categories:

1. **New Projects:** We supply our Products for new projects across a diversified range of sectors, including but not limited to engineering, on a regular basis throughout the year. We have maintained our presence in this sector on a consistent basis in the last many financial years and have continued to secure orders both from existing and new customers.
2. **Repair and Maintenance:** We regularly supply our Products to existing / new customers consequent to normal wear and tear of the products being used by them. The frequency of such orders is dependent on the relevant project and typically an instruction / order is raised to supply a specific number of pieces in order to rectify the deficiency.

We believe that the demand from the aforesaid categories ensures a strong order book on a year-on-year basis. Further, we believe that the demand for our Products shall increase in the future placing us in a competitive position. Considering the nature of our Products and their demand, we further believe that we shall be in a position to create new customer relationships and strengthen the existing ones due to repeat orders.

### Customer Diversification

We sell our Products both in the domestic as well as the international markets. In the domestic market, we sell our Products to the end customers as well as manufacturers & traders while in the international market we supply our Products to the manufacturers & traders and through certain marketing representatives in the European Union

market. We started exporting our Products in the year 2005 and as on January 09, 2023 we have exported to more than seven countries including Germany, UK, Philippines, Sri Lanka, Turkey, Poland and Bogota Colombia.

**Further, the details of our customer across market for the six-month period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively are as below:**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Domestic Sales & Others	10,209.47	16,948.42	11,668.16	14,822.58
Export Sales	235.80	1030.16	730.21	324.01
<b>Total</b>	<b>10,445.27</b>	<b>17,978.58</b>	<b>12,398.37</b>	<b>15,146.59</b>

**Country wise Export break-up:**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Bahrain	3.33	-	-	-
Turkey	89.15	197.62	27.93	26.39
Germany	61.46	171.81	136.31	82.38
Norway	75.51	-	-	-
Special Economic Zone	6.35	-	1.91	-
U K	-	559.48	-	-
Philippines	-	1.46	-	-
Sri Lanka	-	99.79	458.15	208.24
Poland	-	-	105.91	-
Bogota Colombia	-	-	-	7.00
<b>Total</b>	<b>235.80</b>	<b>1,030.16</b>	<b>730.21</b>	<b>324.01</b>

We believe that our diversified customer base provides us significant penetration in the market in which we operate and thereby hedges our business operations from potential sector specific risks, including but not limited to policy announcements, change in global markets and international relations etc.

### Experienced and Qualified Team

Our Promoters and senior management team is well experienced in this industry both from marketing and distribution of products in this sector. Our Promoters, Mr. Kuldip Bhargava is first generation entrepreneur, having experience of more than four decades in stainless coils, strips steel pipes and tubes industry in addition to expertise in marketing, procurement, finance, accounting and customer relationship management and Mr. Tejasvi Bhargava is the second-generation entrepreneur, having experience of more than two decades in steel industry in addition to expertise in marketing and finance.

Our Company believes that it benefits from the vision, leadership, skills, experience, commitment and relationships of our Promoters. Our Promoters in aggregate, have more than fifty years of experience in relation to manufacturing of CR Strips/Pipes/Tubes and SS pipe related products, in addition to having expertise in marketing. Further, our Promoter Mr. Kuldip Bhargava & Mr. Tejasvi Bhargava, are actively involved in managing the day-to-day affairs of our Company, in addition to having expertise in finance and accounting. Our success has been, and will continue to be, dependent on our senior management team. Our senior management team comprises of professionally qualified members with experience and knowledge in the Stainless Steel industry and regulatory environment. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future opportunities. A large number of our senior management personnel have worked with us for a significant period of time, resulting in effective

operational coordination and continuity of business strategies. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Section titled “Our Management” beginning on page 138.

## **OUR STRATEGY**

### **Strengthen our brand value**

We are in the business of manufacturing of Stainless steel Coils/Strips & Hose pipes/assemblies since last more than four decades. Considering our current market presence with our customers in diversified sectors and geographies in order to further penetrate the market, we intend to make consistent efforts to strengthen our brand “Quality” and enhance our brand visibility for attaining parity with our industry peers. Towards this end, we intend to undertake various marketing initiatives including participation in industrial trade fares, exhibitions, and digital marketing. We believe that such initiatives shall improve our brand positioning, overall brand recall value and support us in our growth strategy.

### **Quality Assurance**

We will continue to maintain quality of our existing products to cater to various customers in the market. We endeavour to maintain the quality of our products, and follow strict procedures to ensure timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.

### **Increase geographical presence**

Going forward we plan to establish our presence in the more geographical potential regions. Our emphasis is on expanding the scale of our operations as well as growing our supply chain network, which we believe will provide attractive opportunities to grow our client base and revenues.

### **Continue to improve operations**

Our Company intends to invest significantly in Research and Development in order to meet and adapt to the latest technologies. Our Company intends to invest in the same so to meet the ongoing demand of increasing and diversifying the product portfolio and meeting the quality standards as required.

### **Continue to improve operating efficiencies through technology enhancements**

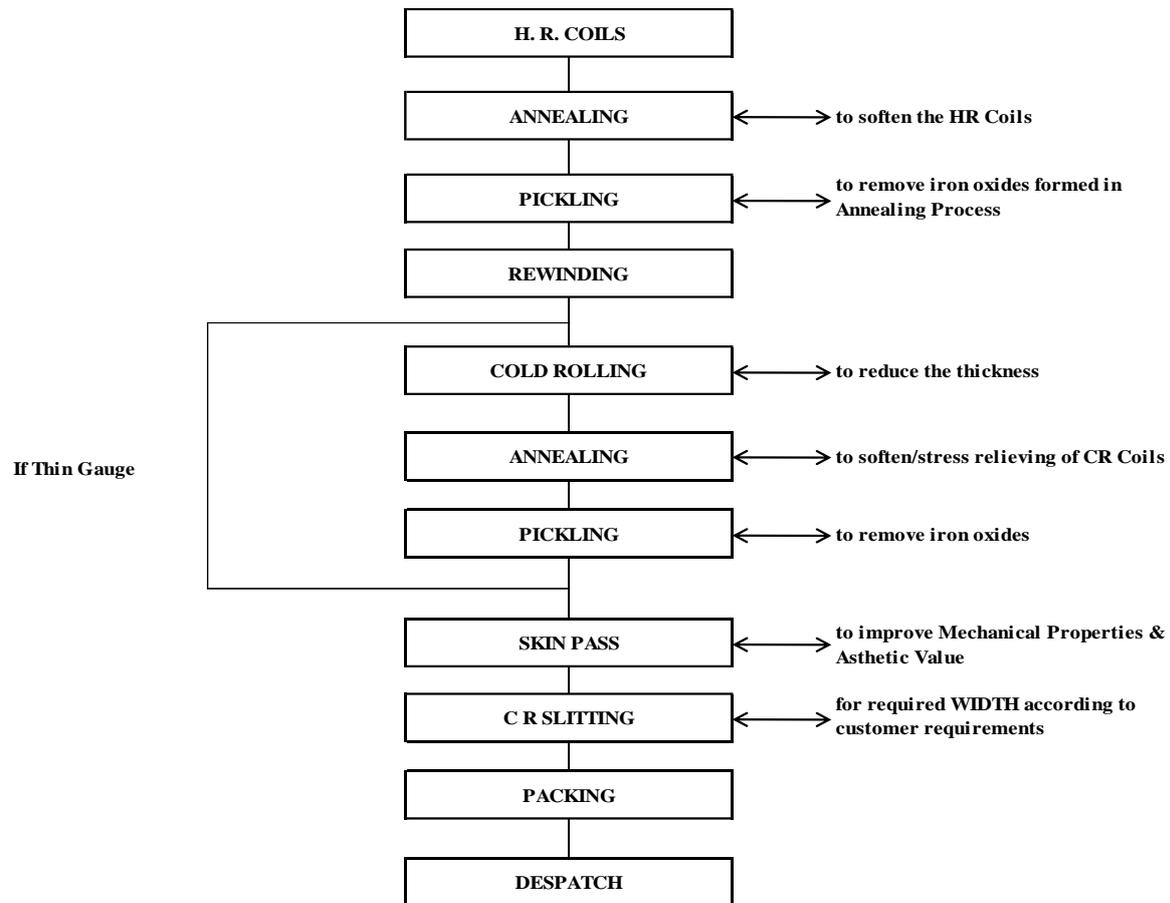
We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

### **Our Products**

We offer a wide range of products under our own “Quality” brand including:

1. **Cold Rolled SS Coils/Strips:** Cold Rolled Stainless Steel Precision Strips & Coils from 0.20 mm to 3.50 mm thickness with maximum width 710 mm in all grades used mainly for manufacture of SS Tube/Pipe, Utensils, Cutlery, Kitchen Sinks, Stainless Steel Flexible Hoses and Automobile components.

## Manufacturing Process of Cold Rolled Coils/Strips:



### Raw Material used:

We procure raw material i.e. Hot Rolled SS Coils (H R Coils) from Jindal Stainless Hisar Limited, Hisar & from the open markets then processed for the as per the customers' requirement.

### Finished products i.e. Stainless-Steel Cold Rolled Coils with different range of thickness & width:

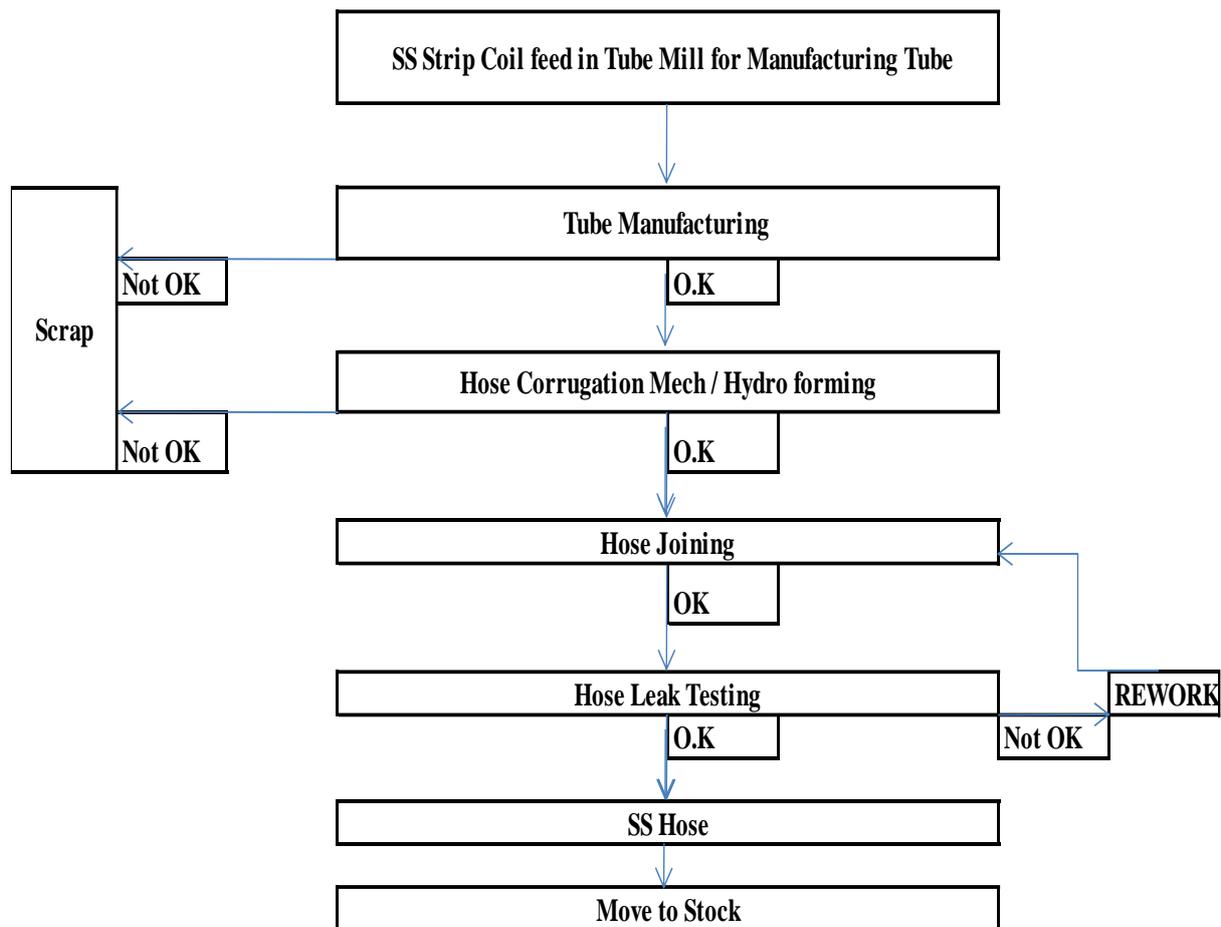




- Flexible Hose Pipes:** Corrugated flexible hoses in the size range of 3/8” (DN 10) to 8” (DN 250) and can offer these in the material grades of SS304, SS 321 and SS 316L with wire Braiding of SS304 done on 24, 36, 48 & 96 Carriers Braiding machines. This is mainly used for major applications such as high temp & medium pressure for Hydraulic Oil, Hot Water, Steam & Gas applications, chemical resistant, exhaust systems of steel, power, petrochemical, sugar, automobile and many other heavy engineering sectors. With the extensive range of tailored products to offer in this segment, the Company possesses state of the art production infrastructure with supportive in-house testing facilities.

**Manufacturing Process of Hose Pipes:**

**PROCESS FLOW CHART FOR - SS FLEXIBLE HOSES**



**Raw Material used:**

We procure raw material i.e. Cold Rolled Coils (C R Coils) from our own C R Division as well as from open market.

Finished products i.e. Stainless-Steel Hose Pipes & models with different range of thickness & width:





## Utilities

### Raw Material and Component Sourcing

Our manufacturing facility situated in the hub of the “Stainless-Steel City” of India provides an added advantage of abundant raw material supply.

Initially in past financial years i.e. financial year 2022, 2021 & 2020, we have entered a supplier’s agreement with Jindal Stainless Limited, Hisar (“Jindal”) for the raw material supply i.e. Hot Rolled Coils, Cold Rolled Coils & HR/ CR strips. The main condition was that we will purchase at least 95.00% of our raw material consumed from

Jindal & rest 5.00% we can purchase from other suppliers. In April 2022, our Company & Jindal mutually decided to amend the agreement & lift the restriction that bind us to purchase 95.00% raw material from Jindal, now we can purchase raw material from any vendors.

Our basic raw material includes Hot Rolled Coils/Strips and Cold Rolled Coils/Strips, we procure our raw from Jindal Stainless Limited with more than 95.00% in last 3 financial years of raw material consumed for Cold Rolled Stainless Steel Coils/Strips. For Stainless Steel Flexible Hose Pipes, we procure Cold Rolled Coils/Strips with different size range from our own division. The cost of materials consumed (including purchase of raw material and changes in inventory) by us in our operations accounted for 85.64%, 84.46%, 83.30% and 84.04% of our total income for the six-month period ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

### Our Machineries

The following is a brief description of the critical machineries deployed by us in the manufacturing processes carried out at our Manufacturing Facility:

#### Master List of Machinery for CR Coils/Strips

A.	LIST OF MANUFACTURING MACHINERY	
<b>Cold Rolling Mill</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
CRM - 1	Rolling (Cold Reduction)	Thickness 0.60 - 3 MM, Width 240-500 MM
CRM - 2	Rolling (Cold Reduction)	Thickness 0.60 - 4 MM, Width 300-720 MM
CRM - 3	Rolling (Cold Reduction)	Thickness 0.10 - 2 MM, Width 200-550 MM
Skin Pass (2-High Mill)	To Improve the Mechanical Properties & Shape	Thickness 0.10 - 1.20 MM, Width 150-360 MM
Coil Buildup Line	To Fix Leader End	Thickness 0.60 - 4 MM, Width 300-720 MM
<b>Furnace (F)</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
F - 1	Annealing (To Soften The HR/CR Coils)	Thickness 0.80 - 6 MM, Width 200-720 MM
F - 2	Annealing (To Soften The HR/CR Coils)	Thickness 0.80 - 6 MM, Width 300-700 MM
<b>Pickling</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Annealing & Pickling - 1	To Remove the Oxides Forming During Annealing.	Thickness 0.10 - 3 MM, Width 200-720 MM
Annealing & Pickling - 2	To Remove the Oxides Forming During Annealing.	Thickness 0.10 - 3 MM, Width 200-720 MM
Pickling	To Remove the Oxides Forming During Annealing.	Thickness 2 - 6 MM, Width 200-720 MM
Degreasing	To Remove the Oil from Surface of Coil	Thickness 0.10 - 3 MM, Width 200-720 MM
<b>Shot Blast M/C</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Shot Blast M/C	Surface Cleaning	Thickness 4 Mm (Max.) & Width 750 Max. & Speed 6 Mpm
<b>Bright Annealing</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Bright Annealing	To Anneal and Improve Surface Finish	Thickness 0.20 - 1.5 Mm, Width -550 Mm (Max) Max. Temp. 1080 C & Speed - 25 Mpm Max.

<b>Slitting</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Slitting #1	To Slit the Coil as Per Customer Requirement (Under Shutdown-2022)	Thickness 0.80 - 3 Mm, Width 150-500 Mm & Slitting Size 30-500 Mm
Slitting #2	To Slit the Coil as Per Customer Requirement	Thickness 0.10 - 6 Mm, Width 150-710 Mm & Slitting Size 10-710 MM
Slitting #3	To Slit the Coil as Per Customer Requirement	Thickness 0.80 - 3 Mm, Width 150-500 Mm & Slitting Size 30-500 MM
Slitting #4	To Slit the Coil as Per Customer Requirement	Thickness 0.10 - 0.80 Mm, Width -475 Mm (Max) & Slitting Size 10-475 MM
<b>B.</b>	<b>LIST OF SUPPORTING MACHINERY</b>	
<b>Grinding Machine</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Grinding Machine#1 (Landis)	Work Roll & Slitter Cutter Grinding	Dia.-500mm, Length-2000mm
Grinding Machine #2 (Dhiman)	Work Roll & Slitter Cutter Grinding	Dia.-400mm, Length-2000mm
Grinding Machine #3 (Dhiman)	Work Roll & Backup Roll Grinding	Dia.-800mm, Length-2500mm
<b>Lathe Machine</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Lathe Machine (8ft) #1	Roll Polish	Dia.-250mm, Length-1250mm
Lathe Machine (10 Ft) #2	Turning	Dia.-500mm, Length-2000mm
Lathe Machine (15 Ft) #3	Turning	Dia.-1000mm, Length-2500mm
Lathe Machine (10 Ft) # 4	Turning	Dia.-500mm, Length-2000mm
Lathe Machine (8 Ft) #5	Turning	Dia.-250mm, Length-1200mm
Shaper Machine	Machining	Stroke-600mm
<b>Diesel Generator</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
D.G (750kva) #1	Backup Power	1000amp /415vac
D.G (750kva) #2 (Cummins)	Backup Power	1000amp /415vac
D.G (160kva) #3 (Kirloskar Cummins)	Backup Power	200amp /415vac
<b>Air Compressor</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
Air Compressors Elgi-Make, Qty-2nos	To Provide Compressed Air	250cfm @7kg/Cm Sq.
Air Compressors Kirloskar	To Provide Compressed Air	250cfm @7kg/Cm Sq.
<b>Crane</b>	<b>Purpose</b>	<b>Capacity (Product Description)</b>
<b>EOT Crane</b>		
10 Ton (Qty-3nos)	Material Handling	10.0 TON
7.5 Ton (Qty -4nos)	Material Handling	7.5 TON
<b>Goliath Crane</b>		
5 Ton ( Qty -1no)	Material Handling	7.5 TON
3 Ton (Qty-2no)	Material Handling	3.0 TON

### List of Testing Machinery for Hose Pipes

S. N.	Name of Machine	Manufactures/ Make	Capacity	Installation Date	Machine Code No.
1	Fatigue Testing M/C	India	UP to NB -50mm Hose Assy.	2011	FT-18
2	Flame Testing	India	For Flame Testing	2011	FT-19
3	Bend Redious Testing M/C	India	Bend Redious Testing Upto 50 NB	2011	BT-20
4	Hydro Testing M/C	India	For Burst Testing	2011	HT-21
5	Pneumatic Leak Testing Tenk-1	India	For Flame Testing	2011	T-1
6	Pneumatic Leak Testing Tenk-2	India	Bend Redious Testing Upto 50 NB	2011	T-2

### Other Machinery:

S.N	Name of Machine	Manufactures /Make	Capacity	Installation Date	Machine Code No.
1	Tube Mill -1	India	NB 10-65 MM TUBE	2009	TM-01
2	Tube Mill -2	China	NB 25-300 MM TUBE	2011	TM-02
3	Hydraulic Corrugator-1	India	NB 25-65 MM HOSE	2009	HC-03
4	Hydraulic Corrugator-2	India	NB 80-250 MM HOSE	2011	HC-04
5	Hydraulic Corrugator-3	India	NB 25-50 MM HOSE	2011	HC-05
6	Hydraulic Corrugator-4	India	NB 1" to 3"	2012	HC-06
7	Mechanical Corrugator-1	India	NB 10-20 MM HOSE	2009	MC-06
8	24 Carrier Braiding Machine	India	NB 10-15 MM BRAID	2009	BR-07
9	36 Carrier Braiding Machine	Sung Il, Korea	NB 20-32 MM BRAID	2011	BR-08
10	48 Carrier Braiding Machine	India	NB 25-65 MM BRAID	2009	BR-09
11	96 Carrier Braiding Machine	Sung Il, Korea	NB 80-300 MM BRAID	2011	BR-10
12	Bobin Winding Machine -1	Sung Il, Korea	FOR BOBIN WINDING	2011	BW-11
13	Bobin Winding Machine -2	India	FOR BOBIN WINDING	2011	BW-12
14	Crimping Machine	India	FOR NECKRING CRIMPING	2010	CR-12
15	Marking Machine	India	FOR MARKING ON ASSY.	2010	MR-13
16	Flying Cutter	India	FOR HOSE CUTTING	2010	FC-14
17	Buffing Machine	India	FOR BUFFING ON ASSY.	2010	BF15
18	Grinding Machine	India	FOR TOOL GRINDING	2010	GR-16
19	Rotatry Welding Fixture	India	NB -10-32 MM ASSY. WELDING	2011	WF-17
20	Fatigue Testing M/C	India	UP TO NB -50MM HOSE ASSY.	2011	FT-18
21	Flame Testing	India	FOR FLAME TESTING	2011	FT-19

22	Bend Redious Testing M/C	India	BEND REDIOUS TESTING UP TO 50 NB	2011	BT-20
23	Hose Joining Station -1	India	HOSE JOINING	2011	HJ-1
24	Air Compressor	India	500 LTS	2011	AC -1

### Water

The water requirements at our Manufacturing Facility are met through water tankers procured from local water supply providers on a need-basis during the course of our business operations.

### Power

Our Manufacturing Facility and registered office have adequate power supply position from the public supply utilities. For the Manufacturing Facility, we have a connected load of 1600 KVA from Dakshin Haryana Bijli Vitran Nigam (DHBVN). Further, we have a 24\*7 power backup at our Manufacturing Facility through a DG set supporting our critical manufacturing operations.

### Capacity Utilisation

#### For C R Coils/Strips

(In Metric Tonnes)

Capacity Utilisation	March 31, 2022	March 31, 2021	March 31, 2020
Installed Capacity	12,000	12,000	12,000
Actual Production	7,258	7,276	9,752
% Utilisation	60.48%	60.63%	81.27

#### For Hose Pipes

(In Meters)

Capacity Utilisation	March 31, 2022	March 31, 2021	March 31, 2020
Installed Capacity	2,00,000	2,00,000	2,00,000
Actual Production	1,70,000	1,60,000	1,85,000
% Utilisation	85.00%	80.00%	92.50%

### Dispatch

We have an in-house dispatch department that works with our sales team to coordinate the delivery of our Products on both ex-work/free-on-road (“FOR”)/free-on-board (“FOB”)/cost, insurance and freight (“CIF”) basis. Further, we have storage facility at our Manufacturing Facility for the purposes of holding inventories of raw material as well as finished products, Further, for the purposes of procuring our raw material supplies, we rely on road transport.

### Environmental, Health and Safety matters

We have obtained a Certificate on October 01, 2020 valid till September 30, 2025 from the Regional Officer, Hissar, Haryana State Pollution Control Board for our Manufacturing Facility for operating our Manufacturing Facility, under the Water Act, Air Act and authorization under Hazardous Management Rules. For further details, see “Government and Other Approvals” beginning on page 194 of this Prospectus.

We have adopted safety procedures at our Manufacturing Facility, particularly in relation to the production, handling, storage and transportation of materials. In addition, our staff is trained for safety at work and manuals for various activities. This includes knowledge about storage, handling and disposal of materials, which they handle. We have provided necessary personal protection equipment for the safety of our workers.

### Top Suppliers

Initially in past financial years i.e. financial year 2022, 2021 & 2020, we have entered a supplier’s agreement with Jindal Stainless Limited, Hisar (“Jindal”) for the raw material supply i.e. Hot Rolled Coils, Cold Rolled Coils & HR/ CR strips. The main condition was that we will purchase at least 95.00% of our raw material consumed from Jindal & rest 5.00% we can purchase from other suppliers. In April 2022, our Company & Jindal mutually decided to amend the agreement & lift the restriction that bind us to purchase 95.00% raw material from Jindal, now we can purchase raw material from any vendors.

### Top Customers

(Rs. In Lakhs)

Particular	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2022
Revenue from Operations	10,445.27	17,978.58	12,398.37	15,146.59
Top 10 Customers contribute	6,623.16	9,216.46	6,611.81	6,710.24
% of total Revenue	63.41	51.26	53.33	44.30

### SALES AND MARKETING

We have our in-house marketing and sales team comprising of 08 dedicated personnel working under the overall supervision of our Board of Directors and have a vast experience in deal origination and negotiation. The team follows a customer-centric approach and focuses on providing dedicated support for understanding customer requirements and manufacturing products. Our marketing and sales team regularly participates in various trade exhibitions in India and abroad such as the Exhibition in Germany, Exhibition in Business Trade Fair, Delhi, Exhibition in Business Trade Mumbai and expand our marketing reach.

### Quality Assurance

We are ISO 9001:2015 and ISO 45001:2018, certified by Body of TUV SUD South Asia Private Limited and Quality Research Organisation.

### Insurance

Our operations are subject to hazards inherent to CR Coils/Strips manufacturing industry, such as work accidents, storms, fire, tempest, earthquake, flood and other force majeure events, inundation and explosions including hazards that may cause severe damage, including damage caused to employees. We are also subject to losses resulting from defects or damages arising during transit of our Products in addition to risk of equipment failure, acts of terrorism and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements.

In this regard, our Company has maintained various insurance policies, in amounts that we believe are commercially appropriate are as follows:

Sr. No.	Insurance Company	Policy Number	Period of Insurance	Policy Name	Purpose	Sum Assured (Rs. in Lakhs)	Premium Paid (Amount in ₹)
1.	SBI General Insurance Company Limited	0000000028091418	April 15, 2022 to April 14, 2023	Marine Open Policy (Comprehensive)	Insurance for Stock in transit	5,000.00	59,000
2.	SBI General Insurance Company Limited	0000000028091324	April 15, 2022 to April 14, 2023	Marine Open Policy (Comprehensive)	Insurance for Stock in transit	20,000.00	3.54,000
3.	SBI General Insurance Company Limited	0000000027994697	April 01, 2022 to March 31, 2023	Marine Open Policy (Comprehensive)	Insurance for Stock in transit	600.00	35,400
4.	SBI General Insurance Company Limited	0000000028410290	May 25, 2022 to May 24, 2023	SBI General Bharat Laghu Udyam Suraksha	Insurance against Fire and Bulglary	4,100.00	3,21,165
5.	SBI General Insurance Company Limited	0000000028818965	May 24, 2022 to May 23, 2023	SME Package Insurance Policy	Insurance against Fire and Bulglary	25.00	2291
6.	SBI General Insurance Company Limited	0000000028826586	June 21, 2022 to June 20, 2023	Machinery Breakdown Insurance Policy	Insurance against Machinery Breakdown	599.79	5,21,080
7.	SBI General Insurance Company Limited	0000000017953655-02	June 21, 2022 to June 20, 2023	Portable Electronics Equipment Insurance Policy	Insurance for Damage of equipments	11.00	13,284
8.	SBI General Insurance Company Limited	0000000007724520-05	December 08, 2022 to December 07, 2023	SME Package Insurance Policy	Insurance against Fire and Bulglary	17.00	1,036

9.	SBI General Insurance Company Limited	000000007724475-05	December 12, 2022 to December 07, 2023	Burglary Insurance policy	Insurance against burglary	2,000.00	31,857
10	SBI General Insurance Company Limited	0000000028091418	April 15, 2022 to April 14, 2023	Marine Open Policy (Comprehensive )	Insurance for Stock in transit	5,000.00	59,000

## Human Resources

Our work force is a critical factor in maintaining quality and safety which strengthen our competitive position and our human resource policies focus on training and retaining our employees. We identify, develop and retain our talent through an array of initiatives which include talent acquisition, learning and development, compensation and benefits, employee engagement and performance management. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We believe our management policies, working environment, career development opportunities, appraisal mechanism and employee benefits are instrumental in maintaining good employee relations and employee retention.

As of March 01, 2023, our Company has a total of 157 employees, all are permanent employees of the Company. The breakup of permanent employees is detailed below:

Sr. No.	Function	Number of Permanent Employees
1	Manufacturing	110
2	Sales & Marketing	08
3	Quality Control	06
4	Finance, Secretarial, human resources and admin	05
5	Marketing Export	02
6	Material (purchase, stores, dispatch)	16
7	Project, engineering and maintenance	10
	<b>Total</b>	<b>157</b>

## Competition

We compete against domestic companies operating in our industry. Some of our competitors have (i) greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively; and (ii) better geographical reach which gives them the ability to quote competitively as the transportation costs are limited.

In listed markets, we do not have any competitors as we involved in only 2 segments i.e. C R Coils/Strips & Hose Pipes. Some of the listed Companies like Hisar Metal Industries Limited, Jindal Stainless Limited are few of the major players in Indian Cold Rolled Coils/Strips market, but they have manufacturing of C R Coils/Strips are one of the segments of their all over manufacturing activities, so we cannot compare our business model/size of business/area of business with those major players. All these companies have a wide product portfolio, offering SAW, welded, seamless and stainless-steel pipes and tubes. Among these, Ratnamani and Jindal SAW have an established stainless steel pipes and tubes business. However, depending on various factors, and the extent of our presence in the relevant geographical region, we are able to leverage our experience and established relationships.

### Some of unlisted players who can be our competitors:

1. JNB Steel Industries Limited
2. IUP Jindal Metals & Alloys Limited
3. Real Strips Limited

Further, we have not obtained their consent to use their name in our Prospectus, we have taken these data as available in public domain.

### Corporate Social Responsibility

In compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government and amendments thereto. As on the date of this Prospectus Corporate Social Responsibility are not applicable on us.

Further, we have constructed small quarters for our permanent labours & their families nearby the manufacturing unit, which help them to live a better life with their families and also help them to save time & cost.

### Intellectual Property

Sr. No.	Trademark Certificate No.	Issuing Authority	Description of Goods and Services	Class	Status	Trademark
1.	1240021	Registrar of Trade Marks	Stainless Steel Strips, Tubes and Pipes; Flexible Tubes made of metal and other steel products	6	Registered	
2.	1240091	Registrar of Trade Marks	Stainless Steel Strips, Tubes and Pipes; Flexible Tubes made of metal and other steel products	6	Registered	
3.	1261330	Registrar of Trade Marks	Stainless Steel Strips, Tubes and Pipes; Flexible Tubes made of metal and other steel products	6	Registered	



As on the date of this Prospectus, we are using  as our logo.



Currently we are using  as one of our trademarks. This Logo is not owned by us and same has been using vide No Objection Certificate dated January 07, 2022 given by Quality Stainless Private Limited, a promoter group Company.

**Properties:**

**Owned by the Company:**

Sr. No.	Area		Registry No	Date of Registry	Khasra No.	Located in	Sq. Yards	Sq. Meters	Sq. Feet	Property Use
	Kanal	Marla								
1	3	9	311/157	15-07-1982	HSIIDC Plot	3, IDC Hisar	2,339	1,956	21,052	Registered Office & Manufacturing Unit I
2	4	0.5	1819	02-09-1993	HSIIDC Plot	5, IDC Hisar	2,435	2,036	21,916	
3	9	0	9565	15-03-2004	5475/1(1-17), 5478/2/2 (7-3)	IDC Hisar	5,445	4,553	49,005	
4	3	14	470	19-04-1991	119/19/2 (3-14)	Satrod	2,239	1,872	20,147	
5	6	5	11302	21-02-2014	5476/1/1 (1-6) 5478/2/1 (4-19)	Satrod	3,781	3,162	34,031	
6	33	11	4674	23-11-2021	80 & 72	Parbhuwala	20,298	16,971	1,82,680	Land
7	34	0		23-11-2021	72 & 80	Parbhuwala	20,570	17,199	1,85,130	Land

**Apart from the above we also have two properties as mention below:**

Sr. No.	Place of Office	Area	Owned/Leasehold	Purpose
1	R-32, First Floor, NDSE-II, New Delhi -110049, India	144 Sq Yd	Owned	Marketing office cum Guest House
2	Satellite Garden, Tower A & B, Unit 3, Podium II Level, Wing A, Goregaon (East), Mumbai-400063	83.90 Sq Yd	Owned	Office rented out.

## KEY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 194 of this Prospectus.

### RELATED TO OUR BUSINESS LABOUR LAWS

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to our Company in India include the following which is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees’ Compensation Act, 1923;
- Workmen's Compensation Act, 1923;
- Employees (Provident Fund and Miscellaneous Provisions) Act, 1952;
- Employees’ State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Apprentices Act, 1961;
- Weekly Holidays Act, 1942
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976;
- Public Liability Insurance Act, 1991;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

### THE INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

The Industries (Development and Regulation) Act, 1951 (Industries Regulation Act) is an act which governs the development and regulation of industries in India. The main objectives of the Industries Regulation Act is to empower the Government:- (i) to take necessary steps for the development of industries; (ii) to regulate the pattern and direction of industrial development; (iii) to control the activities, performance and results of industrial undertakings in the public interest. The Industries Regulation Act applies to the 'Scheduled Industries' listed in the First Schedule of the Act. However, small scale industrial undertakings and ancillary units are exempted from the provisions of the Industries Regulation Act.

The Industries Regulation Act is administered by the Ministry of Industries & Commerce through its Department of Industrial Policy & Promotion (DIPP). The DIPP is responsible for formulation and implementation of

promotional and developmental measures for growth of the industrial sector. It monitors the industrial growth and production, in general, and selected industrial sectors. Certain categories of industries require industrial licensing under the Industries Regulation Act. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion to obtain an acknowledgement.

### **THE BUREAU OF INDIAN STANDARDS ACT, 2016**

This Act provides for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected therewith or incidental thereto.

The Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. Enabling provisions have also been made for making hallmarking of the precious metal articles mandatory.

### **SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013, (the SHWPPR Act) aims to provide women protection against sexual harassment at the workplace, prevention of sexual harassment at the workplace and redressal of complaints of sexual harassment. The SHWPPR Act defines sexual harassment to include any unwelcome sexually determined behavior (whether directly or by implication).

Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an 'internal complaints committee' at each office or branch, of an organization employing at least 10 employees. The government in turn is required to set up a local complaint committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **THE APPRENTICES ACT, 1961**

The Apprentices Act, 1961, as amended (the Apprentices Act) regulates and controls the programme of training of apprentices and matters connected therewith. The term 'apprentice' means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. 'Apprenticeship training' means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952 (“EMPLOYEES PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT”)**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- a. The Employees Provident Fund Schemes, 1952;
- b. The Employees Pension Scheme, 1995; and
- c. The Employees Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees Provident Funds and Miscellaneous Provisions Act, 1952.

### **THE EMPLOYEES COMPENSATION ACT, 1923**

The Employees Compensation Act, 1923 (EC Act), provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of receiving a notice.

### **THE EQUAL REMUNERATION ACT, 1976**

The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **THE MATERNITY BENEFIT ACT, 1961**

The Maternity Benefit Act, 1961, as amended (Maternity Benefit Act) regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### **THE PAYMENT OF BONUS ACT, 1965**

The Payment of Bonus Act, 1965 as amended (the Payment of Bonus Act) was enacted to provide for the payment of bonus to persons employed in establishments where 20 or more persons are employed on any day during an accounting year. The Payment of Bonus Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer any allocable surplus in the accounting year in which the bonus is payable. Under the Payment of Bonus Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year

or ₹100, whichever is higher. Contravention of the provisions of the Payment of Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to ₹1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention, as well as the company.

### **THE PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 as amended (the Payment of Gratuity Act) provides for payment of gratuity to an employee at the time of termination of services. Payment of Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding 12 months; and as the Central Government may, by notification, specify. Gratuity under the Payment of Gratuity Act is payable to an employee after he has rendered his services for a period not less than five years: (a) on his / her superannuation; (b) on his / her retirement or resignation; or (c) on his / her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). Under the Payment of Gratuity Act, the maximum gratuity payable may not exceed Rs.10,00,000.

### **THE PAYMENT OF WAGES ACT, 1936**

The Payment of Wages Act, 1936 (PWA) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

## **INTELLECTUAL PROPERTY LAWS**

### **TRADEMARKS ACT, 1999**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### **COPYRIGHTS ACT, 1957**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

## **PATENTS ACT, 1970 (Patent Act)**

The purpose of the Patent Act in India is 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. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

## **THE INFORMATION TECHNOLOGY ACT, 2000 (“Information Technology Act”)**

This Act aims to provide the legal infrastructure for e-commerce in India. And the cyber laws have a major impact for e-businesses and the new economy in India. So, it is important to understand what are the various perspectives of IT Act, 2000 and what it offers. The Information Technology Act, 2000 also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

## **ENVIRONMENTAL REGULATIONS**

### **THE ENVIRONMENT PROTECTION ACT, 1986 (“ENVIRONMENT PROTECTION ACT”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a framework for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981**

Air (Prevention and Control of Pollution) Act 1981(the Act) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### **THE NOISE POLLUTION (REGULATION & CONTROL) RULES 2000 (“NOISE REGULATION RULES”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-

compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

#### **WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

#### **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 48A and 51A (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

#### **IN GENERAL**

##### **COMPANIES ACT, 2013**

The Companies Act, 2013 deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

##### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The 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 or issue security by a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

## **THE COMPETITION ACT, 2002**

The Competition Act, 2002 (the Competition Act) prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (the CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

## **CONSUMER PROTECTION ACT, 2019 (COPRA)**

The Consumer Protection Act, 2019 (COPRA) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non Compliance of the orders of these authorities attracts criminal penalties.

## **THE INDIAN CONTRACT ACT, 1872 (“CONTRACT ACT”)**

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

## **INDUSTRIAL DISPUTES ACT, 1947 (“ID ACT”) AND INDUSTRIAL DISPUTE (CENTRAL) RULES, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain

cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lockouts, closures, lay-offs and retrenchment.

## **TAXATION LAWS**

### **INCOME-TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

### **GOODS AND SERVICES TAX**

The Constitution (One Hundred and First Amendment) Act, 2016 which received presidential assent on September 8, 2016 paved the way for introduction of goods and services tax (GST) by making provisions with respect to goods and services tax. Accordingly, the following GST acts have been enacted:

1. Central Goods and Services Tax Act, 2017
2. Integrated Goods and Services Tax Act, 2017
3. Union Territory Goods and Services Tax Act, 2017, and
4. Goods and Services Tax (Compensation to States) Act, 2017.

GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

### **TAXES ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS**

Every person engaged in any profession, trade, callings and employment is liable to pay tax at the rate prescribed by the respective state government. It is considered necessary to levy tax on profession, trade callings and employment in order to augment state revenues. Every state is empowered by the Constitution of India to make laws relating to levy of taxes on professions, trades, callings and employments that shall serve as the governing provisions in that state.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

The Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) in the name and style of “Quality Foils” pursuant to Partnership deed dated October 03, 1989. Quality Foils was thereafter converted from Partnership Firm to a Private Company under the provisions of Companies Act, 1956 with the name and style of “Quality Foils (India) Private Limited” and received a certificate of incorporation dated May 08, 1990 from the Registrar of Companies, NCT of Delhi & Haryana.

Further, the word “Private” has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to “Quality Foils (India) Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.

Afterthought, the word “Private” has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to “Quality Foils (India) Private Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.

Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Quality Foils (India) Limited” vide shareholder’s approval on November 12, 2022 and fresh certificate of incorporation dated November 25, 2022.

Mr. Kuldip Bhargava, Mr. Jagdeep Bhargava, Mr. Om Prakash Kalia, Ms. Anubha Tayal, Ms. Krishna Bhargava, Ms. Anshu Bhargava and Ms. Anuradha Bhargava were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Our Industry*”, “*Our Management*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 105, 95, 138, 168 and 175 respectively.

### ADDRESS OF THE REGISTERED OFFICE AND CORPORATE OFFICE

#### Registered Office

3, Industrial Development Colony, Hisar, Haryana-125005, India

### CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

There has been no change in the registered address of the Company since its incorporation.

### MAIN OBJECTS OF MEMORANDUM OF ASSOCIATION

1. To set up steel furnaces and continuous casting and hot and cold rolling mill plant for production of steel ingots, billets and all kinds and sizes of re-rolled sections such as flats, angels, rounds, squares, rails, joints, channels, stainless and/or steel strips sheets, plates, deformed bars, plain and cold twisted bars and shafting.
2. To carry on the business of manufacturing, assemblers, fitters, engineers, erectors, founders, smelters, refiners, makers, drawers, sinkers, workers, repairs, hire purchase dealers, import and export agents, representatives’ contractors and dealers of and in forgings, casting of steel, stainless and special steels, alloys and ferrous and non-ferrous metals, tools and implements, dies, digs, iron and steel and tubular poles and accessories.

3. To carry on the business of manufactures, processors, designers, importers, exporters, buyers, sellers and/or otherwise dealers in steel strips, stainless steel sheets, pipes and tubes of all sizes and descriptions made of steel or such other ferrous or non-ferrous metals and pipe fittings of all sizes and description.
4. To carry on the business of manufactures, importers and exporters of and dealers in sheet metal (ferrous and non-ferrous) work and to carry on the trade or business of a rolling mill and founers and to manufactures steel wire rope.
5. To carry on the business of manufacture, trade, sale, purchase, import, export of all kind of Corrugated Flexible Hoses, Metalic Hoses, Hoses, Braided Hoses, Bellows Flexible Exhaust Connectors, Flexible metal Tubes, Braiding, Assemblies, End connections, Flexible connections, Interlock Hose and interlock hose assembly, P. T. F. E. (Poly tetra fluoro ethylene) hose and P. T. F. E. hose assembly, Rubber hose and rubber hose assembly, Composite hose and Composite hose assembly, Metal bellows, with and without end connections, Automotive Flex connectors, E. G. R. (Exhaust gas recirculation) tube and E. G. R. tube assembly's and Flange and End Fittings.
6. To purchase, hold and acquire mines, mining lease, mining rights, mining claims and metalliferous lands and explore, work, exercise, develop and turn to account all sorts of major and major minor minerals working of deposits of all kinds of minerals and subsoil materials and to crush, win set, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market ores, metals and mineral substances of all kinds and to carry on metallurgical operations in all its branches and to prepare, process, manufacture, assemble, fabricate, cast fit, press machine, treat, weld, harden, plate, temper, anneal any kind of metals and consequential products.

#### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

#### *Changes in the Memorandum of Association of our Company pursuant to amendments in erstwhile Companies Act, 1956:*

Date of RoC Seal	Details
August 08, 1993	The word "Private" has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to "Quality Foils (India) Limited" under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.
June 29, 2001	The word "Private" has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to "Quality Foils (India) Private Limited" under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.

#### *Changes through Shareholders approval under the Companies Act, 1956/Companies Act, 2013:*

Date of Meeting	Type of Meeting	Amendments
April 23, 1991	EGM	Increase in Authorized Capital to Rs. 50,00,000 from Rs. 12,00,000 of face value of Rs. 100/- each.
April 21, 1993	EGM	Increase in Authorized Capital to Rs. 95,00,000 from Rs. 50,00,000 of face value of Rs. 100/- each.
January 21, 2003	EGM	Increase in Authorized Capital to Rs. 2,00,00,000 from Rs. 95,00,000 of face value of Rs. 100/- each.

September 30, 2022	AGM	The authorized share capital was further split/sub-divided the face value of its equity shares from Rs. 100/- to Rs. 10/- each
November 12, 2022	EGM	Increase in Authorized Capital to Rs. 4,00,00,000 from Rs. 2,00,00,000 of face value of Rs. 10/- each.

### ADOPTING NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted new set of Articles of Association on following events:

Date of Meeting	Type of Meeting	Amendments
April 09, 1990	On Incorporation	Adopted at the time incorporation of Company pursuant to conversion of partnership firm namely “Quality Foils”.
August 08, 1993	Pursuit to amendments in erstwhile Companies Act, 1956	The word “Private” has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to “Quality Foils (India) Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.
June 29, 2001		The word “Private” has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to “Quality Foils (India) Private Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.
May 26, 2015	AGM	Adopted a new set of Articles of Association as per the Companies Act, 2013.
November 12, 2022	EGM	Adopted a new set of Articles of Association as per the listing requirements.

### MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements
1981	Started first factory under the Partnership Firm in the name and style of “Quality Foils” situated at 3, Industrial Development Colony, Hisar, Haryana-125005, India.
1985	Received factory license from Haryana
1990	Partnership Firm converted into Private Limited Company under the provisions of Companies Act, 1956.
2005-06	Crossed turnover of INR 50.00 crores
2006-07	Crossed turnover of INR 100.00 crores
2013-14	Crossed turnover of INR 150.00 crores
2008	Launched a new product- Manufacturing of Flexible Hoses etc.
2007	Implemented Quality Management System in accordance with ISO 9001:2015
2016	Certified from BIS (Bureau of Indian Standards) since 2016.
2019	Used our product in Space Satellite. We supplied our Company’s product ‘Stainless Steel Corrugated Flexible Hoses’ to our premium customer ISRO (Indian Space Research Organisation).

### OTHER DETAILS ABOUT OUR COMPANY

For details of our Company’s activities, business, growth, recognitions, marketing strategy, competition and our customers, please refer section titled “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on pages 105, 175 and 89 respectively. For

details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 138 and 64 respectively.

#### **CAPITAL RAISING (DEBT / EQUITY)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 64.

For a description of our Company’s debt facilities, see “*Financial Indebtedness*” on page 169.

#### **CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Prospectus.

#### **OUR HOLDING COMPANY**

As on the date of the Prospectus, our Company is not a subsidiary of any company.

#### **OUR SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES**

Our Company has no subsidiary, associate or joint venture as on the date of this Prospectus.

#### **ACCUMULATED PROFITS OR LOSSES**

As on the date of this Prospectus, there are no accumulated profits or losses.

#### **OTHER CONFIRMATIONS**

As on the date of this Prospectus, our group Companies are unlisted Private limited Companies and has not made any public issue (including any rights issue to the public) in the preceding three financial years. The Companies are neither a sick Companies nor are under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Companies.

#### **DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC.**

We have not acquired any business/undertaking since incorporation. Further, there are no mergers, amalgamation, and revaluation of assets etc. with respect to our company in the said period.

#### **INJUNCTION OR RESTRAINING ORDER**

Except as disclosed in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 188, there are no injunctions/restraining orders that have been passed against our Company.

#### **NUMBER OF SHAREHOLDERS OF OUR COMPANY**

Our Company has Nineteen (19) shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 64.

## CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “*Our Management*” on page 138.

## SHAREHOLDERS AGREEMENTS

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

## AGREEMENT WITH KEY MANAGERIAL PERSONNEL OR DIRECTORS OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY

Except the agreement dated March 16, 2021 executed between the Managing Director and our Company, there are no agreements entered into by key managerial personnel or Directors or Promoter or any other employee 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 the Company.

## COLLABORATION AGREEMENTS

As on date of this Prospectus, Our Company is not a party to any collaboration agreements.

## OTHER MATERIAL AGREEMENT

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

## STRATEGIC OR FINANCIAL PARTNERS

Except as disclosed in this Prospectus, Our Company does not have any strategic or financial partners as on the date of this Prospectus.

## TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

## DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

There have been no defaults or rescheduling of borrowings by our Company with any financial institutions/banks as on the date of the Prospectus.

## OTHER AGREEMENTS

- i. **Non-Compete Agreement:** Our Company has not entered into any Non-compete Agreement as on the date of filing of this Prospectus.
- ii. **Joint Venture Agreement:** Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this Prospectus we have 6 (six) Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Change in Current Designation	Other Directorships
1.	<p><b>Name:</b> Mr. Kuldeep Bhargava</p> <p><b>Age:</b> 69 years</p> <p><b>Father's Name:</b> Late Sh. A. P. Bhargava</p> <p><b>Designation:</b> Chairman cum Executive Director</p> <p><b>Address:</b> Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India</p> <p><b>Term:</b> 5 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00011103</p>	<p>Originally appointed as Director on May 08, 1990</p> <p>Further Re-designated as Chairman cum Executive Director for a term of 5-year w. e. f. November 15, 2022</p>	<ol style="list-style-type: none"> <li>1. Quality Stainless Private Limited</li> <li>2. SOBO Estate Development Private Limited</li> </ol>
2.	<p><b>Name:</b> Mr. Tejasvi Bhargava</p> <p><b>Age:</b> 43 years</p> <p><b>Father's Name:</b> Mr. Kuldeep Bhargava</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India</p> <p><b>Term:</b> 5 Years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00011205</p>	<p>Originally appointed as Executive Director w.e.f. September 29, 2003</p> <p>Further Re-appointed as Managing Director for a the 2<sup>nd</sup> term of 5-year w. e. f. March 01, 2021</p>	<ol style="list-style-type: none"> <li>1. Quality Stainless Private Limited</li> <li>2. Quality Bio Green Private Limited</li> </ol>

3.	<p><b>Name:</b> Mr. Yashvir Singh  <b>Age:</b> 52 years  <b>Father's Name:</b> Mr. Tek Chand  <b>Designation:</b> Executive Director  <b>Address:</b> 520 B, Krishna Nagar,  Hisar-125001, Haryana,  India  <b>Term:</b> Retire by Rotation  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 01166596</p>	<p>Originally appointed as Executive Director w.e.f. May 01, 2004</p>	1. Quality Stainless Private Limited
4.	<p><b>Name:</b> Mr. Sumant Bhatnagar  <b>Age:</b> 71 years  <b>Father's Name:</b> Mr. Vinod Singh Bhatnagar  <b>Designation:</b> Independent Director  <b>Address:</b> R-617, Jal Vayu Vihar,  Near Park Centra Building, Sector-30,  Gurgaon-122001,  Haryana, India  <b>Term:</b> 5 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 00341026</p>	<p>Originally appointed as Independent Director w.e.f. November 26, 2022</p>	Nil
5.	<p><b>Name:</b> Mr. Rajinder Kedia  <b>Age:</b> 62 years  <b>Father's Name:</b> Mr. Mool Chand Kedia  <b>Designation:</b> Independent Director  <b>Address:</b> 12, Urban Estate-2,  Hisar-125001, Haryana,  India  <b>Term:</b> 5 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 06972312</p>	<p>Originally appointed as Independent Director w.e.f. November 26, 2022</p>	Nil

6.	<p><b>Name:</b> Ms. Uma  <b>Age:</b> 34 years  <b>Father's Name</b> Mr. Ramniwas  <b>Designation:</b> Independent Director  <b>Address:</b> 1502, Sector-13, Hisar-125001, Haryana, India  <b>Term:</b> 5 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Architect  <b>DIN:</b> 08473881</p>	<p>Originally appointed as Independent Director w.e.f. November 26, 2022</p>	<p>1. R.D. Serenitea Private Limited</p>
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## BRIEF BIOGRAPHIES OF OUR DIRECTORS



### Mr. Kuldip Bhargava

Mr. Kuldip Bhargava, born in Hisar, Haryana, India on April 22, 1953 comes from a highly illustrious family of Hisar, Pt Thakur Das Bhargava. His grandfather and known advocate of northern region; was also a Member of Parliament. His grand uncle – Dr. Gopi Chand Bhargava was the first premier/Chief Minister of combined Punjab & Haryana. His father – Shri A P Bhargava – himself was an engineer having completed his education from Lahore University and was the first elected President/ Municipal Commissioner of Municipal Committee of Hisar, Haryana and he had established the first small scale iron & steel industry in Hisar namely, East Punjab Mfg. Co – a grey iron foundry.

He is having more than 41 years of experience in steel industry. After his education Mr. Kuldip Bhargava joined his father at an early stage and later on started his own career in the manufacturing of cold rolled steel and later on stainless steel - Quality Foils (India) Pvt Ltd in May 1990. Mr. Kuldip Bhargava is one of the promoters and Chairman of Quality Group of companies comprising of Quality Foils (India) Ltd. and Quality Stainless Pvt Ltd, manufacturing Cold Rolled Stainless Steel Precision Strips & Coils; Stainless Steel Welded as well as Seamless Tubes & Pipes and Stainless-Steel Flexible Hose, Assemblies & Bellows. He is well regarded for his diligence and far-sighted approach for the overall growth of the stainless-steel industry.

He is currently the president of Hisar Industries Association, Hisar, Haryana. He remained as Independent Director of Jindal Saw Ltd. for many years and various other companies.

He is also a member of the family trust which is running CBSE affiliated school in Hisar which also render free education to economically weaker students and also medical help for the needy. He also spends lot of time in improving the overall environment in and around his industrial units in Hisar.

Mr. Kuldip Bhargava is a God fearing individual and carries the rare quality of patient hearing and helping not only the employees / workmen working in his group of companies but for the needy in general.



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### **Mr. Tejasvi Bhargava**

Born in Hisar, Haryana, India on November 15, 1979 he did his schooling in Hisar and full-time graduation from New Delhi and subsequently he did MBA from TVU (London), and further completed a Management course from IIM, Ahmedabad.

Before stepping into the current business set up, he had worked as full-time Director at Voice Data Management Pvt. Ltd, Gurgaon (An IT BPO organization) for two years.

He is having more than 18 years of experience in Steel Industry. After having his successful tenure with the above mentioned multi-national IT BPO, Mr. Tejasvi in September 2003 joined the Quality Group initially as a full time Director and since 1<sup>st</sup> August 2015 promoted as full time Managing Director. At the time of his joining, he was entrusted with the affairs of SS Cold Rolling & Pipe/Tube manufacturing divisions of the group. Under his able leadership both the units have grown substantially as market leaders and also increased their market size which includes Exports to EU and Americas. Under him the group has also diversified into the manufacture of SS Flexible Hoses and Assemblies, which partially meets the requirement of ISRO Space programme, DRDO & BHEL's. Being the Group's Managing Director, he has been very successfully managing all company's operations, staff and ventures in order to maintain and grow its business.

Apart from this, on his personal capacity, he owns a part of family stake in Jindal Quality Tubulars Ltd, a subsidiary company of Jindal Saw Ltd. for production of SS Pipes & Tubes.

A keen Squash Enthusiast, also an active part of organisations as Chairman Rural Committee and Chair Climate Change Committee at CII Young Indians (Gurugram Chapter), CII, Stainless Steel Tube Producers Association (Executive Member) & ISSDA.



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### **Mr. Yashvir Singh**

Mr. Yashvir Singh is the Director of our company with effect from May 01, 2004. He was appointed as head of Human Resource Department of our Company in year 1999. He holds a Bachelor's degree in Arts from Maharshi Dayanand University, Rohtak, Haryana. He is having more than 23 years of experience in Steel Industry. He also worked as Director with Brisk Petrolubes India Private Limited for 1.5 years w.e.f. 28.03.2017 to 18.09.2018. Presently, He is also Director in Quality Stainless Private Limited appointed with effect from May 1, 2004.



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### **Mr. Sumant Bhatnagar**

Mr. Sumant Bhatnagar is the Independent Director of our company. He holds a degree in LLM from MERRUT University and diploma in Management from Institute of Marketing & Management (IMM), New Delhi.

He is having more than 28 years of experience in manufacturing Stainless Steel Strips and 15 years in executing various high-tech projects like Storage Terminal (oil & lubricants) at Pipavav port, cold storage, warehouses and construction.



### Mr. Rajinder Kedia

Mr. Rajender Kedia is the Independent Director of our company. He holds a B. Com 1<sup>st</sup> year certificate from Kurukshetra University. He is industrialist having more than 40 years of experience in Iron & Steel Industry. He is the proprietor of JM Steels since 2004 and in addition to it; he is also the partner in Haryana General Industries since 1990.

Besides this, He is a social person and serving himself as a president of Shree Vaishnav Agarsain Gaushala, Hisar for the last 18 Years. He is also trustee in below mentioned organisations:

1. Sewak Sabha Charitable Trust Hospital, Hisar.
2. Maharaja Agrasen Hospital, Hisar.
3. Shree Krishna Janmashtmi Mahotsav Samiti, Punjabi Bagh (Delhi).
4. Gyan Mandir, Kurukshetra.
5. Kamdhenu Mangal Parivar, Delhi.
6. Shri Hanuman Dham, Ramnagar (Uttarakhand).



### Ms. Uma

Ms. Uma is the Independent Director of our Company. She holds a Bachelor's degree in Architecture from DCRUST, Murthal and Master's degree in Architecture from Guru Jambheshwar University of Science & Technology, Hisar. She has over 10 years of experience in handling architecture and interior designing projects. Prior to joining our Company, she has been previously associated with KCKV Consultants Delhi, Architects adhessin, Delhi and presently runs black ant Architecture & Interiors Design Studio in Hisar.

## RELATIONSHIP BETWEEN OUR DIRECTORS

There is no relationship between Promoter of our Company with other Directors except as described below:

Name of Director	Designation	Relation
Mr. Kuldip Bhargava	Chairman cum Executive Director	Father of our Promoter cum Managing Director – Mr. Tejasvi Bhargava
Mr. Tejasvi Bhargava	Managing Director	Son of our Promoter, Chairman cum Executive Director – Mr. Kuldip Bhargava

## CONFIRMATIONS

As on the date of this Prospectus:

1. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
2. The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
3. None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
4. None of our Directors have interest in any property acquired by our Company within two years of the date of this Prospectus.

5. None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
6. None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
7. None of the Promoter or Directors has been or is involved as a promoter or director 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.

### REMUNERATION / COMPENSATION OF DIRECTORS

The compensation package payable to the Directors from F.Y. 2022-23 onwards as resolved in the Extra-Ordinary General Meeting held on November 12, 2022 is stated hereunder:

#### Mr. Kuldip Bhargava: -

The total remuneration payable to Mr. Kuldip Bhargava, Promoter and Chairman cum Executive Director, shall be a sum of Rs. 5.10 Lakhs per month w.e.f. November 12, 2022.

#### Mr. Tejasvi Bhargava: -

The total remuneration payable to Mr. Tejasvi Bhargava, Promoter and Managing Director, shall be a sum of Rs. 4.10 Lakhs per month w.e.f. November 12, 2022.

#### Mr. Yashvir Singh: -

The total remuneration payable to Mr. Yashvir Singh, Executive Director, shall be a sum of Rs. 31,500/- per month as approved by the time of his appointment.

No remuneration is paid to the Non-Executive Directors.

Remuneration paid to the Directors during the previous F.Y. 2021-22 is as follows:

(Rs. In Lakhs)

Sr. No.	Name	Designation	Remuneration Paid
1.	Mr. Kuldip Bhargava	Chairman cum Executive Director	60,21,600
2.	Mr. Tejasvi Bhargava	Managing Director	48,21,600
3.	Mr. Yashvir Singh	Executive Director	3,88,720

Our Company has not paid and will not be paying any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Pursuant to the resolution passed by the Board of Directors of our Company on November 26, 2022, the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of Rs. 5,000/- for attending every meeting of Board and committee meeting with reimbursement of travelling expenses.

### SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Mr. Kuldip Bhargava	6,22,800	29.66%	21.82%
2.	Mr. Tejasvi Bhargava	1,23,600	5.89%	4.33%
3.	Mr. Yashvir Singh	750	0.04%	0.03%

## INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of interest paid on any loan or advances provided to our company, any Body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, Promoter, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be to them interested to the extent of any dividend payable and other distributions in respect of the said Equity Shares, if any.

Except as stated in this chapter “Our Management” described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Except Mr. Kuldip Bhargava and Mr. Tejasvi Bhargava, who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

No loans have been availed by our Directors from our Company.

## PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” mentioned in the chapter “Our Business” beginning on Page 105, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

## CHANGES IN OUR BOARD OF DIRECTORS

The Changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

Name	Date of event	Nature of event	Reason
Mr. Kuldip Bhargava	November 15, 2022	Re-designated as Chairman cum Executive Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Tejasvi Bhargava	March 01, 2021	Re-appointed as Managing Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Rajinder Kedia	November 26, 2022	Appointment as Independent Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Mr. Sumant Bhatnagar	November 26, 2022	Appointment as Independent Director	To ensure better Corporate Governance and compliance with Companies Act, 2013
Ms. Uma	November 26, 2022	Appointment as Independent Director	To ensure better Corporate Governance and compliance with Companies Act, 2013

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Annual General Meeting of our Company held on September 30, 2022 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 100 Crores.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Prospectus, our Company has Six (6) Directors which includes one (1) is Managing Director, One (1) is Chairman cum Executive Director, One (1) is Executive Director, One (1) is Independent Woman Director and Two (2) are Independent Directors.

### Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Following are the details of various committees of the Board:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

#### A) *Audit Committee*

The Audit Committee (the "Committee") has constituted by the Board of Directors at their meeting held on November 26, 2022 in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rule, 2014.

#### **Composition of Audit Committee:**

Name of the Director	Status	Nature of Directorship
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Sumant Bhatnagar	Member	Independent Director
Mr. Tejasvi Bhargava	Member	Managing Director

The Company Secretary of the Company acts as the Secretary to the Audit committee.

### **Meeting of the Audit Committee and relevant quorum**

1. The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
2. The quorum for meetings of the committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
3. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

### **The scope of Audit Committee shall include but shall not be restricted to the following:**

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Formulation of a policy on related party transactions, which shall include materiality of related party transactions and making of omnibus approval of related party transactions;
8. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
  - i. 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;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinion(s) in the audit report;
9. Reviewing, with the management, the quarterly, half yearly and Annual financial statements before submission to the Board for approval;
10. 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;
11. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
12. Approval or any subsequent modification of transactions of the listed entity with related parties includes omnibus approval for related parties transactions subject to conditions as specified under rules;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial controls and risk management systems;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. 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;
18. Discussion with internal auditors of any significant findings and follow up there on;
19. 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;

20. 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;
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
22. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases
23. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24. To investigate any other matters referred to by the Board of Directors;
25. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.
26. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
27. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The Audit Committee enjoys 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.
- To secure attendance of outsiders with relevant expertise if it considers necessary.

**The Audit Committee shall mandatorily review the following information:**

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- vi) Statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR 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) of the SEBI ICDR Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Chairman of the committee has to attend the Annual General Meetings of the Company to clarifications on matters relating to the audit.

**B) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has constituted by the Board of Directors at their meeting held on November 26, 2022 in accordance with the Section 178(5) of the Companies Act 2013.

### **Composition of Stakeholders Relationship Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Kuldeep Bhargava	Member	Executive Director
Mr. Tejasvi Bhargava	Member	Managing Director

The Company Secretary of the Company will act as the Secretary of the Committee.

### **Meetings of the Stakeholders Relationship Committee**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting shall be two members present.

### **SCOPE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE**

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent and to recommend measures for overall improvement in the quality of investor services;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. Approve, register, refuse to register transfer or transmission of shares and other securities;
7. Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. Allotment and listing of shares;
9. Authorise affixation of common seal of the Company;
10. Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. Dematerialize or rematerialize the issued shares;
13. Ensure proper and timely attendance and redressal of investor queries and grievances;
14. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
15. Advising for giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
16. Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time;
17. Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
18. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

### C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has constituted by the Board of Directors at their meeting held on November 26, 2022 in accordance with the Section 178 of the Companies Act 2013.

#### Composition of Nomination and Remuneration Committee

Name of the Director	Status	Nature of Directorship
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Sumant Bhatnagar	Member	Independent Director
Ms. Uma	Member	Independent Director

The Company Secretary of our Company acts as the Secretary to the Committee.

#### Meeting of Nomination and Remuneration Committee and Relevant Quorum

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting of the Corporate Social Responsibility Committee shall be two members or one third of the members, whichever is greater.

#### Role of Nomination and Remuneration Committee are:

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

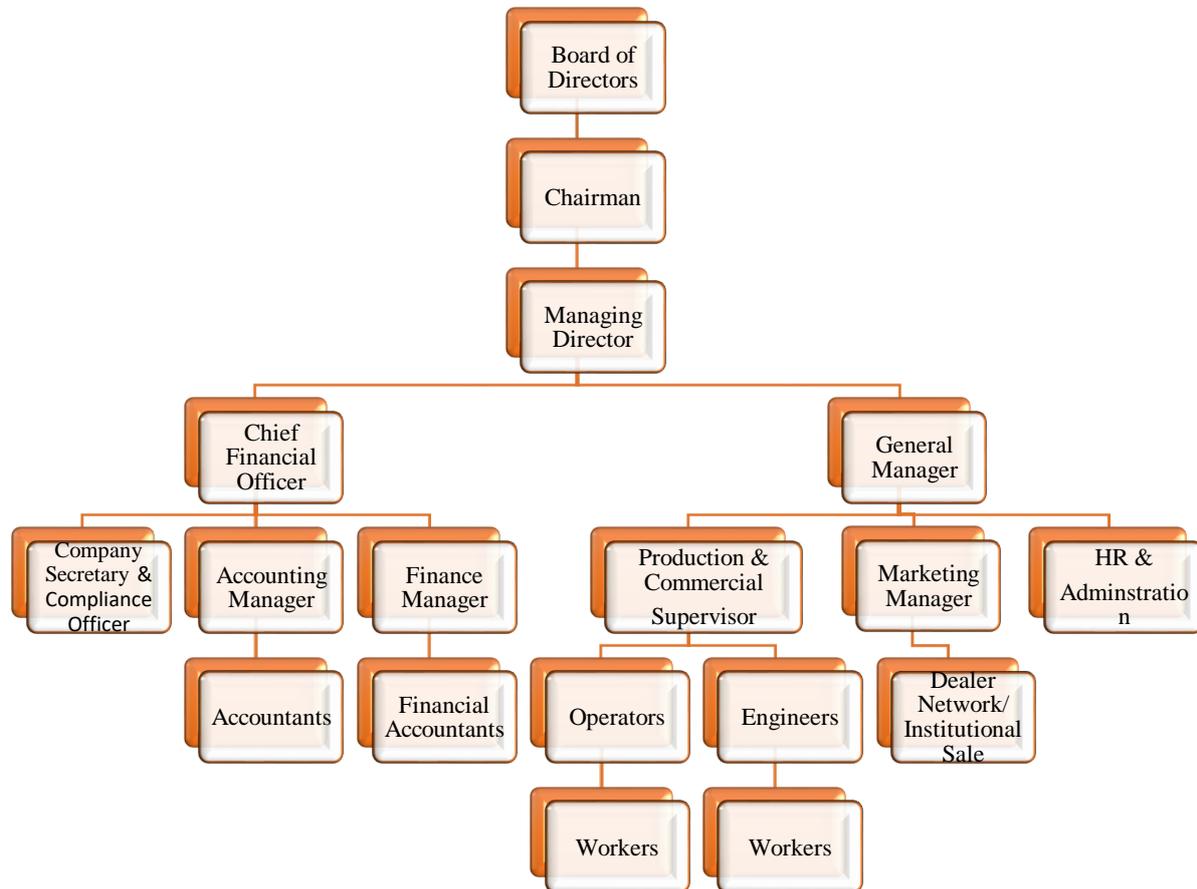
1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the 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 Independent Directors and the Board;
4. Devising a policy on Board diversity;
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 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. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT

Regulations on listing of Equity Shares on stock exchange. Further, Board of Directors on their meeting dated November 26, 2022 have formulated and adopt the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANISATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

### Details of Key Managerial Personnel of our Company as per the Companies Act 2013 -

#### Mr. Tejasvi Bhargava (Managing Director)



Born in Hisar, Haryana, India on November 15, 1979 he did his schooling in Hisar and full-time graduation from New Delhi and subsequently he did MBA from TVU (London), and further completed a Management course from IIM, Ahmedabad.

Before stepping into the current business set up, he had worked as full-time Director at Voice Data Management Pvt. Ltd, Gurgaon (An IT BPO organization) for two years.

He is having more than 18 years of experience in Steel Industry. After having his successful tenure with the above mentioned multi-national IT

BPO, Mr. Tejasvi in September 2003 joined the Quality Group initially as a full time Director and since 1<sup>st</sup> August 2015 promoted as full time Managing Director. At the time of his joining, he was entrusted with the affairs of SS Cold Rolling & Pipe/Tube manufacturing divisions of the group. Under his able leadership both the units have grown substantially as market leaders and also increased their market size which includes Exports to EU and Americas. Under him the group has also diversified into the manufacture of SS Flexible Hoses and Assemblies, which partially meets the requirement of ISRO Space programme, DRDO & BHEL's. Being the Group's Managing Director, he has been very successfully managing all company's operations, staff and ventures in order to maintain and grow its business.

Apart from this, on his personal capacity, he owns a part of family stake in Jindal Quality Tubulars Ltd, a subsidiary company of Jindal Saw Ltd. for production of SS Pipes & Tubes.

A keen Squash Enthusiast, also an active part of organisations as Chairman Rural Committee and Chair Climate Change Committee at CII Young Indians (Gurugram Chapter), CII, Stainless Steel Tube Producers Association (Executive Member) & ISSDA.



**Mr. Birdhi Chand Jain (Chief Financial Officer)**

Mr. Birdhi Chand Jain is the Chief Financial Officer of our Company. He holds a Bachelor's degree in Commerce from M. D. University, Rohtak, Haryana. He is a member of the Indian Institute of Chartered Accountant of India from 1990. He has over 30 years of experience in the area of Finance, Accounts, Income tax, company law matters and liaison with various statutory departments.

He joined our Company in 1991 as a Manager Accounts.

Besides this, He has also remained as Chairman of Hisar Branch of ICAI for the year 2013-14.



**Ms. Meenakshi (Company Secretary & Compliance Officer)**

Ms. Meenakshi is the Company Secretary & Compliance Officer of our Company. She holds a Bachelor's degree in Corporate Affairs & Administrations and Master's degree in Business Policy & Corporate Governance from IGNOU University. She is also a member of the Institute of Company Secretaries of India. She has over 3 years of experience in Secretarial, Legal and Listed Compliances. Prior to joining our Company, she has been previously associated with Gawar Group, Jindal Group and Xtra-Power Group.

**RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

There is no family relationship between the Key Managerial Personnel of our Company.

**FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL**

There is no family relationship between the Directors of our Company and the Key Managerial Personnel of our Company except as described below:

Name of Director	Designation	Relation
Mr. Kuldip Bhargava	Promoter & Chairman cum Executive Director	Father of our Promoter cum Managing Director – Mr. Tejasvi Bhargava

#### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the KMPs hold any Equity shares of our Company as on the date of this Prospectus except the following:

Sr. No.	Name of the Shareholder	Designation	No. of Shares held
1.	Mr. Tejasvi Bhargava	Managing Director	1,23,600
2.	Mr. Birdhi Chand Jain	Chief Financial Officer	-
3.	Ms. Meenakshi	Company Secretary & Compliance Officer	-

#### BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any bonus or profit-sharing plan with any of the Key Managerial Personnel.

#### LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances have been given to the Key Managerial Personnel as on the date of this Prospectus.

#### INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration, reimbursement of expenses, lease rent on vehicles and interest on loan, if any.

Our Key Managerial Personnel have no interest in any property acquired by our Company within two years of the date of this Prospectus.

#### CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

Name of Key Managerial Personnel	Designation	Date of Event	Reason
Mr. Birdhi Chand Jain	Chief Financial Officer	October 20, 2022	Appointment of Chief Financial Officer
Ms. Meenakshi	Company Secretary & Compliance Officer	October 20, 2022	Appointment of Company Secretary and Compliance Officer
Mr. Tejasvi Bhargava	Managing Director	March 01, 2021	Re-appointed again as Managing Director

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

#### ESOP/ESPS SCHEME TO EMPLOYEES

Presently, our company does not have any ESOP/ESPS Scheme for employees.

#### PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the chapter titled “Financial Statements” beginning on page 168, 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 our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

1. Mr. Kuldip Bhargava
2. Mr. Tejasvi Bhargava

### DETAILS OF OUR PROMOTER

#### 1. Mr. Kuldip Bhargava



#### Mr. Kuldip Bhargava

Mr. Kuldip Bhargava, born in Hisar, Haryana, India on April 22, 1953 comes from a highly illustrious family of Hisar, Pt Thakur Das Bhargava. His grandfather and known advocate of northern region; was also a Member of Parliament. His grand uncle – Dr. Gopi Chand Bhargava was the first premier/Chief Minister of combined Punjab & Haryana. His father – Shri A P Bhargava – himself was an engineer having completed his education from Lahore University and was the first elected President/ Municipal Commissioner of Municipal Committee of Hisar, Haryana and he had established the first small scale iron & steel industry in Hisar namely, East Punjab Mfg. Co – a grey iron foundry.

He is having more than 41 years of experience in steel industry. After his education Mr. Kuldip Bhargava joined his father at an early stage and later on started his own career in the manufacturing of cold rolled steel and later on stainless steel - Quality Foils (India) Pvt Ltd in May 1990. Mr. Kuldip Bhargava is one of the promoters and Chairman of Quality Group of companies comprising of Quality Foils (India) Ltd. and Quality Stainless Pvt Ltd, manufacturing Cold Rolled Stainless Steel Precision Strips & Coils; Stainless Steel Welded as well as Seamless Tubes & Pipes and Stainless-Steel Flexible Hose, Assemblies & Bellows. He is well regarded for his diligence and far-sighted approach for the overall growth of the stainless-steel industry.

He is currently the president of Hisar Industries Association, Hisar, Haryana. He remained as Independent Director of Jindal Saw Ltd. for many years and various other companies.

He is also a member of the family trust which is running CBSE affiliated school in Hisar which also render free education to economically weaker students and also medical help for the needy. He also spends lot of time in improving the overall environment in and around his industrial units in Hisar.

Mr. Kuldip Bhargava is a God fearing individual and carries the rare quality of patient hearing and helping not only the employees / workmen working in his group of companies but for the needy in general.

**Date of Birth:** April 22, 1953

**Nationality:** Indian

	<p><b>PAN:</b> AAEPB2425L</p> <p><b>Residential Address:</b> Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India</p>
<p><b>2 Mr. Tejasvi Bhargava</b></p>	
	<p><b>Mr. Tejasvi Bhargava</b></p> <p>Born in Hisar, Haryana, India on November 15, 1979 he did his schooling in Hisar and full-time graduation from New Delhi and subsequently he did MBA from TVU (London), and further completed a Management course from IIM, Ahmedabad.</p> <p>Before stepping into the current business set up, he had worked as full-time Director at Voice Data Management Pvt. Ltd, Gurgaon (An IT BPO organization) for two years.</p> <p>He is having more than 18 years of experience in Steel Industry. After having his successful tenure with the above mentioned multi-national IT BPO, Mr. Tejasvi in September 2003 joined the Quality Group initially as a full time Director and since 1<sup>st</sup>August 2015 promoted as full time Managing Director. At the time of his joining, he was entrusted with the affairs of SS Cold Rolling &amp; Pipe/Tube manufacturing divisions of the group. Under his able leadership both the units have grown substantially as market leaders and also increased their market size which includes Exports to EU and Americas. Under him the group has also diversified into the manufacture of SS Flexible Hoses and Assemblies, which partially meets the requirement of ISRO Space programme, DRDO &amp; BHEL's. Being the Group's Managing Director, he has been very successfully managing all company's operations, staff and ventures in order to maintain and grow its business.</p> <p>Apart from this, on his personal capacity, he owns a part of family stale in Jindal Quality Tubulars Ltd, a subsidiary company of Jindal Saw Ltd. for production of SS Pipes &amp; Tubes.</p> <p>A keen Squash Enthusiast, also an active part of organisations as Chairman Rural Committee and Chair Climate Change Committee at CII Young Indians (Gurugram Chapter), CII, Stainless Steel Tube Producers Association (Executive Member) &amp; ISSDA.</p> <p><b>Date of Birth:</b> November 15, 1979</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> AEMPB5373B</p> <p><b>Residential Address:</b> Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India</p>

## DECLARATION

1. We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License number Aadhaar Card number of our Promoters has been submitted to the Stock Exchange at the time of filing of the Prospectus with the Stock Exchange.
2. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoters have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.
5. Our Promoters are not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

## CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

## EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 138.

## INTEREST OF OUR PROMOTER

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 64, 168 and 138.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 168.  
***Interest of Promoters in the Promotion of our Company***

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### ***Interest of Promoters in the Property of our Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 124 and 168 respectively, of this Prospectus, our Promoters have confirmed that they does not have any interest in any property acquired by our Company within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 105 our Promoters does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery

### ***Interest in our Company arising out of being a member of a firm or company***

Our Promoters are not interested as member of a firm or company where any sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

### ***Interest in our Company other than as Promoters***

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 105, 133, 138 and 168 respectively, our Promoters does not have any other interest in our Company.

## **COMMON PURSUITS OF OUR PROMOTER**

Our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

## **PAYMENTS OR BENEFITS TO THE PROMOTER OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 168, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Prospectus.

## **MATERIAL GUARANTEES**

Except as stated in the “*Restated Financial Statements*” beginning on page 168, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

## **DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any of the companies/partnership firms during preceding three years except as follows: -

Sr. No.	Name of the Promoter	Name of Concern	Date of Disassociation	Reason
1.	Mr. Kuldeep Bhargava	Jindal Quality Tubular Limited	July 01, 2022	Due to personal reasons

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(pp) of SEBI (ICDR) Regulations includes the following persons:

**a) Natural persons who are part of our Individual Promoter Group:**

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Sr. No.	Relationship	Mr. Kuldip Bhargava	Mr. Tejasvi Bhargava
1.	Father	Late Mr. A. P. Bhargava	Mr. Kuldip Bhargava
2.	Mother	Mrs. Krishna Bhargava	Mrs. Anshu Bhargava
3.	Spouse	Mrs. Anshu Bhargava	Ms. Divya Bhargava
4.	Brother(s)	Mr. Dilip Bhargava Mr. Jagdeep Bhargava	Mr. Tapasvi Bhargava
5.	Sister(s)	Mrs. Nalini Sharma Mrs. Manjula Vasudeva	-
6.	Children	Mr. Tejasvi Bhargava Mr. Tapasvi Bhargava	Mr. Jayavardhan Bhargava (Minor) Ms. Jayati Bhargava (Minor)
7.	Spouse Father	Late Om Parkash Kalia	Mr. Devender Pal Sekhri
8.	Spouse Mother	Late Raksha Kalia	Mrs. Asha Sekhri
9.	Spouse Brother	Mr. Kapil Kalia	Mr. Sidharth Sekhri
10.	Spouse Sister	Mrs. Nitu kalia	-

**b) Companies related to our Promoter Company:**

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company	NA*
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	NA*
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.	NA*

\*Our company does not have any promoter company.

**c) Companies, Proprietary concerns, HUF's related to our promoter**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	1. Quality Stainless Private Limited 2. Quality Bio Green Private Limited 3. Jindal Quality Tubular Limited 4. Lucro Plastcycle Private Limited
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	NIL
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoters and his immediate relatives is equal to or more than twenty percent.	1. Kuldip Bhargava HUF 2. A. P. Bhargava HUF 3. Tejasvi Bhargava HUF

	<ol style="list-style-type: none"><li>4. Tattva Enterprises LLP</li><li>5. The East Punjab Manufacturing Co.</li><li>6. M/s Aurum Fabrication</li><li>7. Kohli and Bhargava Family Trust</li></ol>
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For further details refer Chapter titled “*Group Entities*” beginning on page no. 159.

#### **OUTSTANDING LITIGATIONS**

There is no other outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 22 and 188 respectively.

#### **RELATED PARTY TRANSACTIONS**

Except as disclosed in the schedule titled “*Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” beginning on page 168, our Company has not entered into any related party transactions with our Promoters.

## OUR GROUP ENTITIES

In terms of the SEBI ICDR Regulations and applicable accounting standards, “Group Companies” of the Company include (i) the companies (other than the promoters and subsidiaries) with which there were related party transactions as per the Restated Standalone Financial Information; and (ii) other companies considered material by the Board.

Accordingly, pursuant to the resolution passed by our Board at its meeting held on December 23, 2022, group companies of our Company shall include:

- the companies with which there were related party transactions as per the Restated Standalone Financial Information during any of the last three financial years and stub period ended September 30, 2022, in respect of which the Restated Standalone Financial Information are included in the Prospectus;
- companies forming part of the Promoter Group with whom the Company has entered into related party transactions during the last completed financial year which cumulatively exceeds 10% of the total revenue of our Company for the last completed financial year as per the Restated Standalone Financial Information.
- All such entities which are deemed to be material by the Board of Directors.

Accordingly, in terms of the policy adopted by our Board for determining group companies, our Board has identified the following companies as Group Companies:

### Our Group entities as on the date of Prospectus:

1. Quality Stainless Private Limited (“QSPL”)
2. Jindal Quality Tubular Limited (“JQTL”)
3. Quality Bio Green Private Limited (“Quality Green”)
4. The East Punjab Manufacturing Co. (“East Punjab”)
5. M/s Aurum Fabrication

### 1. QUALITY STAINLESS PRIVATE LIMITED (“QSPL”)

The Company was incorporated on December 01, 1999 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Company is U27108HR1999PTC034387. The PAN of the Company is AAACQ0726A. The Registered Office of the Company is situated at Near 7, Industrial Development Colony, Hisar, Haryana-125001, India.

### Main Object of the QSPL:

- 1) To carry on the business of manufacturing and trading iron and steel of all kinds including steel and stainless steel tube and stainless sheet metals, (ferrous and non-ferrous ) alloys and special steels from melting scraps sponge iron with the help of electric arc furnace and induction furnaces and to deal with in iron and steel of all kinds , to do the business of iron master, steel maker, steel converter , smelters, engineers, tin-plate makers and loan founders, steel rofling mills, in all their respective branches and manufacture steel tubes, black pipes, conduct pipes and to reach for, get, work, make merchantable and import , export and deal in iron and steel , iron stone, iron ore, iron scrap and other allied metals, metals scrap, minerals and substances.

- 2) To carry on any of the business of manufacturers, processors, importers, exporters of and dealers in all kind of ferrous and non-ferrous minerals, like aluminium, brass, tin, nickel meant for any industrial or non-industrial use and to carry on the business in cold or hot rolling, re-rolling, silting, heating, stamping, pressing, extruding, forging, drawing, flattening, straightening, heat treatment of all kinds of strips, sheet, foils, tapes, wires, rods, plates, and any other such sections, shapes or form of all kinds.

### Capital Structure

As on the date of this Prospectus, the Authorised Capital of QSPL is Rs. 2,00,00,000 divided into 20,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of QSPL is Rs.1,81,50,000 divided into 18,15,000 equity shares of Rs.10 each.

### Financial Performance:

The brief financial details of QSPL derived from its audited financial statements for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. In Lakhs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Share Capital	181.50	181.50	181.50
Reserves and Surplus	496.74	174.02	79.78
Total Revenue (including other income)	3,099.04	2,466.30	1,471.20
Profit/(Loss) after Tax	322.72	94.23	(186.11)
Basic and Diluted Earnings per Share	17.78	5.19	(10.25)
Net Asset Value Per Share	37.37	19.59	14.40

### Shareholding Pattern

The shareholders of QSPL holding more than 5% as on the date of this Prospectus are mentioned below: -

Sr. No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	Satellite Developers Private Limited	4,40,000	24.24%
2.	Kuldip Bhargava	4,17,400	23.00%
3.	Quality Bio Green Private Limited	3,44,400	18.98%
4.	Kuldip Bhargava (HUF)	1,73,800	9.58%
5.	Quality Foils (India) Limited	1,44,600	7.97%
6.	Tejasvi Bhargava	1,11,100	6.12%
	<b>Total</b>	<b>16,31,300</b>	<b>89.89</b>

### Board of Directors

The Directors of QSPL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Kuldip Bhargava	Director	00011103
Tejasvi Bhargava	Managing Director	00011205
Tapasvi Bhargava	Director	00011946
Yashvir Singh	Director	01166596

## **Nature and extent of interest of our Promoter**

Our Promoters & Promoter Group holds 74.59% interest in QSPL and holds directorship in the Company.

## **Other Confirmations**

- a) As on the date of this Prospectus, QSPL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- b) The Company is neither a sick Company nor is under winding up.
- c) There are no defaults in meeting any statutory/bank/institutional dues.
- d) No proceedings have been initiated for economic offences against the Company.
- e) No proceedings have been initiated for economic offences against the Proprietorship.

## **2. JINDAL QUALITY TUBULAR LIMITED (“JQTL”)**

The Company was incorporated on September 15, 2015 under the provisions of the Companies Act, 2013. The Corporate Identification Number of the Company is U28910UP2015PLC073321. The PAN of the Company is AADCJ6035G. The Registered Office of the Company is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403, India.

### **Main Object of the JQTL:**

- 1) To carry on in India or elsewhere, the business of manufactures, traders, importers, exporters and dealers in all kinds of tubes, pipes, pipes and pipe fittings made of steel, stainless steel and steel plates of API standards and all other types of plates, M. S. strip, scalp, copper, cast iron, rubber, polythene, aluminium, stainless steel, iron masters, steel makers, steel converters, smelters engineers, tin-plate makers and loan founders, steel rolling mills and other materials and machinery, equipment's required for manufacture of such items.
- 2) To carry on the business or businesses of manufactures, traders, importers, exporters and dealers in steel plates, steel plates, steel strips, sheets, ferrous and non-ferrous metal including rollers and re-rollers sheet metal, steel metal, steel, alloy steels, special and stainless steels, aluminium, brass, copper, shafting, tins, bars, rods, wire rods, all kinds of steel wires, flais, plates, blooms, stabs, squares from scrap, sponge iron, preproduced pillets, billets, ingots, expended metals, hardware materials, hinges, hoops, rounds, circle buckets, fire buckets, bath tubs, mugs, tanks, containers, steel and tubular furniture of all kind, and other materials for strong or conveying water, oil and other materials solid or liquid.
- 3) To erect, set up, construct, work, manage, maintain, equip, improve or alter, assist in the erection, setting up, construction, working management, maintenance, equipment, improvement, or alteration in India and/or elsewhere, factory or factories for the purpose of carrying on the business of iron-founders, metal founders, alloy founders, brass founders, manufactures of machinery, tools, accessories, instruments, implements, spare parts rolling stock, hardware, pipes, tubes, and such other articles as may seem to the Company capable of being manufactured at such factory or factories and dealers in all articles to manufactured in India and/or elsewhere.

### **Capital Structure**

As on the date of this Prospectus, the Authorised Capital of JQTL is Rs. 45,00,00,000 divided into 4,50,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of JQTL is Rs. 41,06,76,130 divided into 4,10,67,613 equity shares of Rs.10 each.

## Financial Performance:

The brief financial details of JQTL derived from its audited financial statements for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. In Lakhs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Share Capital	956.76	956.76	956.76
Other Equity	(2503.01)	48.52	(436.06)
Total Revenue (including other income)	3,390.56	4,621.00	13,935.14
Profit/(Loss) after Tax	584.19	465.29	(1,695.10)
Basic and Diluted Earnings per Share	5.50	3.81	(15.32)
Net Asset Value Per Share	16.16	10.51	(3.56)

## Shareholding Pattern

The equity shareholders of JQTL holding more than 5% as on the date of this Prospectus are mentioned below: -

Sr. No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	Jindal Saw Limited	64,10,261	67.00%
2.	Tejasvi Bhargava	15,91,556	16.63%
3.	Tapasvi Bhargava	15,65,756	16.37%
	<b>Total</b>	<b>95,67,573</b>	<b>100.00</b>

The Preference shareholders of JQTL holding more than 5% as on the date of this Prospectus are mentioned below: -

Sr. No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	Jindal Saw Limited	31,50,000	100.00%
	<b>Total</b>	<b>31,50,000</b>	<b>100.00%</b>

## Board of Directors

The Directors of JQTL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Tapasvi Bhargava	Whole-time Director	00011946
Dhananjaya Pati Tripathi	Director	00131460
Ravinder Nath Leekha	Director	00888433
Kailash Chand Gupta	Director	01182184
Rajeev Goyal	Director	07003755
Sanjiv Dheer	Director	07238997
Rama Ranjan Mohanty	Director	09434721

## Nature and extent of interest of our Promoter

Our Promoters & Promoter Group holds 33.00% interest in QSPL and Mr. Tapasvi Bhargava, part of promoter group holds directorship in the Company.

### Other Confirmations

- f) As on the date of this Prospectus, JQTL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- g) The Company is neither a sick Company nor is under winding up.
- h) There are no defaults in meeting any statutory/bank/institutional dues.
- i) No proceedings have been initiated for economic offences against the Company.
- j) No proceedings have been initiated for economic offences against the Proprietorship.

### 3. QUALITY BIO GREEN PRIVATE LIMITED (“QUALITY GREEN”)

The Company was incorporated on February 29, 1996 under the provisions of the Companies Act, 1956 as Quality Finlease Private Limited thereafter the name of the Company has changed from Quality Finlease Private Limited to Shining Steels Private Limited vide fresh certification of incorporation issued by Registrar of Companies, NCT of Delhi & Haryana dated August 21, 2001. After that the name of the Company has changed again from Shining Steels Private Limited to Quality Bio Green Private Limited vide fresh certification of incorporation issued by Registrar of Companies, NCT of Delhi & Haryana dated October 07, 2020. The Corporate Identification Number of the Company is U40100DL1996PTC076778. The PAN of the Company is AAFCS6069K. The Registered Office of the Company is situated at R 32 FF NDSE II New Delhi-110049, India.

The main objects of the Company have been altered vide the shareholders’ approval dated September 11, 2020 & the Registrar of Companies, NCT of Delhi & Haryana has issued certificate dated September 15, 2022 for registration of the special resolution confirming alteration of Object clauses.

#### Main Object of QBGPL:

- 1) To produce, generate, accumulate, transmit, distribute, purchase, sell and supply Compressed Bio Gas (CGB), electric power or any other energy from conventional/ non-conventional energy by Bio-Mass, Hydro, Thermal, Gas, Air, Diesel oil, or through renewable energy sources by-products, liquid fertilizers and to construct, lay down, establish and maintain power/ energy all organic and inorganic chemicals and synthetic chemicals derived from fermented high starch juice of any kind and nature whatsoever including by products and mixtures thereof , Special types of ethanol and products, including specifically, gases, effluent gases, power, steam and bio fertilizers.
- 2) To carry on business of trading of iron and steel of all kinds including stainless steel tube and stainless sheet metals, (ferrous and non-ferrous ) alloys and special steels from melting scraps sponge iron with the help of electric arc furnace and induction furnaces and to deal with in iron and steel of all kinds , to do the business of iron master, steel maker, steel converter , smelters, engineers, tin-plate makers and loan founders, steel rofling mills, in all their respective branches and manufacture steel tubes, black pipes, conduct pipes and to research for, get, work, make merchantable and import , export and deal in iron and steel , iron stone, iron ore, iron scrap and other allied metals, metals scrap, minerals and substances.
- 3) To carry on the business as traders, importers and exporters of and dealers in steel strips, stainless steel sheet, pipes, and tubes of all sizes, steel metals (ferrous and non-ferrous).
- 4) To carry on business as traders, importers and exporters of and dealers in aluminium utensils, ferrous or non-ferrous metal goods, iron and steel brass, tin, nickel, special steel and their products.

#### Capital Structure:

As on the date of this Prospectus, the Authorised Capital of QBGPL is Rs.1,00,00,000 divided into 10,00,000 equity shares of Rs.10 each. The issued, subscribed and paid-up equity share capital of QBGPL is Rs.23,75,000 divided into 2,37,500 equity shares of Rs.10 each.

### Financial Performance:

The brief financial details of QBGPL derived from its audited financial statements for Fiscals 2022, 2021 and 2020 are set forth below:

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Share Capital	23.75	23.75	23.75
Other Equity	64.25	64.58	66.47
Total Revenue (Including Other Income)	-	78.98	6.63
Profit/(Loss) after Tax	(0.32)	(1.88)	(1.78)
Basic and Diluted Earnings per Share	(0.14)	(0.79)	(0.75)
Net Asset Value Per Share	37.05	37.19	37.99

### Shareholding Pattern:

The shareholders of QBGPL holding more than 5% as on the date of this Prospectus are mentioned below:

Sr. No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	Tejasvi Bhargava	95,950	40.40%
2.	Tapasvi Bhargava	88,300	37.18%
3.	Krishna Bhargava	38,700	16.29%

### Board of Directors:

The Directors of QBGPL as on the date of this Prospectus are as follows:

Name	Designation	DIN
Radhey Shyam Pandey	Director	09184603
Tejasvi Bhargava	Director	00011205

### Nature and extent of interest of our Promoter:

Our Promoters & Promoter group holds 94.72% Equity Shares in QSPL. Further, our Promoter, Tejasvi Bhargava also hold directorship in QBGPL.

### Other Confirmations:

- As on the date of this Prospectus, QSPL is an unlisted limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three financial years.
- The Company is neither a sick Company nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against the Company.

### 4. THE EAST PUNJAB MANUFACTURING CO. (“East Punjab”)

The Partnership firm, currently owned by two partners i.e. Mr. Jagdeep Bhargava and Ms. Anuradha Bhargava, incorporated in the year 1985. The PAN of the Partnership firm is AABFT4021D. The Registered Office of the Partnership firm is situated at Anand Bhawan, Ward No. 33, Near Jat College, Hisar, Haryana-125001, India.

**East Punjab is into following business: -**

To carry on the business of trading of steel scraps & related goods.

**Capital Structure**

As on the date of this Prospectus, the Partner’s Capital of East Punjab is Rs. 4.29 Lakhs.

**Financial Performance**

The brief financial details of East Punjab derived from its ITR for Fiscals 2022, 2021 and 2020 are set forth below:

*(Rs. in Lakhs)*

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Partner’s Capital	4.29	6.25	10.42
Total Revenue	4.90	11.14	14.28
Net Profit	0.26	(2.11)	(1.04)

**Nature and extent of interest of our Promoters.**

As on date of this Prospectus, our Promoters Mr. Kuldip Bhargava and Mr. Tejasvi Bhargava have no interest in the firm. But the part of Promoter group i.e. Mr. Jagdeep Bhargava & Ms. Anuradha Bhargava are the partners of the partnership firm & holds 100% control over the operations of the firm.

**Other Confirmations**

- a) As on the date of this Prospectus, East Punjab is a partnership firm.
- b) The Partnership Firm is neither a sick firm nor is under winding up.
- c) There are no defaults in meeting any statutory/bank/institutional dues.
- d) No proceedings have been initiated for economic offences against the Firm.

**5. AURUM FABRICATION (“AURUM”)**

The Partnership firm, currently owned by three partners i.e. Mr. Jagdeep Bhargava, Mr. Sudhanshu Bhargava and Ms. Anuradha Bhargava, incorporated in the year 2011. The PAN of the Partnership firm is AATFA5167B. The Registered Office of the Partnership firm is situated at 182, Huda Industrial Area, Sector 27 & 28, Hisar, Haryana-125005, India.

**AURUM is into following business: -**

To carry on the business of trading of steel scraps & related goods.

**Capital Structure**

As on the date of this Prospectus, the Partner’s Capital of AURUM is Rs. 54.40 Lakhs.

**Nature and extent of interest of our Promoters.**

As on date of this Prospectus, our Promoters Mr. Kuldip Bhargava and Mr. Tejasvi Bhargava have no interest in the firm. But the part of Promoter group i.e. Mr. Jagdeep Bhargava & Ms. Anuradha Bhargava are the partners of the partnership firm & holds 100% control over the operations of the firm.

## Financial Performance

The brief financial details of AURUM derived from its ITR for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. in Lakhs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Partner's Capital	54.40	57.94	44.76
Total Revenue	16.05	13.39	19.11
Net Profit	5.91	4.30	4.38

## Other Confirmations

- e) As on the date of this Prospectus, AURUM is a partnership firm.
- f) The Partnership Firm is neither a sick firm nor is under winding up.
- g) There are no defaults in meeting any statutory/bank/institutional dues.
- h) No proceedings have been initiated for economic offences against the Firm.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

**SECTION VI – FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS AS RESTATED**

Sr. No.	Particulars	Page No.
1	Restated Standalone Financial Statements	F-01 to F-34



## INDEPENDENT AUDITORS' REPORT

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
**The Board of Directors,**  
**Quality Foils (India) Limited**  
*Formerly known as Quality Foils (India) Private Limited*  
3, Industrial Development Colony,  
Hisar, Haryana-125005, India

Dear Sir/ Madam,

1. We have examined the attached Restated Financial Information of **Quality Foils (India) Limited [hereinafter referred as the "QFIL" or "Company"]** which comprise of the Restated Statement of Assets and Liabilities for the period April 1, 2022 to September 30, 2022 and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period April 1, 2022 to September 30, 2022 and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), for the purpose of inclusion in the Draft Prospectus and the Final Prospectus (Draft Prospectus and Final Prospectus collectively referred to as "**Offer Documents**") prepared by the management of the Company ("the Management") in connection with its Initial Public Offer of Equity Shares ("**IPO**") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended ("**the Act**") read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "**Rules**")
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time pursuant to the provisions of the Securities and Exchange Board of India, 1992 ("**the SEBI ICDR Regulations**"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**") as amended from time to time ("**the Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Stock Exchange, Securities and Exchange Board of India ("SEBI") and Registrar of Companies, New Delhi and Haryana in connection with the proposed Issue. The Restated Financial Information have been prepared by the Management of the company. The responsibility of the Board of Directors of the company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed Initial Public Issue of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Rights Issue.
4. These Restated Financial Information have been prepared and compiled by the management from:
- a) Audited financial statements of the Company as at and for the period April 1, 2022 to September 30, 2022 prepared in accordance with Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on November 15, 2022.
- b) Audited Financial Statement as at and for the period April 1, 2022 to September 30,2022 and for the financial years ended March 31 ,2022, March 31 ,2021 and March 31 ,2020 prepared in accordance with Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates to the audited financial statements for the period April 1,2022 to September 30,2022 and for the financial years ended March 31 ,2022, March 31 ,2021 and March 31 ,2020 which was prepared in accordance as per Indian GAAP as applicable to non- corporates and which have been approved by the board of directors.
5. We have also examined the following Restated US GAAP financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors for the period April 01, 2022 to September 30,2022 and for the financial years ended March 31 ,2022, March 31 ,2021 and March 31 ,2020.

1.	Restated Standalone Statement of Assets and Liabilities	Annexure 1
2.	Restated Standalone Statement of Profit and Loss	Annexure 2
3.	Restated Standalone Statement of Cash Flow	Annexure 3
4.	Significant Accounting Policies as restated	Annexure 4
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6. For the purpose of our examination, we have relied on:

Auditors' Report issued by the Statutory Auditors, V S Jain & Associates, Chartered Accountants (ICAI Firm Registration Number: 003533N), (the "Statutory Auditors") dated November 15, 2022, August 30, 2022, August 31, 2021 and August 28, 2020 on the financial statements of the company as at and for the



financial period from April 01, 2022 to September 30, 2022 and financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively, as referred in Paragraph 4 above.

7. Based on our examination and according to the information and explanations given to us for the respective years, we report that the Restated Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications, if any, retrospectively in the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the for the period April 1, 2022 to September 30, 2022;
  - b) do not require any adjustment for the matters giving rise to modifications as stated in the paragraph 5 above;
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the management for inclusion in the Draft Prospectus/Prospectus to be filed with SME platform of National Stock Exchange of India Limited, Securities and Exchange Board of India and Registrar of Companies, NCT of Delhi & Haryana in connection with the proposed offer of equity shares of the Company. 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/s V S JAIN & ASSOCIATES.**

**Chartered Accountants**

**Firm Registration Number: - 003533N**

**Peer Review No. – 014664**

**Sd/-**

**Sandeep Kumar Jain**

**(Partner)**

**Membership No. - 511237**

**UDIN – 22511237BEDWQI1108**

**Date: November 26, 2022**

**Place: Hisar, Haryana**

**Annexure 1**

**Quality Foils (India) Limited**  
*Formerly known as Quality Foils (India) Private Limited*  
**Restated Standalone Statement of Assets and Liabilities**

(Amount in Lakhs)

Particulars	Note No.	As At 30 <sup>th</sup> September, 2022	As At 31st March		
			2022	2021	2020
<b>EQUITY AND LIABILITIES:</b>					
<b>SHAREHOLDERS' FUNDS:</b>					
Share Capital	I.1	140.00	140.00	140.00	140.00
Reserves and Surplus	I.2	2,097.26	1,891.27	1,729.39	1,633.53
<b>Total Shareholders' Funds</b>		<b>2,237.26</b>	<b>2,031.27</b>	<b>1,869.39</b>	<b>1,773.53</b>
<b>LIABILITIES:</b>					
<b>Non-current liabilities</b>					
Long Term Borrowings	I.3	1,358.09	1,608.25	1,382.43	1,366.28
Deferred Tax Liabilities (Net)		194.33	166.28	163.74	159.28
Long Term Provisions	I.4	233.04	226.18	213.72	207.74
<b>Total Non-current liabilities</b>		<b>1,785.45</b>	<b>2,000.71</b>	<b>1,759.89</b>	<b>1,733.31</b>
<b>Current Liabilities:</b>					
Short Term Borrowings	I.5	2,677.59	3,199.24	2,745.53	2,748.06
Trade Payables	I.6	261.82	380.92	9.49	251.15
i) Due to Micro and Small Enterprises					
ii) Due to Others					
Other Current Liabilities	I.7	173.09	222.41	152.23	100.49
<b>Total Current Liabilities</b>		<b>3,112.50</b>	<b>3,802.57</b>	<b>2,907.25</b>	<b>3,099.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,135.21</b>	<b>7,834.55</b>	<b>6,536.53</b>	<b>6,606.53</b>
<b>ASSETS:</b>					
<b>Non-current Assets:</b>					
Property, Plant and Equipment's	I.8	1,987.19	2,031.99	1,946.42	2,037.64
Capital work in progress		-	-	-	31.60
Non-current Investments	I.9	40.05	68.01	68.01	68.01
Long Term Loans and Advances	I.10	52.04	-	-	-
Other Non-current Assets	I.11	57.10	57.10	57.10	57.10
<b>Total Non-current Assets</b>		<b>2,136.37</b>	<b>2,157.10</b>	<b>2,071.53</b>	<b>2,194.36</b>
<b>Current Assets:</b>					
Inventories	I.12	1,339.72	1,922.37	1,303.31	1,513.83
Trade Receivables	I.13	3,297.74	3,356.75	2,785.72	2,553.77
Cash and Bank Balances	I.14	154.91	163.14	206.17	129.25
Short-term Loans and Advances	I.15	6.53	20.88	53.78	14.07
Other Current Assets	I.16	199.95	214.31	116.02	201.27
<b>Total Current Assets</b>		<b>4,998.84</b>	<b>5,677.45</b>	<b>4,465.01</b>	<b>4,412.18</b>



<b>TOTAL ASSETS</b>		<b>7,135.21</b>	<b>7,834.55</b>	<b>6,536.53</b>	<b>6,606.53</b>
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**For, M/s V S Jain & Associates**  
**Chartered Accountants**  
**Firm Registration Number: - 003533N**  
**Peer Review No. – 014664**

**For Quality Foils (India) Limited**  
**(Formerly Known as Quality Foils (India) Private Limited)**

**Sd/-**  
**Sandeep Kumar Jain**  
**(Partner)**  
**Membership No. - 511237**  
**UDIN – 22511237BEDWQI1108**

**Sd/-**  
**Tejasvi Bhargava**  
**DIN: 00011205**

**Sd/-**  
**Kuldip Bhargava**  
**DIN: 00011103**

**Date: November 26, 2022**  
**Place: Hisar, Haryana**

**Sd/-**  
**Birdhi Chand Jain**  
**Chief Financial Officer**

**Sd/-**  
**Meenakshi**  
**Company Secretary &**  
**Compliance Officer**

Annexure 2

**Quality Foils (India) Limited**  
*Formerly known as Quality Foils (India) Private Limited*  
**Restated Standalone Statement of Profit and Loss**

(Amount in Lakhs)

Particulars	Note	For the Period ended September, 2022	For the Year Ended 31st March		
			2022	2021	2020
<b>INCOME:</b>					
Revenue from Operations	I.17	10,445.27	17,978.58	12,398.37	15,146.59
Other Income	I.18	26.31	52.05	38.30	64.18
<b>Total Income</b>		<b>10,471.59</b>	<b>18,030.63</b>	<b>12,436.67</b>	<b>15,210.77</b>
<b>EXPENSES:</b>					
Cost of Material Consumed	I.19	8,561.46	15,780.44	10,020.79	12,933.27
Changes in Inventories of Finished goods and Work-in-process	I.20	406.14	(550.92)	338.59	(150.27)
Employee Benefits Expense	I.21	272.81	551.84	491.43	541.89
Finance Cost	I.22	190.75	325.60	332.74	403.35
Depreciation	I.8	74.78	148.33	147.33	148.09
Other Expenses	I.23	820.71	1,553.69	973.30	1,202.84
<b>Total Expenses</b>		<b>10,326.64</b>	<b>17,808.98</b>	<b>12,304.18</b>	<b>15,079.18</b>
<b>Profit Before Extraordinary Items and Tax</b>		<b>144.94</b>	<b>221.65</b>	<b>132.49</b>	<b>131.59</b>
<b>Extraordinary Items</b>					
Profit on sale of Fixed Assets		195.18	-	-	-
Loss on sale of long-term investments		(27.75)	-	-	-
<b>Profit Before Tax</b>		<b>312.37</b>	<b>221.65</b>	<b>132.49</b>	<b>131.59</b>
Tax Expense					
Income tax on extra ordinary items		35.42	-	-	-
Current Tax		42.89	57.24	31.75	30.17
Deferred Tax		28.06	2.52	4.46	(6.44)
Previous years' tax adjustment		-		0.42	
<b>Profit for the Period</b>		<b>205.99</b>	<b>161.88</b>	<b>95.86</b>	<b>107.87</b>
Earnings per equity share of face value of Rs. 10/- each					
<b>Basic and Diluted (in Rs.)</b>					
On Ordinary items		5.29	11.56	6.85	7.70
On Ordinary & extraordinary items		14.71	11.56	6.85	7.70

For, M/s V S Jain & Associates  
Chartered Accountants  
Firm Registration Number: - 003533N  
Peer Review No. - 014664

Sd/-  
Sandeep Kumar Jain  
(Partner)  
Membership No. - 511237  
UDIN - 22511237BEDWQI1108

Date: November 26, 2022  
Place: Hisar, Haryana

For Quality Foils (India) Limited  
(Formerly Known as Quality Foils (India) Private Limited)

Sd/-  
Tejasvi Bhargava  
DIN: 00011205

Sd/-  
Birdhi Chand Jain  
Chief Financial Officer

Sd/-  
Kuldip Bhargava  
DIN: 00011103

Sd/-  
Meenakshi  
Company Secretary & Compliance Officer



Annexure 3

**Quality Foils (India) Limited**  
*Formerly known as Quality Foils (India) Private Limited*  
**Restated Standalone Statement of Cash Flows**

(Amount in Lakhs)

Particulars	For the Period ended September 30, 2022	For the year ended March 31,			
		2022	2021	2020	2019
<b>A. Cash Inflow/(Outflow) from Operating Activities</b>					
Net Profit Before Tax & Extraordinary Items	144.94	221.65	132.49	131.59	
Adjustment for:					
Depreciation	74.78	148.33	147.33	148.09	
Interest Income	(26.10)	(40.57)	(33.71)		
Dividend Income	(0.17)	(0.17)	(0.09)	(0.09)	
Foreign Currency Fluctuation	-	(7.27)	0.91	(0.95)	
Liabilities written back	-	(1.86)	-		
Profit on Sale of Fixed assets	-	(1.01)	(3.39)	(1.22)	
Miscellaneous Income	(0.04)	(1.17)	(0.76)	(0.72)	
Profit on Sale of Investments	-	-	-	-	
Finance Cost	190.75	325.60	332.74	350.56	
Operating Profit before working Capital Changes	384.16	643.53	575.52	627.26	
Adjustment for:					
(Increase)/Decrease in Inventories	582.66	(619.06)	210.52	8.33	
(Increase)/Decrease in Sundry Debtors	59.01	(571.04)	(231.95)	531.10	
(Increase)/Decrease in other current assets	(6.60)	(64.96)	27.71	150.88	
Increase/(Decrease) in Liabilities and provisions	(126.26)	441.61	(189.92)	(672.73)	
Cash Inflow from Operating Activities	892.98	(169.92)	391.89	644.85	
Interest Income	26.10	40.57	33.71		
Liabilities written back	-	1.86	-		
Miscellaneous Income	0.04	1.17	0.76	0.72	
Foreign Currency Fluctuation	-	7.27	(0.91)	0.95	



	Income Tax Paid		(78.32)		(57.67)		(31.75)		(28.36)
	Cash Inflow Before Extra-Ordinary items		840.80		(176.72)		393.69		618.16
	Extra ordinary items		-		-		-		-
	<b>Net Cash inflow from operating activities.</b>		<b>840.80</b>		<b>(176.72)</b>		<b>393.69</b>		<b>618.16</b>
<b>B.</b>	<b>Cash Inflow/(Outflow) from Investing Activities</b>								
	Purchase of Capital Goods/Fixed Assets	(34.81)		(239.36)		(28.01)		(105.62)	
	Sale of Capital goods/Fixed Assets	200.00		6.48		6.89		3.13	
	(Increase)/Decrease in other non-current assets	(52.04)		-		17.40		(33.49)	
	Increase/(Decrease) in non-current Liabilities/provisions	-		12.46		5.98		32.96	
	Dividend Income	0.17		0.17		0.09		0.09	
	Sale/(Purchase) of Investments	0.22		-		-		-	
	<b>Net Cash from investing activities</b>		<b>113.54</b>		<b>(220.25)</b>		<b>2.34</b>		<b>(102.93)</b>
<b>C.</b>	<b>Cash Inflow/(Outflow) from Financing Activities</b>								
	Proceeds from issue of share capital	-		-		-		-	
	Proceeds from long term borrowings	-		459.70		300.00		-	
	Proceeds from short term borrowings	(521.65)		551.97		(80.66)		75.55	
	Repayment of long-term borrowings	(250.16)		(332.14)		(205.72)		(260.91)	
	Interest Paid	(190.75)		(325.60)		(332.74)		(350.56)	
	<b>Net cash from Financing activities</b>		<b>(962.57)</b>		<b>353.93</b>		<b>(319.12)</b>		<b>(535.92)</b>
	<b>Net Changes in Cash &amp; Cash Equivalents</b>		<b>(8.23)</b>		<b>(43.04)</b>		<b>76.92</b>		<b>(20.68)</b>
	<b>Cash &amp; Cash Equivalents (Opening balance)</b>		<b>163.13</b>		<b>206.17</b>		<b>129.25</b>		<b>149.93</b>
	<b>Cash &amp; cash Equivalents (Closing balance)</b>		<b>154.91</b>		<b>163.13</b>		<b>206.17</b>		<b>129.25</b>

For, M/s V S Jain & Associates  
Chartered Accountants  
Firm Registration Number: - 003533N  
Peer Review No. – 014664

Sd/-  
Sandeep Kumar Jain  
(Partner)  
Membership No. - 511237  
UDIN – 22511237BEDWQH1108  
Date: November 26, 2022  
Place: Hisar, Haryana

For Quality Foils (India) Limited  
(Formerly Known as Quality Foils (India) Private Limited)

Sd/-  
Tejasvi Bhargava  
DIN: 00011205

Sd/-  
Birdhi Chand Jain  
Chief Financial Officer

Sd/-  
Kuldip Bhargava  
DIN: 00011103

Sd/-  
Meenakshi  
Company Secretary & Compliance  
Officer

## Annexure 4

### SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Preparation:

The Financial statements of the company have been prepared as a going concern on accrual basis of accounting under the historical cost convention in accordance with generally accepted accounting principles in India including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

#### ii) Use of Estimates:

The presentation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### iii) Revenue Recognition:

Revenue is recognized only when all the significant risks and rewards of ownership of goods have been transferred to the customer, it can be reliably measured and it is reasonable to accept ultimate collection. Revenue from operation includes sale of goods, services, service tax, excise duty, adjusted for discounts (net), and gain/loss on corresponding hedge contracts. Dividend Income is recognized when the right to receive payment is established. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Income from export incentives are recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

#### iv) Property, plant and equipment's:

All Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all taxes, duties (excluding excise duty and VAT/GST for which CENVAT credit is available), freight and other incidental expenses related to such fixed asset.

#### v) Valuation of Inventories:

Inventories are valued at the lower of cost and net realizable value except scrap which is valued at net realizable value. The cost is computed on weighted average/ FIFO basis. Finished goods and Stock-in-process includes cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.

#### vi) Depreciation:

Depreciation on fixed assets is provided on Straight Line Method as per life and in accordance with life prescribed in Schedule II of the Companies Act, 2013, as amended up to date. Depreciation on fixed assets added/disposed off/ discarded during the period has been provided on pro-rata basis with reference to the month of addition/ disposal/ discarded.

#### vii) Investment:

Long-term investments are stated at cost. As certified by the management, gain or loss on such investments shall be computed at the time of actual realization. Hence no provision of gain or loss has been made during the period.

**viii) Impairment of Assets:**

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Profit and Loss Account. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

**ix) Borrowing costs:**

Borrowing costs attributable to the acquisition and construction of asset are capitalized as part of the cost of such asset up to the date when such asset is ready for use and all other borrowing costs are charged to revenue.

**x) Employee Benefits:**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The company makes specified monthly contributions towards provident fund, superannuation fund, pension scheme and employee state insurance contribution. The company's contributions are recognized as an expense in the profit and loss statement during the period when the contributions to the respective funds are due.

The liability in respect of defined benefit and other long term benefit plan such as Gratuity is provided for on estimated basis and charged to profit and loss statement.

**xi) Provision of Contingent liabilities and Contingent assets:**

Provision involving substantial degree of estimation in measurement are recognized where there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not provided for in the accounts but are separately disclosed by way of a note. Contingent assets are neither recognized nor disclosed in the financial statement.

**xii) Taxation:**

Provision for current tax is made on the basis of amount of tax payable in respect of taxable income for the period at the current rate of Income Tax in accordance with Income Tax Act, 1961.

Deferred tax is recognized for all timing differences between book profits and tax profits for the period at the current rate of tax.



**xiii) Foreign Currency Transactions:**

Foreign currency transactions during the year are recorded at the rate of exchange prevailing at the date of transaction. Monetary asset and liabilities related to foreign currency transactions remaining unsettled are translated at the year end rate. All exchange differences are dealt with in the Statement of Profit and Loss for the year.

**For, M/s V S Jain & Associates**  
**Chartered Accountants**  
**Firm Registration Number: - 003533N**  
**Peer Review No. – 014664**

**For Quality Foils (India) Limited**  
**(Formerly Known as Quality Foils (India) Private Limited)**

**Sd/-**  
**Sandeep Kumar Jain**  
**(Partner)**  
**Membership No. - 511237**  
**UDIN – 22511237BEDWQI1108**

**Sd/-**  
**Tejasvi Bhargava**  
**DIN: 00011205**

**Sd/-**  
**Kuldip Bhargava**  
**DIN: 00011103**

**Date: November 26, 2022**  
**Place: Hisar, Haryana**

**Sd/-**  
**Birdhi Chand Jain**  
**Chief Financial Officer**

**Sd/-**  
**Meenakshi**  
**Company Secretary &**  
**Compliance Officer**



**b. The details of Shareholders holding more than 5% Shares:-**

Name of the shareholder	As at 30.09.2022		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
	No. of shares	% of shares						
Kuldip Bhargava	41,520	29.66%	34,030	24.31%	34,030	24.31%	34,030	24.31%
Tejasvi Bhargava	8,140	5.81%	8,140	5.81%	8,140	5.81%	8,140	5.81%
Kuldip Bhargava (HUF)	8,670	6.19%	8,670	6.19%	8,670	6.19%	8,670	6.19%
A. P. Bhargava (HUF)	-	0.00%	7,490	5.35%	7,490	5.35%	7,490	5.35%
Anshu Bhargava	7,680	5.49%	7,680	5.49%	7,680	5.49%	7,680	5.49%
Satellite Developers Pvt Ltd.	34,550	24.68%	34,550	24.68%	34,550	24.68%	34,550	24.68%
Quality Stainless Pvt Ltd	12,280	8.77%	12,280	8.77%	12,280	8.77%	12,280	8.77%
Quality Bio Green Pvt Ltd.	15,370	10.98%	15,370	10.98%	15,370	10.98%	15,370	10.98%

**c. The details of Promoters holding: -**

Name of the promoter	As at 30.09.2022		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
	No. of shares	% of shares						
Kuldip Bhargava	41,520	29.66%	34,030	24.31%	29,130	20.81%	29,130	20.81%
Tejasvi Bhargava	8,140	5.81%	8,140	5.81%	8,140	5.81%	8,140	5.81%
Kuldip Bhargava (HUF)	8,670	6.19%	8,670	6.19%	8,670	6.19%	8,670	6.19%
A. P. Bhargava (HUF)	-	0.00%	7,490	5.35%	7,490	5.35%	7,490	5.35%
Krishana Bhargava	-	0.00%	-	0.00%	4,900	3.50%	4,900	3.50%
Anshu Bhargava	7,680	5.49%	7,680	5.49%	7,680	5.49%	7,680	5.49%
Tapasvi Bhargava	5,460	3.90%	5,460	3.90%	5,460	3.90%	5,460	3.90%
Jagdeep Bhargava	900	0.64%	900	0.64%	900	0.64%	900	0.64%
Quality Stainless Pvt Ltd	12,280	8.77%	12,280	8.77%	12,280	8.77%	12,280	8.77%
Quality Bio Green Pvt Ltd.	15,370	10.98%	15,370	10.98%	15,370	10.98%	15,370	10.98%

**Note. I.2: Restated Statement of Reserve & Surplus**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>SECURITY PREMIUM</b>				
As per the last Balance Sheet	251.00	251.00	251.00	251.00
Add: During the year	-	-	-	-
<b>Total (a)</b>	<b>251.00</b>	<b>251.00</b>	<b>251.00</b>	<b>251.00</b>
<b>SURPLUS</b>				
Profit and Loss account				
As per last Balance Sheet	1,558.17	1,396.29	1,300.43	1192.56
Add: Profit for the Year	205.99	161.88	95.86	107.87
<b>Total (b)</b>	<b>1,764.16</b>	<b>1,558.17</b>	<b>1,396.29</b>	<b>1,300.43</b>
<b>Total (a+b)</b>	<b>2,097.26</b>	<b>1,891.27</b>	<b>1,729.39</b>	<b>1,633.53</b>

**Note. I.3: Restated Statement of Long-Term Borrowings**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>LONG TERM BORROWINGS:</b>				
<b>SECURED:</b>				
From Axis Bank Ltd.-Term Loan*	26.05	47.47	132.36	293.19
From Axis Bank Ltd. - WCTL under ECLGS**	387.00	437.00	225.00	-
From HDFC Bank Ltd.***	4.04	11.57	28.00	45.86
From Aditya Birla Housing Fin. Ltd.****	791.00	809.51	842.07	872.22
<b>Total (a)</b>	<b>1,208.09</b>	<b>1,305.55</b>	<b>1,227.43</b>	<b>1,211.28</b>
<b>UNSECURED:</b>				
From Other parties:				
From Directors	-	147.70	-	-
From Shareholders	150.00	150.00	150.00	150.00
Inter-corporate Loans	-	5.00	5.00	5.00
<b>Total (b)</b>	<b>150.00</b>	<b>302.70</b>	<b>155.00</b>	<b>155.00</b>
<b>Total (a+b)</b>	<b>1,358.09</b>	<b>1,608.25</b>	<b>1,382.43</b>	<b>1,366.28</b>

\*Loan is secured against: a) First parri-passu charge with other lenders on immovable property, on movable fixed assets of the company except financed exclusively charged by other banks and on present and future current assets of the company. The loan is repayable in monthly instalments. The loan carries rate of interest at 9.25% p.a.

\*\*Secured by extension of existing charge by equitable mortgage on company's immovable properties and hypothecation of movable fixed assets both present and future. The loan is repayable in monthly instalments. The loan carries rate of interest at 9.25% p.a. on Rs. 225.00 lakh and 7.00 % p.a. on Rs. 312.00 lakhs, including current maturities.

\*\*\*Secured by hypothecation of vehicle. The loan is repayable in monthly instalments. The loan carries rate of interest at 9.00% p.a.

\*\*\*\*Secured by equitable mortgage of plot owned by the directors of the company. The loan is repayable in monthly instalments. The loan carries rate of interest ranging from 7.50% p.a.to 10.40% p.a.

Maturity Profile of borrowings are as set out below:

(Rs. In Lakhs)

Particulars	Maturity Profile			
	FY 2023-24	FY 2024-25	FY 2025-26	Beyond FY 2025-26
*Axis Bank Ltd.-Term Loan	47.47	-	-	-
**Axis Bank Ltd. - WCTL under ECLGS	152.00	129.00	104.00	52.00
***HDFC Bank Car Loan	11.57	-	-	-
****Aditya Birla Housing Loan	34.52	37.92	41.16	695.91
<b>Total</b>	<b>245.56</b>	<b>166.92</b>	<b>145.16</b>	<b>747.91</b>

Note. I.4: Restated Statement of Long-Term Provisions

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits (Gratuity)	233.04	226.18	213.72	207.74
<b>Total</b>	<b>233.04</b>	<b>226.18</b>	<b>213.72</b>	<b>207.74</b>

Note. I.5: Restated Statement of Short-Term Borrowings

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Secured:</b>				
<b>From Banks</b>				
a. Working Capital Limits (Cash credit)	1,900.78	1,805.70	1,612.21	1,697.06
b. Letter of Credit payable	584.97	1,159.66	801.18	796.99
c. Current maturities of long-term borrowings	191.84	233.88	332.14	254.01
<b>Total</b>	<b>2,677.59</b>	<b>3,199.24</b>	<b>2,745.53</b>	<b>2,748.06</b>

Notes: Short term borrowings are secured by first pari-passu charge by hypothecation of raw materials, work-in-progress, finished goods, stores and spares, book debts and movable and immovable property, plant and machinery, land and building of the company. The rate of interest on borrowings ranging from 7.00% p.a. to 8.90% p.a.

Note. I.6: Restated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Micro, Small and Medium Enterprises	103.76	65.70	9.49	4.67
Due to others	158.06	315.22	-	246.47
<b>Total</b>	<b>261.82</b>	<b>380.92</b>	<b>9.49</b>	<b>251.15</b>

- (i) Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below \*:

(Rs. In lakhs)

Sr. No.	Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1	Principal amount due outstanding	103.76	65.70	9.49	4.67
2	Interest due on (1) above and unpaid	-	-	-	-
3	Interest paid to the supplier	-	-	-	-
4	Payments made to the supplier beyond the appointed day during the period.	-	-	-	-
5	Interest due and payable for the period of delay	-	-	-	-
6	Interest accrued and remaining unpaid	-	-	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-	-	-

\* To the extent information available with the company.

- (ii) Trade Payables Ageing:

Ageing as at 30.09.2022

(Rs. In lakhs)

Particulars	Less than 1 year	1 -2 year	2 -3 year	More than 3 year	Total
MSME	103.76	-	-	-	103.76
Others	158.06	-	-	-	158.06
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>261.82</b>	-	-	-	<b>261.82</b>

Ageing as at 31.03.2022

(Rs. In lakhs)

Particulars	Less than 1 year	1 -2 year	2 -3 year	More than 3 year	Total
MSME	65.70	-	-	-	65.70
Others	315.22	-	-	-	315.22
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>380.92</b>	-	-	-	<b>380.92</b>

Ageing as at 31.03.2021

(Rs. In lakhs)

Particulars	Less than 1 year	1 -2 year	2 -3 year	More than 3 year	Total
MSME	7.96	1.53	-	-	9.49
Others	-	-	-	-	-
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>7.96</b>	<b>1.53</b>	-	-	<b>9.49</b>

**Ageing as at 31.03.2020**

(Rs. In lakhs)

Particulars	Less than 1 year	1 -2 year	2 -3 year	More than 3 year	Total
MSME	4.67	-	-	-	4.67
Others	246.48	-	-	-	246.48
Disputed dues- MSME		-	-	-	-
Disputed dues- Others		-	-	-	-
<b>Total</b>	<b>251.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>251.15</b>

**Note. I.7: Restated Statement of Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Advance from customers	25.85	8.89	17.84	22.39
Advance against sale of land	-	100.00	-	-
Interest accrued but not due on borrowings	4.93	5.20	5.97	-
Statutory dues	7.08	10.07	5.11	-
Provision for Income tax (Net)	43.01	8.02	-	-
Other payables*	92.23	90.23	123.32	78.10
<b>Total</b>	<b>173.09</b>	<b>222.41</b>	<b>152.23</b>	<b>100.49</b>

\*Including expenses payable.

**Note. I.9: Restated Statement of Non-Current Investments**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>A. EQUITY SHARES (QUOTED) (At cost):</b>				
(a) JSW Energy Ltd.	8.64	8.64	8.64	8.64
(b) Orbit Corporation Ltd.	20.02	20.02	20.02	20.02
(c) Videocon Industries Ltd.	7.92	7.92	7.92	7.92
(d) Reliance Capital Ltd.	-	27.97	27.97	27.97
(e) Reliance Home Finance Ltd.#	-	-	-	-
(f) Reliance Power Ltd.	0.07	0.07	0.07	0.07
<b>Total - A</b>	<b>36.65</b>	<b>64.62</b>	<b>64.62</b>	<b>64.62</b>
<b>B. EQUITY SHARES (UNQUOTED) (At cost):</b>				
(a) UB Stainless Limited	0.50	0.50	0.50	0.50
(b) Quality Stainless Private Limited	2.89	2.89	2.89	2.89
<b>Total - B</b>	<b>3.39</b>	<b>3.39</b>	<b>3.39</b>	<b>3.39</b>
<b>Grand Total (A+B)</b>	<b>40.05</b>	<b>68.01</b>	<b>68.01</b>	<b>68.01</b>
<b>Aggregate Market value of quoted investments</b>	<b>25.93</b>	<b>26.38</b>	<b>8.76</b>	<b>4.26</b>

Note: 1. # Equity shares of Reliance home finance Limited has been allotted on account of re-arrangement of Reliance capital Limited.

2. Investments are stated at cost.

**Note. I.8: Restated Statement of Property, Plant & Equipment**

(Rs. In Lakhs)

Particular	Land	Buildings	Plant & Machinery	Office Equipment's	Furniture & Fixture	Vehicles	Total
<b>Gross Block</b>							
<b>As at April 01, 2019</b>	51.14	502.88	2495.84	58.53	13.38	211.92	<b>3,333.69</b>
Addition	0.00	37.40	50.91	1.64	1.16	0.00	91.12
Deletion	0.00	0.00	0.00	0.00	0.00	11.88	11.88
<b>As at March 31, 2020</b>	<b>51.14</b>	<b>540.28</b>	<b>2546.76</b>	<b>60.17</b>	<b>14.54</b>	<b>200.04</b>	<b>3412.93</b>
Addition	0.00	3.37	41.31	9.21	0.03	5.69	59.61
Deletion	0.00	0.00	7.85	0.00	0.00	8.50	16.35
<b>As at March 31, 2021</b>	<b>51.14</b>	<b>543.65</b>	<b>2580.22</b>	<b>69.38</b>	<b>14.58</b>	<b>197.23</b>	<b>3456.19</b>
Addition	109.02	22.3	77.5	6.97	2.18	21.39	239.36
Deletion	0.00	0.00	0.00	0	0	20.68	20.68
<b>As at March 31, 2022</b>	<b>160.16</b>	<b>565.95</b>	<b>2657.72</b>	<b>76.35</b>	<b>16.76</b>	<b>197.93</b>	<b>3674.87</b>
Addition	1.86	11.69	18.92	1.73	0.62	0.00	34.81
Deletion	4.82	0.00	0.00	0	0	0	4.82
<b>As at September 31, 2022</b>	<b>157.19</b>	<b>577.64</b>	<b>2676.64</b>	<b>78.08</b>	<b>17.37</b>	<b>197.93</b>	<b>3704.86</b>
<b>Depreciation</b>							
<b>As at April 01, 2019</b>	<b>0</b>	<b>118.80</b>	<b>1006.71</b>	<b>46.92</b>	<b>9.97</b>	<b>54.77</b>	<b>1,237.17</b>
for the year	0	13.55	105.05	4.22	0.56	24.71	148.09
Adjustments	0	0	0	0	0	9.98	9.98
<b>As at March 31, 2020</b>	<b>0.00</b>	<b>132.35</b>	<b>1111.76</b>	<b>51.14</b>	<b>10.53</b>	<b>69.50</b>	<b>1375.29</b>
for the year	0.00	14.14	105.30	4.45	0.63	22.79	147.33
Adjustments	0.00	0.00	7.46	0.00	0.00	5.39	12.85
<b>As at March 31, 2021</b>	<b>0.00</b>	<b>146.49</b>	<b>1209.61</b>	<b>55.60</b>	<b>11.16</b>	<b>86.91</b>	<b>1509.77</b>



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for the year	0	14.23	105.21	5.30	0.67	22.92	148.33
Adjustments	0	0.00	0.00	0	0	15.22	15.22
<b>As at March 31, 2022</b>	<b>0.00</b>	<b>160.72</b>	<b>1314.82</b>	<b>60.90</b>	<b>11.83</b>	<b>94.61</b>	<b>1642.88</b>
for the year	0	7.48	52.12	3.11	0.40	11.68	74.78
Adjustments	0	0.00	0.00	0	0	0	0.00
<b>As at September 31, 2022</b>	<b>0.00</b>	<b>168.20</b>	<b>1366.93</b>	<b>64.01</b>	<b>12.23</b>	<b>106.29</b>	<b>1717.66</b>
<b>As at March 31, 2020</b>	<b>51.14</b>	<b>407.93</b>	<b>1435.00</b>	<b>9.03</b>	<b>4.01</b>	<b>130.54</b>	<b>2037.64</b>
<b>As at March 31, 2021</b>	<b>51.14</b>	<b>397.15</b>	<b>1370.62</b>	<b>13.79</b>	<b>3.41</b>	<b>110.33</b>	<b>1946.42</b>
<b>As at March 31, 2022</b>	<b>160.16</b>	<b>405.23</b>	<b>1342.90</b>	<b>15.45</b>	<b>4.93</b>	<b>103.32</b>	<b>2031.99</b>
<b>As at September 31, 2022</b>	<b>157.19</b>	<b>409.44</b>	<b>1309.71</b>	<b>14.07</b>	<b>5.15</b>	<b>91.64</b>	<b>1987.19</b>

**Note. I.10: Restated Statement of Long-Term Loans and Advances**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
(Unsecured and considered good)				
Advances to suppliers of capital goods	52.04	-	-	-
<b>Total</b>	<b>52.04</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note. I.11: Restated Statement of Non-Current Assets**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
(Unsecured and considered good)				
Security Deposits	57.10	57.10	57.10	57.10
<b>Total</b>	<b>57.10</b>	<b>57.10</b>	<b>57.10</b>	<b>57.10</b>

**Note. I.12: Restated Statement of Inventories**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
(Certified and valued by the management)				
i. Raw Material (at cost)	204.87	375.52	248.46	98.72
ii. Work-in-progress (at cost)	686.78	1,047.44	605.13	284.19
iii. Finished Goods*	160.35	205.82	97.21	756.74
iv. Stores, spares and consumables (at cost)	287.71	293.59	352.51	374.18
<b>Total</b>	<b>1,339.72</b>	<b>1,922.37</b>	<b>1,303.31</b>	<b>1,513.83</b>

**Note. I.13: Restated Statement of Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Secured, considered good				
Unsecured, considered good	3,297.74	3,356.75	2,785.72	2,553.77
Doubtful	-	-	-	-
<b>Total</b>	<b>3,297.74</b>	<b>3,356.75</b>	<b>2,785.72</b>	<b>2,553.77</b>

**Trade Payables Ageing:**
**Ageing as at 30.09.2022**

(Rs. In lakhs)

Particulars	Net Due	Less than 6 Months	6 Months-1 Year	1 -2 year	2 -3 year	More than 3 year	Total
Undisputed trade receivables- considered good	1480.92	1735.78	29.53	8.17	1.89	6.77	3263.06
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	34.68	34.68
Disputed trade receivables- considered doubtfu	-	-	-	-	-	-	-
<b>Total</b>	<b>1480.92</b>	<b>1735.78</b>	<b>29.53</b>	<b>8.17</b>	<b>1.89</b>	<b>41.45</b>	<b>3297.74</b>

**Ageing as at 31.03.2022**

(Rs. In lakhs)

Particulars	Net Due	Less than 6 Months	6 Months-1 Year	1 -2 year	2 -3 year	More than 3 year	Total
Undisputed trade receivables- considered good	1,832.70	1,405.53	6.51	1.75	2.93	5.29	3,254.71
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	18.81	50.53	32.70	102.04
Disputed trade receivables- considered doubtfu	-	-	-	-	-	-	-
<b>Total</b>	<b>1,832.70</b>	<b>1,405.53</b>	<b>6.51</b>	<b>20.56</b>	<b>53.46</b>	<b>37.99</b>	<b>3,356.75</b>

**Ageing as at 31.03.2021**

(Rs. In lakhs)

Particulars	Net Due	Less than 6 Months	6 Months-1 Year	1 -2 year	2 -3 year	More than 3 year	Total
Undisputed trade receivables- considered good	1,156.32	1,464.47	5.31	13.24	3.71	2.63	2,645.68
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	18.81	50.53	18.27	52.43	140.04
Disputed trade receivables- considered doubtfu	-	-	-	-	-	-	-
<b>Total</b>	<b>1,156.32</b>	<b>1,464.47</b>	<b>24.12</b>	<b>63.77</b>	<b>21.98</b>	<b>55.06</b>	<b>2,785.72</b>

**Ageing as at 31.03.2020**

(Rs. In lakhs)

Particulars	Net Due	Less than 6 Months	6 Months-1 Year	1 -2 year	2 -3 year	More than 3 year	Total
Undisputed trade receivables- considered good	552.31	1691.07	184.21	13.82	1.54	3.32	2446.27
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	28.80	18.27	50.25	10.18	107.50
Disputed trade receivables- considered doubtfu	-	-	-	-	-	-	-
<b>Total</b>	<b>552.31</b>	<b>1691.07</b>	<b>213.01</b>	<b>32.09</b>	<b>51.79</b>	<b>13.50</b>	<b>2553.77</b>

**Note. I.14: Restated Statement of Cash and Bank Balances**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Cash in Hand	0.58	1.28	1.50	0.91
Balance with Banks				
In Current Accounts	22.74	31.07	81.61	17.27
In Term deposit accounts with maturity of less than 12 months*	131.59	130.79	123.07	111.07
<b>Total</b>	<b>154.91</b>	<b>163.14</b>	<b>206.18</b>	<b>129.25</b>

\*Pledged with Banks as margin money against letter of credit.

**Note. I.15: Restated Statement of Short-Term Loans and Advances**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
(Unsecured and considered good)				
Advance to suppliers	6.53	20.88	53.78	14.07
<b>Total</b>	<b>6.53</b>	<b>20.88</b>	<b>53.78</b>	<b>14.07</b>

**Note. I.16: Restated Statement of Other Current Assets**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Balance with revenue authorities	51.05	171.74	52.11	44.95
Advance Income tax/TDS (Net of provisions)	-	-	7.90	24.11
Prepaid expenses	7.72	11.39	5.75	0.90
Other receivables	141.17	31.18	50.26	131.31
<b>Total</b>	<b>199.95</b>	<b>214.31</b>	<b>116.02</b>	<b>201.27</b>

**Note. I.17: Restated Statement of Revenue from Operations**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Sales of Products	10,312.73	17,795.35	12,279.02	15,024.69
Job Work	130.30	167.05	106.74	114.52
Duty Draw back & other export benefits	2.24	16.18	12.61	7.39
<b>Total</b>	<b>10,445.27</b>	<b>17,978.58</b>	<b>12,398.37</b>	<b>15,146.59</b>

**Note. I.18: Restated Statement of Other income**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Interest received	26.10	40.57	33.71	52.79
Dividend received	0.17	0.17	0.09	0.09
Foreign Currency Fluctuation	-	7.27	-	0.95
Liabilities written back	-	1.86	-	-
Miscellaneous Income	0.04	1.17	0.76	0.72
Profit on sale of Capital Goods	-	1.01	3.39	1.22
Rent Received	-	-	0.36	8.40
<b>Total</b>	<b>26.31</b>	<b>52.05</b>	<b>38.30</b>	<b>64.18</b>

**Note. I.19: Restated Statement of Cost of Material Consumed**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Raw Material Consumed				
Opening Stock	375.52	248.46	98.72	263.05
Add: Purchases (Net of discounts)	8,390.81	15,907.50	10,170.53	12,768.94
	<b>8,766.33</b>	<b>16,155.96</b>	<b>10,269.25</b>	<b>13,031.99</b>
Less: Closing Stock	204.87	375.52	248.46	98.72
<b>Cost of Material Consumed</b>	<b>8,561.46</b>	<b>15,780.44</b>	<b>10,020.79</b>	<b>12,933.27</b>

**Note. I.20: Restated Statement of Changes in Inventories of Finished Goods and Stock-in-Process.**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Opening Stock of Finished Goods	205.82	97.21	284.19	144.97
Opening Stock of work-in-progress	1,047.44	605.13	756.74	745.69
<b>Total (a)</b>	<b>1,253.27</b>	<b>702.34</b>	<b>1,040.93</b>	<b>890.66</b>
Closing Stock of Finished Goods	160.35	205.82	97.21	284.19
Closing Stock of work-in-progress	686.78	1,047.44	605.13	756.74
<b>Total (b)</b>	<b>847.13</b>	<b>1,253.26</b>	<b>702.34</b>	<b>1,040.93</b>
<b>Changes in Inventories (a-b)</b>	<b>406.14</b>	<b>(550.92)</b>	<b>338.59</b>	<b>(150.27)</b>

**Note. I.21: Restated Statement of Employee Benefits Expenses**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Salaries, Wages and Other Benefits	251.62	504.45	451.42	496.96
Contribution to Provident and Other Funds	15.85	37.53	33.22	35.14
Workmen and staff welfare	5.34	9.86	6.80	9.79
<b>Total</b>	<b>272.81</b>	<b>551.84</b>	<b>491.43</b>	<b>541.89</b>

**Note. I.22: Restated Statement of Finance Cost**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Interest paid to Banks	136.55	203.13	228.56	246.47
Interest paid to others	44.92	101.35	95.46	140.30
Other Finance Cost	9.28	21.12	8.72	16.59
<b>Total</b>	<b>190.75</b>	<b>325.60</b>	<b>332.74</b>	<b>403.35</b>

**Note. I.23: Restated Statement of Other Expenses**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>MANUFACTURING EXPENSES:</b>				
Store, Spares and consumables	336.67	578.95	351.52	695.65
Power and Fuel	261.30	622.90	428.99	296.84
Job charges paid	1.73	6.17	1.03	7.05
Freight Inward	4.06	5.55	4.04	17.29
Repair and Maintenance - Machinery	11.06	17.10	2.75	6.18
Repair and Maintenance - Factory Building	9.04	8.77	3.18	5.65
<b>Sub-total</b>	<b>623.86</b>	<b>1,239.44</b>	<b>791.50</b>	<b>1,028.67</b>
<b>SELLING, ADMINISTRATIVE &amp; OTHERS:</b>				
Advertisement and publicity	0.06	0.19	-	0.89
Auditors' Remuneration	0.30	0.52	0.52	0.52
Books and Periodicals	-	0.13	0.23	0.17
Business Promotion Expense	20.31	8.45	3.21	-
Commission on sales	9.81	12.27	10.94	9.97
Discount and Rebates	3.71	3.53	2.50	-
Donations	0.35	1.15	0.06	0.23
Foreign Currency Fluctuation	3.16	-	0.91	12.87
Fee and Subscription	6.45	9.88	13.12	22.48
Freight Outward	67.15	153.62	57.06	41.17
Rates and Taxes	0.05	0.72	0.85	1.01
Insurance Charges	11.64	15.12	9.92	6.32
Legal and Professional Charges	7.66	5.28	4.96	13.94
General Expenses	1.93	2.93	1.68	2.16
Postage and Telephone	3.55	4.56	5.32	5.44
Printing and Stationery	1.73	2.31	1.77	2.00
Rent paid	14.53	31.74	29.98	12.34
Repair and Maintenance - misc.	0.79	1.26	2.07	2.66
Sundry Balances w/off	-	5.68	18.06	3.33
GST/Input Tax/Service Tax	-	23.74	3.75	0.15
Travelling and Conveyance	29.83	8.62	3.60	19.42
Vehicles Running and Maintenance	9.63	12.95	7.18	12.83
Water Expenses	4.20	8.07	3.67	4.25
Bad debts	-	1.52	0.45	-
<b>Sub-total</b>	<b>196.85</b>	<b>314.26</b>	<b>181.80</b>	<b>174.17</b>
<b>Total</b>	<b>820.71</b>	<b>1,553.69</b>	<b>973.30</b>	<b>1,202.84</b>

**ANNEXURE: 6: EARNINGS IN FOREIGN CURRENCY**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Earnings in foreign exchange classified under the following heads				
Export of goods calculated on F.O.B basis;	235.80	1030.16	730.21	324.01
<b>Total</b>	<b>235.80</b>	<b>1030.16</b>	<b>730.21</b>	<b>324.01</b>

**ANNEXURE: 7: EXPENDITURE IN FOREIGN CURRENCY**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Expenditure in foreign currency during the financial year on account of professional, consultation and other matters				
Commission	-	2.51	-	10.05
<b>Total</b>	<b>-</b>	<b>2.51</b>	<b>-</b>	<b>10.05</b>

**ANNEXURE: 8: EXPENDITURE IN FOREIGN CURRENCY (IMPORT)**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Value of Imports on CIF Basis Capital Goods	-	68.83	-	-
<b>Total</b>	<b>-</b>	<b>68.83</b>	<b>-</b>	<b>-</b>

**ANNEXURE: 9: EARNING PER SHARE**

(A) Reconciliation of Basic and Diluted Shares used in Computing Earnings per Share (Before Split &amp; Bonus Issue)

Particular	As at 30 Sept, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Basic earnings per equity share- weighted average number of equity shares outstanding's (Nos) - Opening	1,40,000	1,40,000	1,40,000	1,40,000
Add: Shares issued during the year	-	-	-	-
<b>Total Shares before Split and Bonus</b>	<b>1,40,000</b>	<b>1,40,000</b>	<b>1,40,000</b>	<b>1,40,000</b>
Add: Impact of shares split in ratio of 10:1	14,00,000	14,00,000	14,00,000	14,00,000
<b>Effective Outstanding Shares</b>	<b>14,00,000</b>	<b>14,00,000</b>	<b>14,00,000</b>	<b>14,00,000</b>
<b>Weighted average number of equities shares outstanding (Nos) for Basic earnings per equity share</b>	<b>14,00,000</b>	<b>14,00,000</b>	<b>14,00,000</b>	<b>14,00,000</b>
Add/(Less): Effect of dilutive shares (Nos)	-	-	-	-

<b>Weighted average number of equities shares outstanding (Nos) for Diluted earnings per equity share</b>	14,00,000	14,00,000	14,00,000	14,00,000
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Pursuant to members approval dated 30th September, 2022 face value of Equity Shares of the company has been sub-divided form Rs.100 to Rs.10 per share.

(B) Computation of basic and diluted earnings per share

Particular	As at 30 Sept, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Basic Earnings per share from Ordinary Activities</b>				
Profit after tax (Rs. In Lakhs)	73.99	161.88	95.86	107.87
Weighted average number of shares (For Basic EPS)	14,00,000	14,00,000	14,00,000	14,00,000
<b>Basic EPS (In Rs.)</b>	5.29	11.56	6.85	7.70
<b>Diluted Earnings per share from Ordinary and Extra-ordinary Activities</b>				
Profit after tax (Rs. In Lakhs)	205.99	161.88	95.86	107.87
Weighted average number of shares (For Diluted EPS)	14,00,000	14,00,000	14,00,000	14,00,000
<b>Diluted EPS (In Rs.)</b>	14.71	11.56	6.85	7.70

(C) Reconciliation of Basic and Diluted Shares used in Computing Earning per Share (After Bonus Issue)

Particular	As at 30 Sept, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
Basic earnings per equity share- weighted average number of equity shares outstanding's (Nos) - Opening	1,40,000	1,40,000	1,40,000	1,40,000
Add: Shares issued during the year	-	-	-	-
<b>Total Shares before Split and Bonus</b>	<b>1,40,000</b>	<b>1,40,000</b>	<b>1,40,000</b>	<b>1,40,000</b>
Add: Impact of shares split in ratio of 10:1	14,00,000	14,00,000	14,00,000	14,00,000
Add: Impact of Bonus Issued in ratio of 1:2	7,00,000	7,00,000	7,00,000	7,00,000
<b>Effective Outstanding Shares</b>	<b>21,00,000</b>	<b>21,00,000</b>	<b>21,00,000</b>	<b>21,00,000</b>
<b>Weighted average number of equity shares outstanding (Nos) for Basic earnings per equity share</b>	21,00,000	21,00,000	21,00,000	21,00,000
Add/(Less): Effect of dilutive shares (Nos)	-	-	-	-
<b>Weighted average number of equity shares outstanding (Nos) for Diluted earnings per equity share</b>	21,00,000	21,00,000	21,00,000	21,00,000

Pursuant to members approval dated 30th September, 2022 face value of Equity Shares of the company has been sub-divided form Rs.100 to Rs.10 per share.

The Board of Directors of the Company in its meeting held on 20th October, 2022 approved issuance of fully-paid Bonus Shares to its existing shareholders in the ratio of 1:2 (one fully paid bonus shares on every existing two equity shares).

(D) Computation of basic and diluted earnings per share

Particular	As at 30 Sept, 2022	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2020
<b>Basic Earning per share from Ordinary Activities</b>				
Profit after tax (Rs. In Lakhs)	73.99	161.88	95.86	107.87
Weighted average number of shares (For Basic EPS)	21,00,000	21,00,000	21,00,000	21,00,000
<b>Basic EPS (In Rs.)</b>	3.52	7.71	4.56	5.14
<b>Diluted Earning per share from Ordinary and Extra-ordinary Activities</b>				
Profit after tax (Rs In Lakhs)	205.99	161.88	95.86	107.87
Weighted average number of shares (For diluted EPS)	21,00,000	21,00,000	21,00,000	21,00,000
<b>Diluted EPS (In Rs.)</b>	9.81	7.71	4.56	5.14

**ANNEXURE: 10: RELATED PARTIES AND TRANSACTIONS**

A. List of related parties and relationship:

a. Key Management Personnel:

- i. Sh. Kuldip Bhargava - Director
- ii. Sh. Tejasvi Bhargava - Managing Director
- iii. Sh. Yashvir Singh - Director

Relatives of Key Management Personnel:

- i. Smt. Divya Bhargava
- ii. Smt. Preet Bhargava

b. Enterprises over which Key Management Personnel and their relatives exercise significant influence with whom transactions have taken place during the year:

- i. Quality Stainless Pvt Ltd.
- ii. The East Punjab Mfg. Co.
- iii. Aurum Fabrications
- iv. Jindal Quality Tubular Ltd.

B. Transactions with related parties

(Rs. In Lakhs)

Particulars	Nature of relationship	Name of related party	30 <sup>th</sup> Sept. 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Managerial Remuneration	KMP	Kuldip Bhargava Tejasvi Bhargava Yashvir Singh	30.11 24.11 1.95	60.22 48.22 3.89	40.22 38.22 3.72	36.22 36.22 3.66
Interest paid	KMP	Tejasvi Bhargava	3.69	10.23	-	-
Remuneration	Relatives of KMP	Divya Bhargava Preet Bhargava	3.11 3.11	3.82 3.82	3.22 3.22	3.22 3.22
Interest Received	Associate concern	Jindal Quality Tubular Ltd.	-	-	13.35	-
Sales and other services	Associate concern	Quality Stainless Pvt. Ltd. The East Punjab Mfg.Co. Aurum Fabrication Jindal Quality Tubular Ltd.	623.50 - 0.39 -	2418.81 0.20 2.59 -	1761.18 0.03 5.89 -	1390.41 0.69 3.54 123.21

Receivable from	Associate concern	Quality Stainess Pvt. Ltd.	207.60	140.49	525.49	826.50
Payable to	KMP	Tejasvi Bhargava	-	147.70	-	-
Rent paid	KMP	Kuldip Bhargava	-	-	-	2.25
Rent paid	Relatives of KMP	Anshu Bhargava	-	-	-	2.25
Purchase	Associate concern	Quality Stainess Pvt. Ltd.	-	-	-	0.36

**C. Balances outstanding are as follows:**

(Rs. In Lakhs)

Particulars	Nature of relationship	Name of related party	30 <sup>th</sup> Sept. 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Receivable from	Associate concern	Quality Stainess Pvt. Ltd.	207.60	140.49	525.49	826.50

**ANNEXURE: 11: CONTINGENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Corporate Guarantee	365.00	-	-	-
Foreign Bills discounted	-	-	51.62	-
<b>Total</b>	<b>365.00</b>	<b>-</b>	<b>51.62</b>	<b>-</b>

**ANNEXURE: 12: STATEMENT OF RESTATEMENT ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS**

**I. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**II. Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

**Material Regrouping**

(Rs. In Lakhs)

Particulars	September 30, 2022	For the Financial Year ended		
		31/03/2022	31/03/2021	31/03/2020
<b>Reserve &amp; Surplus as per Books of Accounts</b>	<b>2,097.28</b>	<b>1,828.36</b>	<b>1,670.36</b>	<b>1,575.74</b>
Adjustment in Profit & Loss Accounts				
~For Deferred Tax	-	62.92	59.46	57.79
~For Prior Period Income Tax	-	-	(0.42)	-
<b>Reserve &amp; Surplus as per Restated</b>	<b>2,097.28</b>	<b>1,891.28</b>	<b>1729.39</b>	<b>1633.53</b>
<b>Other Current Assets as per Books of Accounts</b>	<b>199.95</b>	<b>214.31</b>	<b>116.44</b>	<b>201.27</b>

Adjustment for Previous Year Tax Adjustment	--	--	(0.42)	--
<b>Fixed Assets as per Restated</b>	<b>199.95</b>	<b>214.31</b>	<b>116.02</b>	<b>201.27</b>
<b>Deferred Tax Liability as per Books of Accounts</b>	<b>194.33</b>	<b>229.19</b>	<b>223.20</b>	<b>217.08</b>
Adjustment for provision of Deferred Tax	-	3.47	1.66	9.17
Adjustment in opening Balance	-	59.46	57.79	48.62
<b>Deferred Tax Assets as per Restated</b>	<b>194.33</b>	<b>166.27</b>	<b>163.74</b>	<b>159.28</b>

### III. Material Adjustments in Restated Profit & Loss Account:

There were material adjustments in Restated Profit & Loss Account which are as under: **Material Adjustments in Profit & Loss Account**

(Rs. In Lakhs)

Particulars	September 30, 2022	For the Financial Year ended		
		31/03/2022	31/03/2021	31/03/2020
<b>Profit After Tax as per Books of Accounts</b>	<b>268.91</b>	<b>158.00</b>	<b>94.62</b>	<b>100.50</b>
Adjustment for Prior Period Tax Adjustment	-	0.42	(0.42)	(1.80)
Adjustment for provision of Deferred Tax	(62.92)	3.47	1.66	9.17
<b>Profit After Tax as per Restated</b>	<b>205.99</b>	<b>161.88</b>	<b>95.86</b>	<b>107.87</b>
The impact of the above has been suitably incorporated in the restated balance sheet.				

### ANNEXURE: 13: RESTATED STANDALONE STATEMENT OF SIGNIFICANT ACCOUNTING RATIOS

Ratios	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Current Ratio	1.61	1.49	1.53	1.54
Debt-equity ratio	1.80	2.44	2.28	2.40
Debt service coverage ratio	0.79	1.06	1.15	1.04
Return on Equity	12.02%	8.07%	5.23%	5.86%
Net capital turnover	5.54	9.65	8.02	9.87
Net profit margin (%)	1.31%	0.88%	0.76%	0.66%
Return on capital employed	8.34%	12.56%	11.89%	13.57%

#### Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / Total Equity
3. Debt Service Coverage Ratio = EBITDA / (Interest + Long term Borrowing Repayment)
4. Return on Equity Ratio = Profit After Tax / Total Equity
5. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
6. Net Profit Ratio = Profit After Tax / Revenue
7. Return on Capital Employed= EBIT/ (New Worth + Debt + Deferred Tax)

### ANNEXURE: 14: RESTATED STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Particulars	Pre-Issue September 30, 2022*	Post-Issue
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<b>Debt</b>		
Short Term Debt	2,677.59	2,677.59
Long Term Debt	1,358.09	1,358.09
<b>Total Debt</b>	<b>4,035.68</b>	<b>4,035.68</b>
<b>Shareholder's Fund (Equity)</b>		
Share Capital	210.00	285.40
Reserve & Surplus	2,027.26	2,404.26
<b>Total Shareholders Fund (Equity)</b>	<b>2,237.26</b>	<b>2,689.66</b>
Long Term Debt/Equity	<b>0.61</b>	<b>0.50</b>
Total Debt/ Equity	<b>1.80</b>	<b>1.50</b>

\*The Board of Directors of the Company in its meeting held on 20th October, 2022 approved issuance of fully-paid Bonus Shares to its existing shareholders in the ratio of 1:2 (one fully paid bonus shares on every existing two equity shares).

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.09.2022

#### ANNEXURE: 15: ADDITIONAL OTHER INFORMATION

##### Quantitative Statement of Finished goods:

Particulars	(Rs. In Lakhs)			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Stock at Commencement: C. R. Strips (SS) & others	206.00	97.21	284.19	144.97
Stock at close: CR Strips (SS) & others	160.35	206.00	97.21	284.19
Sale of products: Manufactured & others-				
C.R. Strips – SS	9,664.76	16,750.03	11,637.61	14,260.94
Hose Pipe	480.42	675.05	423.99	491.26
Sale of scrap	167.37	310.51	202.64	242.02
Others	0.18	69.79	14.78	30.46
<b>Total</b>	<b>10,312.73</b>	<b>17,795.35</b>	<b>12,279.02</b>	<b>15,024.68</b>

Particulars	(Rs. In Lakhs)			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Gross Income from Job Work & Processing Charges:	130.30	167.05	106.74	114.52

Particulars	(Rs. In Lakhs)			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Raw Material Consumption				
SS Strips and other	8,561.46	15,780.44	10,020.79	12,933.27

Material/traded goods	-	-	-	-
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Break-up of consumption of Raw Materials and Stores & Spares into Imported and Indigenous:

(Rs. In Lakhs)

Particulars	September 30, 2022	
	%	Amount
a. Raw		
Imported:	-	-
Indigenous	100	8,561.46
b. Stores & Spares		
Imported:	-	-
Indigenous	100	336.67

(Rs. In Lakhs)

Particulars	March 31, 2022	
	%	Amount
c. Raw		
Imported:	-	-
Indigenous	100	15,780.40
d. Stores & Spares		
Imported:	-	-
Indigenous	100	578.96

(Rs. In Lakhs)

Particulars	March 31, 2021	
	%	Amount
e. Raw		
Imported:	-	-
Indigenous	100	10,020.79
f. Stores & Spares		
Imported:	-	-
Indigenous	100	351.52

(Rs. In Lakhs)

Particulars	March 31, 2020	
	%	Amount
g. Raw		
Imported:	-	-
Indigenous	100	12,933.27
h. Stores & Spares		
Imported:	13	41.83
Indigenous	87	279.80

## ANNEXURE: 16: ADDITIONAL REGULATORY INFORMATION

- a) The title deeds of the immovable properties are held in the name of the company.
- b) The Company has not revalued its Property, Plant and Equipment as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 during the period ended 30.09.2022, 31.03.2022, 31.03.2021 and 31.03.2020.
- c) The Company has taken loan(s) from banks or financial institutions on the basis of security of current assets.
- d) The company has not granted any loan to its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are (i) repayable on demand or (ii) without specifying any terms or period of repayment.
- e) Neither proceedings have been initiated nor pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- f) Company is not declared willful defaulter by any bank or financial institution or other lender.
- g) The company does not have transaction with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- h) The Company do not have any charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- i) The Provisions related to number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable on the company.
- j) There is no Scheme of Arrangements has been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.
- k) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - 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 to or on behalf of the ultimate beneficiaries.

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group 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



- l) No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant.
- m) During the period, the Company doesn't fulfil the threshold limit criteria covered under section 135 of the Companies Act, 2013. Therefore, the provision related to Corporate Social Responsibility is not applicable to the company.
- n) There is no Capital working in progress hence, reporting requirement of ageing of capital work in progress is not applicable.
- o) There is no transaction related to Crypto Currency or Virtual Currency. Hence, Not applicable.
- p) Previous year's figures have been re-arranged and/ or re-grouped wherever considered necessary and practicable to make them comparable with current period/year's figures.

#### ANNEXURE: 17: RESTATED STATEMENT OF DIVIDEND

(Rs. In Lakhs)

Particulars	As at 30.09.2022	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Dividend	-	-	-	-
<b>Total</b>	-	-	-	-

For, M/s V S Jain & Associates  
Chartered Accountants  
Firm Registration Number: - 003533N  
Peer Review No. – 014664

For Quality Foils (India) Limited  
(Formerly Known as Quality Foils (India) Private Limited

Sd/-  
Sandeep Kumar Jain  
(Partner)  
Membership No. - 511237  
UDIN – 22511237BEDWQI1108

Sd/-  
Tejasvi Bhargava  
DIN: 00011205

Sd/-  
Kuldip Bhargava  
DIN: 00011103

Date: November 26, 2022  
Place: Hisar, Haryana

Sd/-  
Birdhi Chand Jain  
Chief Financial Officer

Sd/-  
Meenakshi  
Company Secretary &  
Compliance Officer

## FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business. As on date such loans are primarily for working capital requirements. Our Company has obtained necessary consents required under relevant loan documentations for undertaking the Offer including for change in its capital structure, shareholding pattern and amendment to its constitutional documents.

Pursuant to a resolution dated September 30, 2022 passed by our shareholders, our Board has been authorised to borrow any sum or sums of monies for and on behalf of our Company, from time to time provided that the sum or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves provided further that the total amount up to which the monies may be borrowed shall not exceed Rs. 10,000.00 lakhs at any point of time.

### FINANCIAL INDEBTEDNESS OF OUR COMPANY

The Details of indebtedness of our Company as at March 01, 2023 is provided below:

#### A. SECURED LOANS

I. Terms and Conditions of Sanction from KOTAK MAHINDRA BANK	
<b>Loan Amount Limit</b>	Rs. 83,000,000/-
<b>Purpose</b>	BT and Top Up
<b>Guarantor(s)</b>	Kuldeep Bhargava Huf Mr. Tejasvi Bhargava Quality Bio Green Private Limited Quality Stainless Private Limited Mr. Kuldip Bhargava Mr. Tapasvi Bhargava
<b>Security</b>	Such securities as may be required by the Bank
<b>Equated Monthly Installment(EMI)/ Monthly Installments (MI)</b>	Rs. 998,270 for 120 Months
<b>Rate of Interest</b>	5.4 + 2.4  Applicable REPO Rate prevailing on the first disbursement under each loan/ facility plus spread shall be the rate of interest for that Facility until next Reset Date  As on the date of Rate of interest is 7.8% consisting of applicable REPO Rates @ 5.4 % and the spread @ + 2.4%
<b>Applicable Rate</b>	7.8%
<b>Pre-EMI period (interest payable during construction, before commencement of EMI/ MI)</b>	Maximum 18 Months
<b>Repayment Period</b>	Maximum 120 Months

II. DETAILS OF THE FACILITIES AND THE FACILITY AGREEMENTS WITH AXIS BANK LIMITED		
Sr. No.	Description	Details/ Date of Execution
1.	Addition/ Enhanced Facility: Cash Credit Facility	400.00
2.	Additional Facility Agreement: Working Capital Loan Agreement dated 18.07.2022	400.00
3.	Earlier / Existing Facilities: Cash Credit/ LC/ BG/ RPC/ EPC/ LCBD/ FBP/ FBD/ LER*	1000.00
	LC	600.00
	Term Loan1	500.00
	Term Loan2	300.00
	WCTL- ECGLS 1	300.00
	WCTL- ECGLS 2	312.00
	LER	50.00
	<b>Total Existing aggregating limits</b>	<b>3062.00</b>
4.	Earlier / Existing Facility Agreement: Working Capital Loan Agreement dated 18.03.2020	3200.00
	Term Loan Agreement 1 dated 05.08.2017	300.00
	Term Loan Agreement 2 dated 19.03.2020	500.00
	WCTL- ECGLS 1 agreement 18.08.2020	300.00
	WCTL- ECGLS 2 agreement 11.11.2021	312.00
5.	<b>Total Aggregated Limits after Enhancement</b>	<b>3462.00</b>

\*Limit restricted at 27.50 crores limits as per agreement for reduction executed dated 07.08.2021

III. STATEMENT OF PRINCIPAL TERMS OF SECURED LOAN FROM ICICI BANK LIMITED				
Facility	Amount (Rs. In Million) Proposed	Amount (Rs. In Million) Existing	Security and/ or Contractual Comfort	Facility Validity Date/ Months
Cash Credit	90.00	90.00	Secured	February 27, 2023
Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC) Sublimit of Cash Credit	(60.00)	(60.00)	Secured	February 27, 2023
FUBD, FBP, PSFC Sublimit of Cash Credit	(60.00)	(60.00)	Secured	February 27, 2023
Working Capital demand loan (WCDL) Sublimit of FUBD, FBP, PSFC	(60.00)	(0.00)	Secured	February 27, 2023
<b>Sub Total A</b>	<b>90.00</b>	<b>90.00</b>		
<b>Non Fund Based</b>				
Letter of Credit	60.00	60.00	Secured	February 27, 2023
<b>Sub Total</b>	<b>60.00</b>	<b>60.00</b>		
<b>Others</b>				
Derivatives	5.00	10.00	Secured	February 27, 2023
<b>Sub Total</b>	<b>5.00</b>	<b>10.00</b>		
<b>Total Limits (A+B+C)</b>	<b>155.00</b>	<b>160.00</b>		

- Statement of Facility together with all interest and Charge Created by following securities, in a form and manner satisfactory to ICICI Bank:

Security Details	Description/ Property Address	Timeline for Security Creation	Timeline for CHG-1	Timeline for Security Perfection	Security Provider	Facility	Nature of Charge
Immovable Fixed Assets	a) Flat admeasuring 144sq yards situated at R-32, 1 <sup>st</sup> Floor, South Extension, Part II, New Delhi in the name of the company, New Delhi-110018, India	Upfront	Upfront	Upfront	Quality Foils (India) Limited	Working capital demand loan (WCDL)	First Paripassu charge
						Derivatives	First Paripassu charge
						Cash Credit	First Paripassu charge
						Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC)	First Paripassu charge
						FUBD/ FBP/ PSFC	First Paripassu charge
						Letter of Credit	First Paripassu charge
Current Asset		Upfront	Upfront	Upfront	QUALITY FOILS (INDIA) PRIVATE LIMITED	Working capital demand loan (WCDL)	First Paripassu charge
						Derivatives	First Paripassu charge
						Cash Credit	First Paripassu charge

						Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC)	First Paripassu charge
						FUBD/ FBP/ PSFC	First Paripassu charge
						Letter of Credit	First Paripassu charge
Immovable Property	<p>a) Factory Land and Building admeasuring 6 Kanal 5 Marla, Khasra No. 5476/1/1(1-6), 5478/2/2(4-19) Khewat no. 784/748 Min. Khatoni no. 912-913; Hissar in the namer of company,</p> <p>b)Factory Land admeasuring 2340 sq yard and building thereon situated at 3, IDC, Hissar in the name of the company, c) Factory Land admeasuring 2268.75 sq yard and building thereon situated behind 3 IDC, Hissar (Khasra No. 119/19 in west /3-15) near DHS road in the name of the company, d)Factory land admeasuring 5445 sq yard and</p>	Upfront	Upfront	Upfront	QUALITY FOILS (INDIA) PRIVATE LIMITED	Working capital demand loan (WCDL)	First Paripassu charge
						Derivatives	First Paripassu charge
						Cash Credit	First Paripassu charge
						Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC)	First Paripassu charge
						FUBD/ FBP/ PSFC	First Paripassu charge
						Letter of Credit	First Paripassu charge

	building thereon situated back side of plot no. 3, IDC, Hissar (Khasra no. 5475/1 (1-17), 548/2/2(7-3) near DHS road) in the name of company, (e) land admeasuring 2435.65 sq. yard and building thereon situated at plot no. 5 ,IDC, Hissar, in the name of the company, Haryana-125001, India						
Movable Fixed Asset		Upfront	Upfront	Upfront	QUALITY FOILS (INDIA) PRIVATE LIMITED	Working capital demand loan (WCDL)	First Paripassu charge
						Derivatives	First Paripassu charge
						Cash Credit	First Paripassu charge
						Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC)	First Paripassu charge
						FUBD/ FBP/ PSFC	First Paripassu charge
						Letter of Credit	First Paripassu charge

- The Following Contractual Comfort shall be provided in the form and manner of satisfactory to ICICI Bank Limited:

Sr. No.	Facility	Type of Contractual Comfort	Details of the Contractual Comfort Provider	Timelines for obtaining the Contractual Comfort*
1	Cash Credit, Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC), FUBD/FBP/PSFC, Letter of credit, Derivative, Working capital demand loan (WCDL)	Personal Guarantee	Kuldip Bhargava	Upfront
2	Cash Credit, Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC), FUBD/FBP/PSFC, Letter of credit, Derivative, Working capital demand loan (WCDL)	Personal Guarantee	Kuldip Bhargava Son	Upfront
3	Cash Credit, Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC), FUBD/FBP/PSFC, Letter of credit, Derivative, Working capital demand loan (WCDL)	Personal Guarantee	Tejasvi Bhargava	Upfront
4	Cash Credit, Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC), FUBD/FBP/PSFC, Letter of credit, Derivative, Working capital demand loan (WCDL)	Corporate Guarantee	Quality Stainless Private Limited	Upfront
5	Cash Credit, Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC), FUBD/FBP/PSFC, Letter of credit, Derivative, Working capital demand loan (WCDL)	Corporate Guarantee	Quality Bio Green Private Limited	Upfront
6	Cash Credit, Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC), FUBD/FBP/PSFC, Letter of credit, Derivative, Working capital demand loan (WCDL)	Corporate Guarantee	Kuldip Bhargava HUF	Upfront

## B. UNSECURED LOANS

Name of Lender	Purpose	Sanctioned amount (In Lacs)	Rate of Interest	Tenure	Outstanding loan amount as on September 30, 2022 as per Books (In Lacs)
Mr. Mahaveer Prashad Jindal	Working Capital	150.00	12.00% PA	Recallable any time	150.00

- C. The Corporate Guarantee given by our Company to ICICI Bank Limit for Credit Limit of Rs.365.00 lakhs granted by the Bank to our group Company i.e. Quality Stainless Private Limited.

## MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated financial statements and restated standalone financial statement ("restated financials statements") attached in the chapter titled "Financial Information of the Company" beginning on page 168. You should also read the section titled "Risk Factors" on page 22 and the section titled "Forward Looking Statements" on page 16 of this Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our 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 auditor dated November 26, 2022 which is included in this Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### BUSINESS OVERVIEW

The Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Firm") in the name and style of "Quality Foils" pursuant to Partnership deed dated October 03, 1989. Quality Foils was thereafter converted from Partnership Firm to a Private Company under the provisions of Companies Act, 1956 with the name and style of "Quality Foils (India) Private Limited" and received a certificate of incorporation dated May 08, 1990 from the Registrar of Companies, NCT of Delhi & Haryana.

Further, the word "Private" has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to "Quality Foils (India) Limited" under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.

Afterthought, the word "Private" has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to "Quality Foils (India) Private Limited" under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.

Subsequently, our Company was converted into Public Limited company pursuant to which the name of our Company was changed to "Quality Foils (India) Limited" vide shareholder's approval on November 12, 2022 and fresh certificate of incorporation dated November 25, 2022.

Quality Foils (India) Limited is manufacturers and exporters of Cold rolled Stainless Steel (CR) Strips/ Coils and Stainless Steel flexible hoses pipes. We are one of the growing manufacturers and exporter of Cold rolled Stainless Steel (CR) Strips/ Coils and Stainless Steel Flexible hose pipes in India having over thirty years of experience in manufacturing of stainless-steel products in two broad categories:

- (iii) Cold Rolled Stainless Steel Coils/Strips;
- (iv) Stainless Steel Flexible Hose Pipes.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus i.e. September 30, 2022, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Increase of Authorised Share Capital from Rs. 200.00 Lakhs to Rs. 400.00 Lakhs on November 12, 2022.
2. Allotment of Bonus Shares in the ratio of 1:2 on November 15, 2022.
3. Re-designated Mr. Kuldip Bhargava as Chairman cum Executive Director on November 15, 2022.
4. Appointment of Mr. Sumant Bhatnagar as Non-Executive & Independent Director on November 26, 2022.
5. Appointment of Mr. Rajinder Kedia as Non-Executive & Independent Director on November 26, 2022.
6. Appointment of Ms. Uma as Non-Executive & Independent Director on November 26, 2022.
7. Appointment of Ms. Meenakshi as Company Secretary & Compliance Officer on October 20, 2022.
8. Appointment of Mr. Birdhi Chand Jain as Chief Financial Officer on October 20, 2022.
9. The Issue has been authorized pursuant to a resolution of our Board dated November 26, 2022 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an EGM held on December 19, 2022.
10. Constitution of Audit Committee, Stakeholders Relationship Committee & Nomination and Remuneration Committee on November 26, 2022.

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 22. Our results of operations and financial conditions are affected by numerous factors including the following:

- Important factors that could cause actual results to differ materially from our expectations include, among others:
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Increased competition in Stainless steel Industry.
- Fluctuations in operating costs;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our capital expenditure requirements;
- Our dependence on our key personnel, including our Directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for years ended March 31, 2022, 2021 and 2020.

### Principal Components of Statement of Profit and Loss

#### *Income*

Our total income comprises revenue from operations & other income as mentioned below:

#### *Revenue from Operations*

Our revenue from operations primarily includes sale of Cold Rolled Coils, Flexible Hose Pipes and sale of scraps.

## ***Expenses***

Our total expenses include the below mentioned expenses:

### *Cost of Material Consumed*

The Cost of Material Consumed primarily includes expenses related to purchases of raw material & other related goods.

### *Changes in Inventories (Finished goods & Work-in-Process)*

Changes in Inventories includes the finished goods at the beginning of the year and finished goods at the end of the year.

### *Employee benefit expenses*

Our employee benefit expense primarily includes salaries and staff welfare expenses, Contribution to provident and other funds, director's remuneration and perquisites.

### *Finance Cost*

Our finance costs primarily include interest, other borrowing cost and bank charges.

### *Depreciation and Amortization Expense*

Our depreciation and amortization primarily include depreciation of plant and equipment, computer and office equipment.

### *Other Expenses*

Our other expenses primarily include expenditure incurred on Electricity, Rates and taxes, Legal & Professional fees, selling and distribution expenses, Rent, Fuel, Power, auditor's remuneration and office & Miscellaneous expenses.

### *Tax Expense*

Our tax expenses primarily include current tax, deferred tax and adjustment for tax of earlier years.

## Results of Operations based on Restated Standalone Financial Statement

The following table sets forth select financial data from our restated statement of profit and loss & the components of which are also expressed as a percentage of total income.

(Rupees in Lakhs)

Particulars	For the period ended September 30, 2022	% of Total Income	For the year ended 31st March 2022	% of Total Income	For the year ended 31st March 2021	% of Total Income	For the year ended 31st March 2020	% of Total Income
<b>I) Incomes</b>								
Revenue from Operations	10,445.27	99.75%	17,978.58	99.71%	12,398.37	99.69%	15,146.59	99.58%
Other Income	26.31	0.25%	52.05	0.29%	38.30	0.31%	64.18	0.42%
<b>II) Total revenue</b>	<b>10,471.59</b>	<b>100.00%</b>	<b>18,030.63</b>	<b>100.00%</b>	<b>12,436.67</b>	<b>100.00%</b>	<b>15,210.77</b>	<b>100.00%</b>
<b>III) Expenses</b>								
Cost of material Consumed	8,561.46	81.76%	15,780.44	87.52%	10,020.79	80.57%	12,933.27	85.03%
Changes in inventories of Finished goods, work-in-progress and others	406.14	3.88%	(550.92)	-3.06%	338.59	2.72%	(150.27)	-0.99%
Employee benefit expenses	272.81	2.61%	551.84	3.06%	491.43	3.95%	541.89	3.56%
Finance costs	190.75	1.82%	325.60	1.81%	332.74	2.68%	403.35	2.65%
Depreciation and amortization expense	74.78	0.71%	148.33	0.82%	147.33	1.18%	148.09	0.97%
Other expenses	820.71	7.84%	1,553.69	8.62%	973.30	7.83%	1,202.84	7.91%
<b>Total Expenses</b>	<b>10,326.64</b>	<b>98.62%</b>	<b>17,808.98</b>	<b>98.77%</b>	<b>12,304.18</b>	<b>98.93%</b>	<b>15,079.18</b>	<b>99.13%</b>
<b>Profit Before Extraordinary Items and Tax</b>	<b>144.94</b>	<b>1.38%</b>	<b>221.65</b>	<b>1.23%</b>	<b>132.49</b>	<b>1.07%</b>	<b>131.59</b>	<b>0.87%</b>
<b>Extraordinary Items</b>								
Profit on sale of Fixed Assets	195.18	1.86%	-	-	-	-	-	-
Loss on sale of long-term investments	(27.75)	-0.27%	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>312.37</b>	<b>2.98%</b>	<b>221.65</b>	<b>1.23%</b>	<b>132.49</b>	<b>1.07%</b>	<b>131.59</b>	<b>0.87%</b>
Tax Expense								
Income tax on extra ordinary items	35.42	0.34%	-	-	-	-	-	-
Current Tax	42.89	0.41%	57.24	0.32%	31.75	0.26%	30.17	0.20%
Deferred Tax	28.06	0.27%	2.52	0.01%	4.46	0.04%	(6.44)	-0.04%
Previous years' tax adjustment	-	-	-	-	0.42	0.00%	-	-
<b>Profit for the Period</b>	<b>205.99</b>	<b>1.97%</b>	<b>161.88</b>	<b>0.90%</b>	<b>95.86</b>	<b>0.77%</b>	<b>107.87</b>	<b>0.71%</b>

## Results of Operations for the six-month ended September 30, 2022

### Income

Our revenue from operations for the six-month period ended September 30, 2022 constitute:

Sale of Products/others	Amount (In Lakhs)	% of Revenue from operations
Cold Rolled Strips- SS	9,664.76	92.53%
Hose Pipes	480.42	4.60%
Sale of Scrap	167.37	1.60%
Job work & processing charges	130.30	1.25%
Duty Draw back & other export benefits	2.24	0.02%
Others	0.18	0.00%
<b>Total</b>	<b>10,445.27</b>	<b>100.00%</b>

Further, our other income for the six-month period ended September 30, 2022 was Rs. 26.31 lakhs which was primarily due to interest income, dividend income & Miscellaneous Income.

### Expenses

The table below sets forth details in relation to our total expenses for the six months ended period September 30, 2022

Particulars	Amount (In Lakhs)
Cost of Material Consumed	8,561.46
Changes in Inventories of Finished goods and Work-in-process	406.14
Employee Benefits Expense	272.81
Finance Cost	190.75
Depreciation	74.78
Other Expenses	820.71
<b>Total Expenses</b>	<b>10,326.64</b>

#### *Cost of materials consumed*

Our cost of materials consumed for the six-month ended period September 30, 2022 was Rs. 8,561.46 lakhs. Details are set below:

Particulars	Amount (In Lakhs)
Opening Stock	375.52
Add: Purchases	8,390.81
Less: Closing Stock	204.87
<b>Cost of Material Consumed</b>	<b>8,561.46</b>

Our cost of materials consumed was Rs. 8,561.46 lakhs for the six months ended period September 30, 2022. Our cost of materials consumed as a percentage of revenue from operations was 81.76% for the six months ended September 30, 2022. However, if we take cost of materials consumed & changes in inventory of finished goods it will constitute 85.64% of our revenue from operations for the six-month period ended September 30, 2022.

*Change in inventories of finished goods and work-in-progress and stock in trade*

The table below sets forth details in relation to change in inventories for the six months period ended September 30, 2022:

Particulars	Amount (In Lakhs)
Opening Stock of Finished Goods	205.82
Opening Stock of work-in-progress	1,047.44
<b>Total (a)</b>	<b>1,253.27</b>
Closing Stock of Finished Goods	160.35
Closing Stock of work-in-progress	686.78
<b>Total (b)</b>	<b>847.13</b>
<b>Changes in Inventories (a-b)</b>	<b>406.14</b>

Our inventories decreased by Rs. 406.14 lakhs, or 3.88% of revenue from operation, to Rs. 847.13 lakhs as at September 30, 2022. This was primarily attributable to decrease in inventory of finished goods and work in progress to Rs. 847.13 lakhs as at September 30, 2020 from Rs. 1,253.27 lakhs as at March 31, 2022.

*Employee benefits expense*

Our employee benefits expense for the six-month period ended September 30, 2020 was Rs. 272.81 lakhs. Our employee benefit expense as a percentage of revenue from operation was 2.61% for the six months period ended September 30, 2022.

*Other expenses*

Our other expenses for the six-month ended September 30, 2022 was Rs.820.71 lakhs. Our other expenses as a percentage of revenue from operation was 7.84% of for the six months period ended September 30, 2022.

*EBITDA*

For the reasons described above, our EBITDA was Rs. 410.47 lakhs for the six months ended September 30, 2022. Our EBITDA as percentage of revenue from operations for the six months ended September 30, 2022 amounted to 3.92%.

*Finance costs*

Our finance costs for the six-month period ended September 30, 2022 was Rs.190.75 lakhs. The table below sets forth the details:

Particulars	Amount (In Lakhs)
Interest paid to Banks	136.55
Interest paid to others	44.92
Other Finance Cost	9.28
<b>Finance cost</b>	<b>190.75</b>

*Depreciation and Amortisation Expense*

Our depreciation and amortisation expense for the six-month period ended September 30, 2022 was Rs.74.78 lakhs.

### Extraordinary Items

Our Extraordinary Items for the six-month period ended September 30, 2022 was Rs.167.43 lakhs. The table below sets forth the details:

Particulars	Amount (In Lakhs)
Profit on sale of Fixed Assets	195.18
Loss on sale of long-term investments	(27.55)
<b>Net Profit on Extra-Ordinary Items</b>	<b>167.43</b>

### Profit before Tax

As a result of the foregoing factors, our profit before tax for the six-month period ended September 30, 2022 was Rs.312.37 lakhs.

### Tax Expenses

Our tax expenses for the six-month period ended September 30, 2022 was Rs. 106.37 lakhs and our tax expense as a percentage of our profit before tax was 1.02%.

### (Loss)/Profit for the Year

As a result of the foregoing factors, our profit for the year for the six-month period ended September 30, 2022 was Rs.205.99 lakhs.

## FISCAL 2022 COMPARED TO FISCAL 2021

### Income

The table below sets forth details in relation to our revenue for Fiscal 2022 and Fiscal 2021:

Particulars	Fiscal 2022 (In Lakhs)	Fiscal 2021 (In Lakhs)	% Increase/(decrease)
Sale of products (a)	17,978.58	12,398.37	45.01%
-Domestic Sales	16,948.42	11,670.07	45.23%
-Export Sales	1,030.16	728.30	41.45%
Other Income (b)	52.05	38.30	35.90%
<b>Total Revenue (a+b)</b>	<b>18,030.63</b>	<b>12,436.67</b>	<b>44.98%</b>

Our revenue from operations increased by Rs.5,580.21 lakhs or 45.01% to Rs. 17,978.58 lakhs for Fiscal 2022 as compared to Rs. 12,398.37 lakhs for Fiscal 2021. This increase in revenue from operations was primarily due to increased sales of our products resulting from a robust growth of domestic and export demand.

Our revenue from domestic sales increased by Rs. 5,278.35 lakhs or 45.23% to Rs. 16,948.42 lakhs for Fiscal 2022 from Rs. 11,670.07 lakhs in Fiscal 2021 while our revenue from export sale increased by Rs. 301.86 lakhs or 41.45% to Rs. 1,030.16 lakhs for Fiscal 2022 from Rs. 728.30 lakhs for Fiscal 2021. The increase in the export sale was due to addition of new customers outside India.

Other income increased by Rs. 13.75 lakhs or 35.90% to Rs. 52.05 lakhs for Fiscal 2022 compared to Rs. 38.30 lakhs for Fiscal 2021. This increase in other income was primarily due to increase in interest income of Rs.6.86 lakhs and increase in foreign exchange gain of Rs.7.27 lakhs.

### Expenses

The table below sets forth details in relation to our total expenses for Fiscal 2022 compared to our total expenses for Fiscal 2021:

Particulars	Fiscal 2022 (In Lakhs)	Fiscal 2021 (In Lakhs)	% Increase/(decrease)
Cost of Material Consumed	15,780.44	10,020.79	57.48%
Changes in Inventories of Finished goods and Work-in-process	-550.92	338.59	-262.71%
Employee Benefits Expense	551.84	491.43	12.29%
Finance Cost	325.6	332.74	-2.15%
Depreciation	148.33	147.33	0.68%
Other Expenses	1,553.69	973.3	59.63%
<b>Total Expenses</b>	<b>17,808.98</b>	<b>12,304.18</b>	<b>44.74%</b>

Our total expenses increased by Rs. 5,504.80 lakhs or 44.74% to Rs. 17,808.98 lakhs for Fiscal 2022 compared to Rs. 12,304.18 lakhs for Fiscal 2021. This was primarily attributable to:

#### Cost of Material Consumed

The table below sets forth details in relation to our cost of materials consumed for the periods indicated below:

Particulars	Fiscal 2022 (In Lakhs)	Fiscal 2021 (In Lakhs)	% Increase/(decrease)
Opening Stock	248.46	98.72	151.68%
Add: Purchases	15,907.50	10,170.53	56.41%
Less: Closing Stock	375.52	248.46	51.14%
<b>Cost of Material Consumed</b>	<b>15,780.44</b>	<b>10,020.79</b>	<b>57.48%</b>

Our cost of materials consumed increased by Rs. 5,759.65 lakhs or 57.48% to Rs. 15,780.44 lakhs for Fiscal 2022 compared to Rs. 10,020.79 lakhs for Fiscal 2021. This increase was primarily due to increase in production as well as prices of raw material especially Hot Rolled Strips-stainless-steel coils.

#### Change in inventories of finished goods and work-in-progress

The table below sets forth details in relation to changes in inventories for the periods indicated below:

Particulars	Fiscal 2022 (In Lakhs)	Fiscal 2021 (In Lakhs)	% Increase/(decrease)
Opening Stock of Finished Goods	97.21	284.19	-65.79%
Opening Stock of work-in-progress	605.13	756.74	-20.03%
<b>Total (a)</b>	<b>702.34</b>	<b>1,040.93</b>	<b>-32.53%</b>
Closing Stock of Finished Goods	205.82	97.21	111.73%
Closing Stock of work-in-progress	1,047.44	605.13	73.09%
<b>Total (b)</b>	<b>1,253.26</b>	<b>702.34</b>	<b>78.44%</b>
<b>Changes in Inventories (a-b)</b>	<b>(550.92)</b>	<b>338.59</b>	<b>-262.71%</b>

Our inventory level for finished goods in Fiscal 2022 had increased by Rs. 108.81 lakhs i.e. from Rs. 97.21 lakhs in Fiscal 2021 to Rs. 205.82 lakhs in Fiscal 2022. The level of work in progress had increased by Rs. 442.31 lakhs i.e. from Rs. 605.31 lakhs in Fiscal 2021 to Rs. 1,047.44 lakhs in Fiscal 2022. The increase in inventory of finished good & work-in-progress are in line with increase turnover in the Fiscal 2022.

#### Employee benefits expense

Our employee benefits expense increased by Rs. 60.41 lakhs or 12.29% to Rs. 551.84 lakhs for Fiscal 2022 from Rs. 491.43 lakhs for Fiscal 2021. The increase primary due to increase in salary and wages and increase in the

number of employees. Further, as a percentage of our revenue from operation, the cost of employee benefit expenses also increased to 3.95% in Fiscal 2022 from 3.06% in Fiscal 2021.

#### *Other expenses*

Our other expenses increased by Rs. 580.39 lakhs or 59.63% to Rs. 1,553.69 lakhs for Fiscal 2022 as compared to Rs. 973.30 lakhs for Fiscal 2021. This increase was primarily due to increase in Repair and Maintenance - Machinery, spares and tools consumed, power and fuel, GST/Input Tax/Service Tax and freight cost which was due to increase in production and sales during the year. Further, as a percentage of our revenue from operation, the other expenses also increased to 8.62% in Fiscal 2022 from 7.83% in Fiscal 2021.

#### *EBITDA*

For the reasons described above, our EBITDA increased by Rs. 83.02 lakhs, or 13.55 %, to Rs. 695.58 lakhs for Fiscal 2022 from Rs. 612.56 lakhs for Fiscal 2021.

#### *Finance costs*

The table below sets forth details in relation our finance cost for the periods indicated below:

Particulars	Fiscal 2022 (In Lakhs)	Fiscal 2021 (In Lakhs)	% Increase/(decrease)
Interest paid to Banks	203.13	228.56	-11.13%
Interest paid to others	101.35	95.46	6.17%
Other Finance Cost	21.12	8.72	<b>140.20%</b>
<b>Finance cost</b>	<b>325.60</b>	<b>332.74</b>	-2.15%

Our finance costs decreased by Rs. 7.14 lakhs or 2.15% to Rs. 325.60 lakhs for Fiscal 2022 compared to Rs. 332.74 lakhs for Fiscal 2021. This decrease was primarily due to lower rate of interest paid to banks for utilization of working capital requirements in Fiscal 2022.

#### *Depreciation and Amortisation Expense*

Our depreciation and amortisation expense increased by Rs. 1.00 lakhs or 0.68% to Rs. 148.33 lakhs for Fiscal 2022 compared to Rs. 147.33 lakhs for Fiscal 2021. This increase was due to purchase of vehicles & office equipment's.

#### *Profit before Tax*

As a result of the foregoing factors, our profit before tax increased by Rs. 89.16 lakhs or 67.30% to Rs. 221.65 lakhs for Fiscal 2022 as compared to Rs. 132.49 lakhs for Fiscal 2021. This increase was on account of increased order flow, higher productions and better realizations.

#### *Tax Expenses*

Our tax expenses increased by Rs. 23.13 lakhs or 63.14% to Rs. 59.76 lakhs for Fiscal 2022 compared to Rs. 36.63 lakhs for Fiscal 2021. The increase in tax expenses during Fiscal 2022 is mainly on account of increase in current tax by Rs. 25.49 lakhs, or 80.28%, to Rs. 57.24 lakhs for Fiscal 2022 from Rs. 31.75 lakhs for Fiscal 2021. The increase in current tax was primarily on account of increase in taxable income for Fiscal 2022.

#### *Profit for the Year*

As a result of the foregoing factors, our profit for the year increased by Rs. 66.02 lakhs or 68.87% to Rs. 161.88 lakhs for Fiscal 2022 compared to Rs. 95.86 lakhs for Fiscal 2021.

## FISCAL 2021 COMPARED TO FISCAL 2020

### Income

The table below sets forth details in relation to our revenue for Fiscal 2021 and Fiscal 2022:

Particulars	Fiscal 2021 (In Lakhs)	Fiscal 2020 (In Lakhs)	% Increase/(decrease)
Sale of products (a)	12,398.37	15,146.59	-18.14%
-Domestic Sales	11,670.07	14,822.58	-21.27%
-Export Sales	728.3	324.01	124.78%
Other Income (b)	38.3	64.18	-40.32%
<b>Total Revenue (a+b)</b>	<b>12,436.67</b>	<b>15,210.77</b>	<b>-18.24%</b>

Our revenue from operations decreased by Rs. 2,774.10 lakhs or 18.24% to Rs. 12,436.67 lakhs for Fiscal 2021 as compared to Rs. 15,210.77 lakhs for Fiscal 2020. This decrease in revenue from operations was primarily due to covid-19 pandemic.

Our revenue from domestic sales decreased by Rs. 3,152.51 lakhs or 21.27% to Rs. 11,670.07 lakhs for Fiscal 2021 from Rs. 14,822.58 lakhs in Fiscal 2020 while our revenue from export sale increased by Rs. 404.29 lakhs or 124.78% to Rs. 728.30 lakhs for Fiscal 2021 from Rs. 324.01 lakhs for Fiscal 2020.

Other income also decreased by Rs. 25.88 lakhs or 40.32% to Rs. 38.30 lakhs for Fiscal 2021 compared to Rs. 64.18 lakhs for Fiscal 2020. This decrease in other income was primarily due to decrease in interest income.

### Expenses

The table below sets forth details in relation to our total expenses for Fiscal 2022 compared to our total expenses for Fiscal 2021:

Particulars	Fiscal 2021 (In Lakhs)	Fiscal 2020 (In Lakhs)	% Increase/(decrease)
Cost of Material Consumed	10,020.79	12,933.27	-22.52%
Changes in Inventories of Finished goods and Work-in-process	338.59	-150.27	-325.32%
Employee Benefits Expense	491.43	541.89	-9.31%
Finance Cost	332.74	403.35	-17.51%
Depreciation	147.33	148.09	-0.51%
Other Expenses	973.3	1,202.84	-19.08%
<b>Total Expenses</b>	<b>12,304.18</b>	<b>15,079.18</b>	<b>-18.40%</b>

Our total expenses increased by Rs. 2,775.00 lakhs or 18.40% to Rs. 12,304.18 lakhs for Fiscal 2021 compared to Rs. 15,079.18 lakhs for Fiscal 2020. This was primarily attributable to:

### Cost of Material Consumed

The table below sets forth details in relation to our cost of materials consumed for the periods indicated below:

Particulars	Fiscal 2021 (In Lakhs)	Fiscal 2020 (In Lakhs)	% Increase/(decrease)
Opening Stock	98.72	263.05	-62.47%
Add: Purchases	10,170.53	12,768.94	-20.35%
Less: Closing Stock	248.46	98.72	151.68%
<b>Cost of Material Consumed</b>	<b>10,020.79</b>	<b>12,933.27</b>	<b>-22.52%</b>

Our cost of materials consumed decreased by Rs. 2,912.48 lakhs or 22.52% to Rs. 10,020.79 lakhs for Fiscal 2021 compared to Rs. 12,933.27 lakhs for Fiscal 2020. This decrease was primarily due to decrease in production due to covid-19 pandemic. The factory was lockdown due to restriction imposed by central government in light of covid-19.

### *Change in inventories of finished goods and work-in-progress*

The table below sets forth details in relation to changes in inventories for the periods indicated below:

Particulars	Fiscal 2021 (In Lakhs)	Fiscal 2020 (In Lakhs)	% Increase/(decrease)
Opening Stock of Finished Goods	284.19	144.97	96.03
Opening Stock of work-in-progress	756.74	745.69	1.48%
<b>Total (a)</b>	<b>1,040.93</b>	<b>890.66</b>	<b>16.87%</b>
Closing Stock of Finished Goods	97.21	284.19	-65.79%
Closing Stock of work-in-progress	605.13	756.74	-20.03%
<b>Total (b)</b>	<b>702.34</b>	<b>1,040.93</b>	<b>-32.53%</b>
<b>Changes in Inventories (a-b)</b>	<b>338.59</b>	<b>(150.27)</b>	<b>-325.32%</b>

Our inventory level for finished goods in Fiscal 2021 had decreased by Rs. 186.98 lakhs i.e. from Rs. 284.19 lakhs in Fiscal 2020 to Rs. 97.21 lakhs in Fiscal 2021. The level of work in progress had also decreased by Rs. 151.61 lakhs i.e. from Rs. 759.74 lakhs in Fiscal 2020 to Rs. 605.13 lakhs in Fiscal 2021. The decrease in inventory of finished good & work-in-progress are in line with turnover & production in the Fiscal 2021. The business was impacted by covid-19 which is similar the Indian as well as world economy in FY 2020-21.

#### *Employee benefits expense*

Our employee benefits expense decreased by Rs. 50.46 lakhs or 9.31% to Rs. 491.43 lakhs for Fiscal 2021 from Rs. 541.89 lakhs for Fiscal 2020. The decrease primary due to lockdown imposed by the central government to restrict the impact of covid-19, inline of the lockdown the cost related to staff welfare, contribution to provident & other funds and other benefits has been also decreased simultaneously.

#### *Other expenses*

Our other expenses also decreased by Rs. 229.54 lakhs or 19.08% to Rs. 973.30 lakhs for Fiscal 2021 as compared to Rs. 1,202.84 lakhs for Fiscal 2020. This decrease was primarily due to decrease in Repair and Maintenance - Machinery, spares and tools consumed, power and fuel and freight cost which was due to decrease in production and sales during the year. Further, as a percentage of our revenue from operation, the other expenses also decreased to 7.83% in Fiscal 2021 from 7.91% in Fiscal 2020.

#### *EBITDA*

For the reasons described above, our EBITDA decreased by Rs. 70.47 lakhs, or 10.32%, to Rs. 612.26 lakhs for Fiscal 2021 from Rs. 683.03 lakhs for Fiscal 2020.

#### *Finance costs*

The table below sets forth details in relation our finance cost for the periods indicated below:

Particulars	Fiscal 2021 (In Lakhs)	Fiscal 2020 (In Lakhs)	% Increase/(decrease)
Interest paid to Banks	228.56	246.47	-7.27%
Interest paid to others	95.46	140.30	-31.96%
Other Finance Cost	8.72	16.59	-47.44%
<b>Finance cost</b>	<b>332.74</b>	<b>403.35</b>	<b>-17.51%</b>

Our finance costs decreased by Rs. 70.61 lakhs or 17.51% to Rs. 332.74 lakhs for Fiscal 2021 compared to Rs. 403.35 lakhs for Fiscal 2020. This decrease was primarily due to decrease in interest paid to banks & others and other finance cost.

### Depreciation and Amortisation Expense

Our depreciation and amortisation expense decreased by Rs. 0.76 lakhs or 0.51% to Rs. 147.33 lakhs for Fiscal 2021 compared to Rs. 148.09 lakhs for Fiscal 2020.

### Profit before Tax

As a result of the foregoing factors, our profit before tax slightly increased by Rs. 0.90 lakhs or 0.67% to Rs. 132.49 lakhs for Fiscal 2021 as compared to Rs. 131.59 lakhs for Fiscal 2020.

### Tax Expenses

Our tax expenses increased by Rs. 12.90 lakhs or 57.36% to Rs. 36.63 lakhs for Fiscal 2021 compared to Rs. 23.73 lakhs for Fiscal 2020. The increase in tax expenses during Fiscal 2021 is mainly on account of increase in current tax & deferred tax by Rs. 12.48 lakhs, or 52.59%, to Rs. 36.21 lakhs for Fiscal 2021 from Rs. 23.73 lakhs for Fiscal 2020. The increase in current tax was primarily on account of increase in taxable income for Fiscal 2021.

### Profit for the Year

As a result of the foregoing factors, our profit for the year decreased by Rs. 12.01 lakhs or 11.13% to Rs. 95.86 lakhs for Fiscal 2021 compared to Rs. 107.87 lakhs for Fiscal 2020

## CASH FLOW BASED ON RESTATED STANDALONE FINANCIAL STATEMENTS

(In Lakhs)

Particulars	September 30, 2022	FISCAL		
		2022	2021	2020
Net cash generated from operating activities	840.80	(176.72)	393.69	618.16
Net cash (used in)/generated from investing activities	113.54	(220.25)	2.34	(102.93)
Net cash (used in)/generated from financing activities	(962.57)	353.93	(319.12)	(535.92)
Cash and cash equivalents at the end of the year	(8.23)	(43.04)	76.92	(20.68)

For further details, kindly refer chapter titled "Financial Statement" on page 168.

### Other Key Ratios

Ratios	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Current Ratio	1.61	1.49	1.53	1.54
Debt-equity ratio	1.80	2.44	2.28	2.40
Debt service coverage ratio	0.79	1.06	1.15	1.04
Return on Equity	12.02%	8.07%	5.23%	5.86%
Net capital turnover	5.54	9.65	8.02	9.87
Net profit margin (%)	1.31%	0.88%	0.76%	0.66%
Return on capital employed	8.34%	12.56%	11.89%	13.57%

### Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / Total Equity
3. Debt Service Coverage Ratio = EBITDA / (Interest + Long term Borrowing Repayment)
4. Return on Equity Ratio = Profit After Tax / Total Equity
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Revenue
- 10 Return on Capital Employed= EBIT/ (New Worth + Debt + Deferred Tax)

## OTHER MATTERS

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled *Risk Factors* beginning on page 22, to our knowledge there are no known significant economic changes that materially affected or are likely to affect income from continuing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled *Risk Factors* beginning on page 22, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **4. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by multiple factors such as industry preferences, economic activity, government policies and demand of our products.

### **5. The extent to which material increase/decrease in net revenue are due to increase/decrease in sale of our products.**

Increase/Decrease in revenues are by and large linked to increase/decrease in volume of business activities carried out by the Company.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in Steel Industry and relevant industry data, as available, has been included in the chapter titled "*Our Industry*" beginning on page 95.

### **7. Status of any publicly announced new products or business segments**

Our Company has not announced any new products or segment, other than through this Prospectus.

### **8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

### **9. Any significant dependence on a single or few clients.**

Our business is dependent on few clients. Our top ten customers contributed 63.41%, 57.26%, 53.33% and 44.30% of total revenue from operations for the period ended as on September 30, 2022 & F.Y. 2021-22, 2020-21 and 2019-20 respectively.

### **10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled *Our Business* on page 105.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoter.

Our Board, in its meeting held on December 23, 2022, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited standalone financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 10.00% of the Company’s trade payables for the last audited financial statements.

#### A. LITIGATION INVOLVING OUR COMPANY

##### A.1. LITIGATION FILED AGAINST OUR COMPANY

1. **Litigation Involving Criminal Matters:** NIL
2. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation/Matters involving Tax Liabilities:**
  - i. **Direct Tax Liabilities:** NIL
  - ii. **Indirect Tax Liabilities:** NIL
4. **Other Pending Litigations:** NIL

##### A.2 LITIGATIONS FILED BY OUR COMPANY

###### 1. Litigation Involving Criminal Matters: NIL

Sr. No.	Respondent/Defendant	Court	Case Details	Current Status
1.	M/s. Govil Steel Tubes, D-1648, DSIDC, Narela, Industrial Area, Delhi - 110040 through its Proprietor/authorized signatory. And its proprietor Sh. Ankit Mangla	Court of Sh. Sunil, Judicial Magistrate First Class, Hisar	Criminal complaint U/S 138 Negotiable Instrument Act is pending against respondents for dishonor of their cheque of Rs. 300,000/-.  Case CIS No. Nact/2039/2018	Two complaints of Rs. 300,000/- each is pending against the respondent.  Respondent proprietor in order to settle both matters has given a statement for the payment of Rs. 570,000/- in monthly

				<p>instalments of Rs. 50,000/-.</p> <p>The respondent has already paid an amount of Rs. 220,000/-. The matter is pending with the court awaiting remaining payment.</p>
2.	M/s. Govil Steel Tubes, D-1648, DSIDC, Narela, Industrial Area, Delhi - 110040 through its Proprietor/authorized signatory. And its proprietor Sh. Ankit Mangla	Court of Sh. Sunil, Judicial Magistrate First Class, Hisar	<p>Criminal complaint U/S 138 NI Act is pending against respondents for dishonour of their cheque of Rs. 300,000/-</p> <p>Case CIS No. Nact/2282/2018</p>	<p>Two complaints of Rs. 300,000/- each is pending against the respondent.</p> <p>Respondent proprietor in order to settle both matters has given a statement for the payment of Rs. 570,000/- in monthly instalments of Rs. 50,000/-.</p> <p>The respondent has already paid an amount of Rs. 220,000/-. The matter is pending with the court awaiting remaining payment.</p>
3.	Delta Technologies, 76-3, Shed No. 11, Shardhamma Ind. Estate, Begur Koppa Road, Mylasandra, Near Venamacircle Bangalore- and Also Against Its Proprietor Ms. Tasneem Gandhi.	Court of Ms. Harjot Kaur, Judicial Magistrate First Class, Hisar	<p>Criminal complaint U/S 138 NI Act is pending against respondents for dishonor of their cheque of Rs. 50,150/-</p>	<p>Matter is pending before court for service of Summons of respondents.</p>

**2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

**3. Litigation Involving Tax Liabilities: NIL**

**4. Other Pending Litigations:**

Sr. No.	Respondent/Defendant	Court	Case Details	Current Status
1.	Manish Agencies, 201-“Arista” The Business Hub, Near Rahul Tower Cross Road, Near Madhur Hall, Anand Nagar Road, Satellite, Ahmedabad, Gujrat-380015 a sole proprietorship concern and against its Proprietor Smt. Rashmi Maheshwari.	Court of Sh. Abhishek Chaudhary Civil Judge Junior Division-Hisar	This matter is a civil suit for recovery of an outstanding amount of just Rs. 60,322/- only.	Matter is pending before court for exparte evidence of plaintiff.
2	Smt. Urmila w/o Late Sh. Sobhan Singh R/o Mohalla Shree Nagar, Mirzapur Road, Tehsil and District Hisar and others.	Punjab and Haryana High Court at Chandigarh	<p>This is a FAO filed by the company against the order of Commissioner Under the Employee’s Compensation Act at Hisar. In this matter an order of payment of compensation of Rs. 747,600/- along with interest @ 12% per annum had been passed against company by the court at Hisar.</p> <p><b>The entire amount of compensation awarded against company has already been deposited in court along with interest.</b></p> <p>No amount/liability is pending.</p>	The FAO (First Appeal against order) filed by the company is still pending before High Court as the company is of the view that the deceased was not the employee of company as such no order of payment of compensation should have been passed against company.

**B. LITIGATIONS INVOLVING OUR DIRECTORS**

**B.1 LITIGATIONS FILED AGAINST THE DIRECTORS**

**1. Litigation involving Criminal Matters: NIL**

**2. Litigation involving Actions by Statutory/Regulatory Authorities: NIL**

### 3. Litigation Involving Tax Liabilities

#### 3.1 Mr. Kuldip Bhargava

- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL

#### 3.2 Mr. Tejasvi Bhargava

- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL

#### 3.3 Mr. Yashvir Singh

- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL

#### 3.4 Other Pending Litigations: NIL

## B.2 LITIGATIONS FILED BY OUR DIRECTORS

- 1. Litigation involving Criminal Matters: NIL
- 2. Litigation involving Actions by Statutory/Regulatory Authorities: NIL
- 3. Litigation Involving Tax Liabilities: NIL
- 4. Other Pending Litigations: NIL

## C. LITIGATIONS INVOLVING OUR GROUP COMPANIES

### C.1 LITIGATION FILED AGAINST OUR GROUP COMPANIES

- i. Litigation Involving Criminal Matters: NIL
- ii. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- iii. Litigation/Matters involving Tax Liabilities:

#### Direct Tax Liabilities: Quality Stainless Private Limited

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand including interest, if any Amount (Rs.)
1	Outstanding Demand including Accrued Interest	143(1)(a)	2021-22	Rs. 5,160

- iv. Other Pending Litigations:

*Civil proceedings against our Group Company i.e. Quality Stainless Pvt. Limited, Hisar.*

A case titled Neoli Sugar Factory vs Quality Stainless for recovery of Rs. 1609462/-had been filed against Quality Stainless in the Civil Court at Kansiram Nagar (Kashganj) Uttar Pradesh in the year 2010. The said suit had been filed by the plaintiff for the refund of its above-mentioned amount. The suit has been

contested by the company inter-alia on the ground that plaintiff had deposited this amount as 30% advance of its purchase order in order to manufacture/process the material as per the requirements of plaintiff such as size, thickness, length of material. After the manufacturing of goods plaintiff failed to take the delivery of the material after depositing the remaining balance (70%) amount. The material was manufactured specially as per the requirement of plaintiff and the said material was not of any use for any other buyer in the open market and as such in order to cover the loss of company advance amount deposited by the plaintiff can-not be returned because advance amount in any transaction is always taken in order to secure the manufacturer.

**The said suit has been dismissed by the court on account of nonappearance of plaintiff on 30.09.2022. And as on today the said suit is non-existent. However, there are possibilities that the suit of the plaintiff may be restored in case of its reasoned written application to restore the same.**

## C.2 LITIGATIONS FILED BY OUR GROUP COMPANIES

1. **Litigation Involving Criminal Matters: NIL**
2. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
3. **Litigation Involving Tax Liabilities: NIL**
4. **Other Pending Litigations: NIL**

## D. LITIGATIONS INVOLVING DIRECTORS OF OUR GROUP COMPANIES

### C.1 LITIGATION FILED AGAINST THE DIRECTORS OF GROUP COMPANIES

- i. **Litigation Involving Criminal Matters: NIL**
- ii. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- iii. **Litigation/Matters involving Tax Liabilities:**

#### i. **Direct Tax Liabilities: Mr. Tapasvi Bhargava**

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand including interest, if any Amount (Rs.)
1	Outstanding Demand including Accrued Interest	154	2020-21	Rs. 1,25,620

#### ii. **Indirect Tax Liabilities: NIL**

#### iv. **Other Pending Litigations: NIL**

## 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 will be available on the website of our Company.

As on March 31, 2022, there are 2 Creditors to whom we owe more than 10% of our total creditors. The total amount payable to these creditors is Rs. 328.93 Lakhs (i.e. 86.35%) out of the total Creditors of Rs. 380.92 Lakhs on standalone basis.

And as on September 30, 2022, there are 2 Creditors to whom we owe more than 10% of our total creditors. The total amount payable to these creditors is Rs. 82.15 Lakhs (i.e. 31.37 %) out of the total Creditors of Rs. 261.82 Lakhs on standalone basis.

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure in relation to amount unpaid together with interest payable have not been furnished.

#### **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 175, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this Issue and our current 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 Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### INCORPORATION DETAILS OF THE COMPANY

1. Certificate of Incorporation upon conversion of Partnership Firm to a Private Company under the provisions of Companies Act, 1956 with the name and style of “Quality Foils (India) Private Limited” dated May 08, 1990 from the Registrar of Companies, NCT of Delhi & Haryana.
2. The word “Private” has been deleted under section 43A(1A) of the Companies (Amendment) Act, 1974 and the name was changed to “Quality Foils (India) Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated August 08, 1993.
3. The word “Private” has been added under the section 43A(2A) of the Companies (Amendment) Act, 2000 and the name was again changed to “Quality Foils (India) Private Limited” under the seal of Registrar of Companies, NCT of Delhi & Haryana dated June 29, 2001.
4. Company was converted into Public Limited company pursuant to which the name of our Company was changed to “Quality Foils (India) Limited” vide shareholder’s approval on November 12, 2022 and fresh certificate of incorporation dated November 25, 2022.

### APPROVALS IN RELATION TO THE ISSUE

#### Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on November 26, 2022 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 December 19, 2022 Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.

### APPROVAL FROM STOCK EXCHANGE

Our Company has received in- principle listing approval from the NSE Emerge dated February 24, 2023 for listing of Equity Shares issued pursuant to the issue.

## OTHER APPROVALS

1. Our Company's International Securities Identification Number (“ISIN”) is INE001M01015.
2. Our Company has entered into an agreement on December 08, 2022 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
3. Our Company has entered into an agreement on December 19, 2022 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

## KEY APPROVALS

### Key approvals applied for by our Company but not received

Nil

### Key approvals required but not applied for by our Company

Nil

## APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

### A. Under Direct and Indirect Laws

Sr. No.	Nature of License / Approvals / Registrations	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AAACQ0304Q	Perpetual	-
2.	Allotment of Tax Deduction Account Number (TAN)	Income tax Department, Govt. of India	TAN: RTKQ00019F	Perpetual	-
3.	Registration under Goods and Service Tax for	Central Board of Indirect Taxes and Customs, Central Excise Division,	GSTIN: 06AAACQ0304Q1ZI	Perpetual	-

### B. Business Related Certifications

Sr. No.	Nature of License / Approvals / Ratings	Authority	Particulars of License / Approvals / Certificate no.	Date of Issue	Validity Period
1.	Importer-Exporter Certificate	Directorate General of Foreign Trade, Ministry of Commerce and Industry	IEC No.: 0590023411	February 22, 1991	Perpetual

2.	Approval of plan under the Factories Act, 1948 granted to the Company for its factory at 3, Industrial Development Colony, Hisar Haryana-125005, India.	Chief Inspector of Factories, Haryana, Chandigarh, Directorate of Industrial Safety and Health	Registration No.: HSR-ONLINE-CHD-Q-2	November 05,2020	December 31, 2025
3.	Udyam Registration Certificate	Ministry of Micro, Small and Medium Enterprises	UDYAM-HR-06-0000039	July 07, 2020	Perpetual
4.	ISO 9001:2015	The Certification Body of TUV SUD South Asia Private Limited	Registration No.: 99 100 03381	August 30, 2022	December 19, 2025
5.	ISO 45001:2018	Quality Research Organisation	Certificate No.: 305021121515HS	December 15, 2021	December 14, 2024
6.	Entrepreneurs Memorandum Number	District Industries Manager, Hisar	060121300001	November 17, 2008	Perpetual

### C. LABOUR RELATED APPROVALS

Sr. No.	Nature of License / Approvals / Ratings	Authority	Particulars of License / Approvals	Date of Issue	Validity Period
1.	ESIC Code	Employees State Insurance Corporation	13000108670000503	September 27, 2013	Perpetual
2.	EPF Code	Employees Provident Fund	PF Id.: GNRTK0003768000	March 23, 1982	Perpetual

### D. INTELLECTUAL PROPERTY RELATED APPROVALS

Sr. No.	Trademark Certificate No.	Issuing Authority	Description of Goods and Services	Class	Status	Trademark
1.	1240021	Registrar of Trade Marks	Stainless Steel Strips, Tubes and Pipes; Flexible Tubes made of metal and other steel products	6	Registered	
2.	1240091	Registrar of Trade Marks	Stainless Steel Strips, Tubes and Pipes; Flexible Tubes made of metal and other steel products	6	Registered	

3.	1261330	Registrar of Trade Marks	Stainless Steel Strips, Tubes and Pipes; Flexible Tubes made of metal and other steel products	6	Registered	
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#### E. Environment Related Approvals

Sr. No.	Nature of License / Approvals / Ratings	Authority	Particulars of License / Approvals	Date of Issue	Validity Period
1.	Storage of Petroleum Class 'C' at Hissar	Government of India Department of Explosive	No. Hn/HP/Hisar/13	May 20, 1982	Perpetual
2.	Approval of use of effluents to operate under Haryana State Pollution Control	Regional Officer, Hissar, Haryana State Pollution Control Board	Consent no.: 313102620HISCTO7733749	October 01, 2020	September 30, 2025



As on the date of this Prospectus, we are using  as our logo.



Currently we are using  as one of our trademarks. This Logo is not owned by us and same has been using vide No Objection Certificate dated January 07, 2022 given by Quality Stainless Private Limited, a promoter group Company.

**IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.**

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

#### Corporate Approvals

- ✓ Our Board has authorized the Fresh Issue of Equity shares by a resolution dated November 26, 2022, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- ✓ Our shareholders have, pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on December 19, 2022, at the Registered office of our Company under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
- ✓ Our Company has obtained in-principle approval dated February 24, 2023 from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### Approvals from Lenders

- ✓ We have received the No Objection Certificates from Axis Bank Limited dated January 12, 2023, from ICICI Bank Limited dated January 04, 2023 and from Kotak Mahindra Bank Limited dated January 19, 2023.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoter or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoter and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Prospectus.

### ELIGIBILITY FOR THE OFFER

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(1) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post offer face value capital is less or equal to Rupees Ten Crores, offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on May 08, 1990, under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana.
- b) As on the date of this Prospectus, our Company has a total paid-up capital (face value) of Rs. 210.00 Lakhs comprising 21,00,000 Equity Shares of Rs.10/- each and the Post Offer paid-up Capital (face value) will be Rs. 285.40 Lakhs comprising 28,54,000 Equity Shares which shall be below Rs. 25 crores.
- c) Our Promoter has a track record of over three decades as on date of filing of this Prospectus.
- d) Our company including had positive cash accruals (earnings before interest, depreciation and tax) from operations in 3 out of 3 financial years preceding the date of this Prospectus and its net-worth is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) Other Disclosures:
  - We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) of our company in the Prospectus.
  - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) during the past three years except as mentioned in the Prospectus.
  - We have disclosed the details of our company, Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 188.
  - We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 188.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a. The Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b. Our Company has entered into an agreement with NSDL on December 08, 2022 and with CDSL on December 19, 2022 for dematerialisation of its Equity Shares already issued and proposed to be issued.

- c. The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d. The entire Equity Shares held by the Promoter will be in dematerialised form before filing the prospectus with NSE, SEBI & RoC.
- e. The fund requirements set out for the Objects of the Offer are proposed to be met entirely either from the Net Proceeds or from Internal Accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Issue*” on page 81.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- a. Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- b. None of our Promoter or Directors are Promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c. Neither our Company nor our Promoter or Directors is a wilful defaulter or fraudulent borrower.
- d. None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

In accordance with Regulation 246 of the SEBI ICDR Regulations, the lead manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.

In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 53.

In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

## DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER KHAMBATTA SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT 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 OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MERCHANT BANKER ARE 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, KHAMBATTA SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 10, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.

Note: All legal requirements pertaining to the Offer will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26 and 28 of the Companies Act, 2013.

## DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDERS AND THE LEAD MANAGER

Our Company, Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.qualitygroup.in](http://www.qualitygroup.in), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriter and our Company and Market Maker Agreement entered into among 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.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Khambatta Securities Limited is not an

associate of the Company and is eligible to be appointed as the Lead Manager in this Offer, under SEBI MB Regulations.

Investors who apply in this Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Neither our Company nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Further, the selling shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this Prospectus in relation to itself and its respective portion of the offered shares.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2149 dated February 24, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document

for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### LISTING

Application have been made to NSE Emerge for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its NSE Emerge after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principle approval from NSE vide letter dated February 24, 2023 to use name of NSE in the Prospectus for listing of equity shares on NSE Emerge.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE Emerge, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If any such money is not unblocked within four (4) days after the issuer becomes liable to unblock it then our Company and every director of the company who is an officer in default shall, on and from the expiry of the fourth (4) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) 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 NSE Emerge mentioned above are taken within six (6) Working Days of the Offer Closing Date.

## CONSENTS

Consents in writing of: (a) The Directors, Promoter, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Banker to the Issue<sup>(#)</sup>, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been or shall be duly obtained as the case may be and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and Section 28 of the Companies Act, 2013.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s V S Jain & Associates, Chartered Accountants, have provided their written consent to the inclusion of their reports dated November 26, 2022 on Restated Financial Statements and to the inclusion of their reports dated December 22, 2022 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

## EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on Restated Financial Statements for the financial period ended September 30, 2022 & year ended March 31, 2022, 2021, and 2020 as included in this Prospectus, our Company has not obtained any expert opinion.

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

## PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 64, our Company has not made any capital issue during the previous three years.

We do not have any listed Group Company / Subsidiary / Associate as on date of this Prospectus.

## PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 64, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

**PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

Sr. No.	Issue name	Issue size (Rs. Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (Rs.)	+/- % change in Closing price, [+/-% change in benchmark ] 30 <sup>th</sup> calendar days from listing	+/- % change in Closing price, [+/-% change in benchmark ] 90 <sup>th</sup> calendar days from listing	+/- % change in Closing price, [+/-% change in benchmark ] 180 <sup>th</sup> Calendar days from listing
1.	Rudrabhishek Enterprises Limited	18.73	41	July 13, 2018	41.25	-1.68 [+3.05]	-1.56 [+2.32]	+15.95 [+0.60]
2.	Gayatri Rubbers and Chemicals Limited	4.58	30	February 07, 2023	35.00	NA	NA	NA

Sources: All share price data is from [www.nseindia.com](http://www.nseindia.com).

Note:

- The CNX Nifty are considered as the Benchmark Index
- Prices on NSE are considered for all of the above calculations
- In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
- Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

Summary statement of price information of past issues handled by Khambatta Securities Limited:

Financial Year	Total no. of IPOs	Total Funds raised (Rs. Crores)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount on as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 180 <sup>th</sup> calendar days 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%
2022-23	1*	4.58	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\*Gayatri Rubbers and Chemicals Limited got listed in NSE Emerge on February 07, 2023.

*Note: Rights Issue of HKG Limited, a company earlier listed on BSE SME, was lead managed by Khambatta Securities Limited in the Financial Year 2021-2022 and the same has not been included in the above-mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*

#### **TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.khambattasecurities.com](http://www.khambattasecurities.com).

#### **STOCK MARKET DATA OF EQUITY SHARES**

This being an initial public Offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Company have appointed Bigshare Services Private Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch.

The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board has also constituted a Stakeholders' Relationship Committee. The composition of the Stakeholders' Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Rajinder Kedia	Chairman	Independent Director
Mr. Kuldip Bhargava	Member	Executive Director
Mr. Tejasvi Bhargava	Member	Managing Director

For further details, please see the chapter titled "*Our Management*" beginning on page 138.

Our Company has also appointed Ms. Meenakshi, as the Compliance Officer of the Company and she may be contacted at the Registered Office of our Company.

**Ms. Meenakshi**

**Company Secretary & Compliance Officer**

**Quality Foils (India) Limited**

3 Industrial Development Colony,

Hisar, Haryana-125005, India

E-mail: [cs@qualityfoils.com](mailto:cs@qualityfoils.com)

Website: [www.qualitygroup.in](http://www.qualitygroup.in)

#### STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Offer, to handle the investor grievances in coordination with our Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Offer to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the NSE Emerge, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circulars”) in relation to clarifications on streamlining the process of public Issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further, SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning on page 243.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 167 and 243, respectively.

## FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of Rs. 10.00 each are being issued in terms of this Prospectus at the price of Rs. 60.00 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page 89.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 243.

## ALLOTMENT ONLY IN DEMATERIALIZED FORM

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated December 08, 2022 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated December 19, 2022 between our Company, CDSL and the Registrar to the Issue.
3. The Company’s equity shares bear ISIN – INE001M01015.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE Emerge 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 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful Applicants. Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rs. 1.00 Lakh per application.

## JOINT HOLDERS

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except

pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### NOMINATION FACILITY TO INVESTORS

In accordance with Section 72 (1) & 72 (2) 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 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, 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 Articles of Association of the Company, 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:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

### ISSUE PROGRAMME

<b>ISSUE OPENS ON</b>	March 14, 2023
<b>ISSUE CLOSES ON</b>	March 16, 2023

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

<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or Before March 21, 2023
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or Before March 22, 2023
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or Before March 23, 2023
<b>Commencement of trading of the Equity Shares on the Stock Exchanges</b>	On or Before March 24, 2023

*\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. 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.*

In terms of Regulation 265 of SEBI ICDR Regulations, the issue shall open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.

In terms of Regulation 266 (3) of SEBI ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of Regulation 266(1).

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. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Issue Closing Date or such other period as may be prescribed by SEBI.

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than 3.00

p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investors can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the 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 or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

#### MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

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 Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 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 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.

The Equity Shares have not been and will not 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 2,000 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 NSE Emerge.

## RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

The lock-in of the pre- issue capital of our Company as provided in “*Capital Structure*” beginning on page 64 and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 243.

## NEW FINANCIAL INSTRUMENTS

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue.

## MIGRATION TO MAIN BOARD

In accordance with the Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE Emerge for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the NSE Emerge on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## MARKET MAKING

The shares issued through this Issue are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE Emerge. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 53.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Issue face value capital is less than Ten (10) crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page 208 and 216 respectively.

### FOLLOWING IS THE ISSUE STRUCTURE:

Initial Public Issue of up to 7,54,000 Equity Shares for cash at a price of Rs. 60 per Equity Share (including a Share Premium of Rs. 50 per Equity Share), aggregating up to Rs. 452.40 Lakhs by our Company.

The Issue comprises a reservation of up to 38,000 Equity Shares of face value of Rs.10/- each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of up to 7,16,000 Equity Shares of face value of Rs.10/- each (“the Net Issue”). The Issue and the Net Issue will constitute 26.42 % and 25.09 %, respectively of the post issue paid-up equity share capital of the Company.

The Issue is being made through the Fixed Price Process.

Particulars	Market Maker Reservation Portion	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	38,000 Equity Shares	3,58,000 Equity Shares	3,58,000 Equity Shares
Percentage of Issue Size available for allocation	5.04 % of the Issue Size	50.00% of the net Issue shall be available for allocation	50.00% of the net Issue shall be available for allocation
Basis of Allotment	Firm Allotment	Proportionate	Proportionate subject to minimum Lot as explained in the section titled “ <i>Issue Procedure</i> ” on page 216.
Mode of Application	Only through the ASBA process.	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	38,000 Equity Shares	Such number of Equity shares in multiple of 2,000 Equity shares that Application size exceeds Rs. 2,00,000	Such number of Equity shares in multiple of 2,000 Equity shares that Application size does not exceed Rs. 2,00,000
Maximum Application Size	38,000 Equity Shares	Such number of Equity Shares in multiples of 2,000 Equity Shares not exceeding the size of the Issue, subject to limits as applicable to the Applicant	Such number of Equity shares in multiple of 2,000 Equity shares that Application size does not exceed Rs.2,00,000

Trading Lot	2,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	2,000 Equity Shares and in multiples thereof	2,000 Equity Shares and in multiples thereof
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the Applicant that is specified in the Application Form at the time of submission of the Application Form.		

*(1) 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 Regulations, shall be made as follows:*

*a) Minimum fifty per cent to retail individual investors; and*

*b) Remaining to:*

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

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

*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.”*

*(2) In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

*(3) In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please refer chapter titled “Issue Procedure” beginning on page 216.

## ISSUE PROCEDURE

### PART A

All Applicants should read the General Information Document for Investing in Public Issue (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 which is issued in supersession of the Circular SEBI Circular CIR/CFD/DIL/12/2013 dated October 23, 2013 & UPI Circular which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document will be available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) General Instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide the 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 01, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The same was applicable until June 30, 2019.

With effect from July 01, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay

in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

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 and is not liable for any amendment, modification or change in the applicable law which may occur after the date. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

Further, the Company and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

### PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RII s 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 payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six working days during this phase.

**Phase III:** 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 Issuer will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail

portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors 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, except in the QIB Portion, 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 LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the 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/UPI ID (for RII Applicants using the UPI Mechanism), 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 exchanges, 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.**

#### AVAILABILITY OF PROSPECTUS, ABRIDGED PROSPECTUS AND APPLICATION FORMS

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Investors may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White*
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue*

\*Excluding Electronic Application Form.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of

stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

**For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:**

After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

#### **WHO CAN APPLY?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. 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);
2. 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 Kartal. Applications by HUFs would be considered at par with those from individuals;
3. 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;
4. Mutual Funds registered with SEBI;
5. 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;
6. 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);

7. 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;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. 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;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. 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;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - a. Minors (except through their Guardians)
  - b. Partnership firms or their nominations
  - c. Foreign Nationals (except NRIs)
  - d. Overseas Corporate Bodies

## MAXIMUM AND MINIMUM APPLICATION SIZE

### **For Retail Individual Investors**

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed Rs.2,00,000.

### **For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs.2,00,000 and in multiples of 2,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI ICDR 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 Investors, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## BASIS OF ALLOTMENT

- 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). For applications where the proportionate allotment works out to less than 2,000 Equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 2,000 Equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- 3) If the proportionate allotment to an applicant works out to a number that is not a multiple of 2,000 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 2,000 Equity shares subject to a minimum allotment of 2,000 Equity shares.

- 4) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2,000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Prospectus.
- 5) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - b) The balance net Issue of shares to the public shall be made available for allotment to:
    - i) Individual applicants other than retails individual investors; and
    - ii) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
- 6) Retail Individual Investors' means an investor who applies for shares of value of not more than Rs. 2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to 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.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoter, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

#### **APPLICATION BY MUTUAL FUNDS**

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 in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. 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.

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.

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.

#### APPLICATION BY HUFs

Applications by HUFs 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 may be considered at par with Applications from individuals.

#### APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 241.

#### APPLICATION BY FPIs AND FIIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April

1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "MIM Structure") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

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 Applicant on account of conversion of foreign currency.**

**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.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### 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 in consultation with the LM, 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 in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10% (1) of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;

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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*(1) The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 25 Crores, 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, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks ‘interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any

Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### APPLICATIONS BY SCSBS

SCSBs participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Issues and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Prospectus.

#### APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs 250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

**Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### METHOD AND PROCESS OF APPLICATIONS

The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## TERMS OF PAYMENT

The entire Issue price of Rs. 60 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public

Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - a. Name of the Applicant;
  - b. IPO Name;
  - c. Application Form Number;
  - d. Investor Category;
  - e. PAN (of First Applicant, if more than one Applicant);
  - f. DP ID of the demat account of the Applicant;

- g. Client Identification Number of the demat account of the Applicant;
  - h. Number of Equity Shares Applied for;
  - i. Bank Account details;
  - j. Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - k. Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

Our company has entered into an Underwriting Agreement dated December 21, 2022.

A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

## PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a Pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the Pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

## ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

## DESIGNATED DATE

On the Designated date, the SCSBs 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 4 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 relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

## GENERAL INSTRUCTIONS

### *Do's:*

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Ensure that you have apply within the Price Band
3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not a RIB bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are a RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue. Retail Individual Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank 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 (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
12. 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 Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your application;
14. Retail Individual Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. 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, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) 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;

18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. 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;
20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue;
24. 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 Exchanges 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;
25. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;

29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
31. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
32. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
33. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Retail Individual Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date.
37. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.
38. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;

5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Investors);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of 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 this Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;

23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Issue Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### GROUNDS FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” in this chapter;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Investors with Application Amount for a value of more than Rs. 200,000
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

## INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” on page 53.

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 Rs.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 LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities;*
- c. or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs 1 million 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 Rs 5 million or with both.

## DEPOSITORY ARRANGEMENTS

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated December 08, 2022 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated December 18, 2022 among CDSL, our Company and Registrar to the Issue.

## UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Issue Closing Date or within such other time period prescribed by SEBI will be taken;
3. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
4. if Allotment is not made within six working days from the Issue Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
5. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;
7. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with SEBI, in the event our Company or subsequently decide to proceed with the Issue;
8. adequate arrangements shall be made to collect all Application Forms from Applicants.
9. the Promoter's contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

## UTILISATION OF NET PROCEEDS

Our Board certifies that:

1. all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3. details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.
4. the utilisation of monies received under the Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
5. the details of all unutilised monies out of the funds received under the Promoter's contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.**

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

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 foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST 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 the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the retail trading sector, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 216. Each Applicant should seek independent legal advice about its ability to participate in the issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. 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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Applicants. Our Company, Selling Shareholders 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. Applicants are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## SECTION X-MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.

### SHARE CAPITAL AND VARIATION OF RIGHTS

#### II. 1.

1. The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.

2. Any application signed by or on behalf of an 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 the Articles, be a member.
3. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
4. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
5. (i) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.

- (ii) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.
- (iii) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
- (iv) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

## II 2.

- I (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, —
    - (a) one certificate for all his shares without payment of any charges; or
    - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- II The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.
- (i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;
  - (ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".
- III If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.
1. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

2. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
3. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.  
  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
4. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
5. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.
6. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### LIEN

7. Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid-up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
8. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
  
Provided that no sale shall be made—  
  
(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

- 9.** (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- 10.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### CALLS ON SHARES

- 11.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

- 12.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

- 13.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

- 14.** (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

- 15.** 1. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

2. Subject to the provisions of Section 50 and 179 of the Act, the Board :-

- (a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
  - (b) If it thinks fit, may pay interest upon all or any of shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.
3. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
4. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

#### **16. The Board—**

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **TRANSFER OF SHARES**

- 17.** 1. The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.
2. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) the transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;
- (iii) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;
- (iv) that a common form of transfer shall be used;
- (v) that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares;
- (vi) that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever; (vii) that any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;
- (viii) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;

(ix) Permission for Sub-Division/Consolidation of Share Certificate.

3. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.

4. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

**18.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.

**19. 1.** The Board may decline to recognise any instrument of transfer unless—

- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

2. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

**20.** (a) On giving not less than seven days? previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

(b) There shall be no charge for:

- (a) registration of shares or debentures.
- (b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
- (c) sub-division of renounceable Letters of Right;
- (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
- (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.

## TRANSMISSION OF SHARES

- 21.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.  
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 22.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—  
(a) to be registered himself as holder of the share; or  
(b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 23.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.  
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.  
(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 24.** 1. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

2. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member or debenture holder in the company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.

3. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or

give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### FORFEITURE OF SHARES

- 25.** If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 26.** The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 27.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
- 28.** (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 29.** (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 30.** (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

- 31.** 1. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
2. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.
3. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
4. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
5. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

#### **ALTERATION OF CAPITAL**

- 32.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 33.** Subject to the provisions of section 61, the company may, by ordinary resolution,-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 34.** 1. The Company may, by an ordinary resolution:-
- (a) convert any paid-up shares into stock; and
  - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
2. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:

Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

3. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

4. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

- 35.** 1. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-
- (a) its share capital;
  - (b) any capital redemption reserve account; or (c) any share premium account.

The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.

2. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.

3. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.

4. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.

### **CAPITALISATION OF PROFITS**

- 36.** (1) The company in General Meeting may, upon the recommendation of the Board resolve:-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).

(3) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

**37.** (1) Whenever such as resolution as aforesaid shall have been passed, the Board shall:-

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and (b) do all acts and things required to give effect thereto.

(2) The Board shall have full power :-

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(3) Any agreement made under such authority shall be effective and binding on all such members.

### **BUY-BACK OF SHARES**

**38.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

**39.** All general meetings other than annual general meeting shall be called extraordinary general meeting.

**40.** (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

## PROCEEDINGS AT GENERAL MEETINGS

- 41.** 1. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called
2. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided in Section 103 of the Act, a minimum of:-
- a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
  - b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
  - c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
- Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

**42.** The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**43.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

- 44.** 1. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
2. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

## ADJOURNMENT OF MEETING

- 45.** 1. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
2. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes places or at which the poll is demanded shall be entitled to a second or casting vote.
3. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

## VOTING RIGHTS

- 46.** Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and

- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 47.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 48.** (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 49.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 50.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 51.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 52.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

- 53.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 54.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 55.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

- 56. 1. The number of Directors of the Company shall not be less than three and not more than fifteen.**

**2. Name of the First Director shall be**

**1. Mr. Kuldip Bhargava**

2. *Mr. Jagdeep Bhargava*
3. *Mr. Om Prakash Kalia*
4. *Ms. Anubha Tayal*
5. *Ms. Krishna Bhargava*
6. *Ms. Anshu Bhargava*
7. *Ms. Anuradha Bhargava*

57. 1. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
2. (1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding Rs. 100,000/- (Rupees One Lacs Only);
- (2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.
- (2) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (3) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.
- (4) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-
- (a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or
  - (b) In connection with the business of the Company.
3. The Directors shall not be required to hold any qualification shares in the Company.
4. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.
5. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold

office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.

6. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.

7. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

8. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.

9. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.

10. The office of a Director shall become vacant:-

- (i) on the happening of any of the events provided for in Section 167 of the Act;
- (ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;
- (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.
- (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or
- (v) on resignation of his office by notice in writing and is accepted by the Board.

**58.** The Board may pay all expenses incurred in getting up and registering the company.

**59.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

**60.** All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**61.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

- 62.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.  
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
- 63.** 1. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
2. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
3. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.
4. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.
- 64.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(iii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote
- 65.** 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.
- 66.** 1. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
2. Subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
3. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

- 67.** (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 68.** (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 69.** (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 70.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 71.** Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof; for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

- 72.** Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 73.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

- 74.** (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (2) Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the company shall not be affixed to any Instrument except by the authority of a resolution of the Board or of a

committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

- 75.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 76.** 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.
- 77.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not, to divide, without setting them aside as a reserve.
- 78.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 79.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 80.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.  
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 81.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 82.** 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.
- 83.** No dividend shall bear interest against the company.

#### **ACCOUNTS**

- 84.** (1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.

- (2) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any or them, shall be open to the inspection of members not being Directors.
- (3) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **WINDING UP**

**85.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

**86.** Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **OTHERS**

**87.**

#### SHARE WARRANTS

1. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
2. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
  - (2) Not more than one person shall be recognised as depositor of the share warrant.
  - (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
3. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.
  - (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.

4. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

#### MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

1. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.
2. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.
3. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

#### BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.

#### AUDIT

1. (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.  
(b) The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting  
(c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.  
(d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

#### SECRECY

1. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 3 Industrial Development Colony Hisar, Haryana-125005, India, from date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS TO THE ISSUE

1. Issue Agreement December 21, 2022 dated between our Company and the Lead Manager.
2. Registrar to the Issue Agreement dated December 21, 2022 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated December 21, 2022 between our Company and the Underwriter.
4. Market Making Agreement dated December 21, 2022 between our Company, the Lead Manager and the Market Maker.
5. Public Issue Account agreement dated December 29, 2022 among our Company, the Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
6. Tripartite agreement dated December 08, 2022, among NSDL, our Company and the Registrar to the Issue.
7. Tripartite agreement dated December 19, 2022, among CDSL, our Company and the Registrar to the Issue.

#### MATERIAL DOCUMENTS TO THE ISSUE

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated May 08, 1990 bearing Corporate Identification Number as U27107HR1990PLC030929 under the name Quality Foils (India) Limited.
3. Resolution of the Board of Directors dated November 26, 2022, authorising the Issue.
4. Resolution of the shareholders dated December 19, 2022, under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.
5. Auditor's Report dated November 26, 2022 on the Restated Financial Information of our Company included in this Prospectus.
6. The Statement of Possible Tax Benefits dated December 22, 2022 from our Statutory Auditors included in this Prospectus.
7. Consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Review Auditor, Banker to our Company, Banker to the issue, the Lead Manager, the Underwriter, the Market Maker, Registrar to the Issue, Legal Advisor to act in their respective capacities.
8. Copy of approval from NSE vide letter dated February 24, 2023 to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
9. Due Diligence Certificate dated January 10, 2023 from the Lead Manager.
10. Copy of Managing Director Agreement between Mr. Tejasvi Bhargava and our Company dated March 16, 2021 for his appointment.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE CHAIRMAN & EXECUTIVE DIRECTOR OF OUR COMPANY:

Name	DIN	Designation	Signature
Kuldip Bhargava	00011103	Chairman & Director	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:

Name	DIN	Designation	Signature
Tejasvi Bhargava	00011205	Managing Director	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE EXECUTIVE DIRECTOR OF OUR COMPANY:

Name	DIN	Designation	Signature
Yashvir Singh	01166596	Executive Director	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name	DIN	Designation	Signature
Rajinder Kedia	06972312	Independent Director	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name	DIN	Designation	Signature
Sumant Bhatnagar	00341026	Independent Director	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name	DIN	Designation	Signature
Uma	08473881	Independent Director	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name	PAN	Designation	Signature
Birdhi Chand Jain	ACFPJ4108D	Chief Financial Officer	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by 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 Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Name	PAN	Designation	Signature
Meenakshi	DFRPM7399P	Company Secretary & Compliance Officer	Sd/-

**Date: March 01, 2023**

**Place: Hisar, Haryana**